

the Gordon

2020 Annual Report



The Annual Report 2020

© **The Gordon 2021**

Published by:

The Gordon

Private Bag 1

Geelong Mail Centre

Victoria, Australia 3221

ABN: 27 241 053 246

RTO: 3044

CRICOS No: 00011G

Annual Report enquiries:

P (03) 5225 0631

E marketing@gordontafe.edu.au

The Gordon Annual Reports 2019 and 2018
are available online at thegordon.edu.au

Printed June 2021

Contents

Board Chair's Welcome	2
The Organisation	
Overview	3
Organisational Chart	4
The Gordon Board	5
Board Committees	8
Executive	9
The Year in Review	
CEO's Message	11
2018 - 2021 Strategic Plan: Year Three	12
Teaching and Learning Highlights	15
Strengthening Education Pathways	16
Geelong Tech School	17
Industry and Community Engagement	19
Awards for Excellence	21
Skilling the Bay	22
Marketing and Promotion	24
International Operations	25
The Statistics	
Summary of Operating Results	26
Enrolment Statistics	27
VCE and VCAL Outcomes	28
Workforce and Employment	30
Environmental Performance	32
Occupational Health and Safety	34
Fees and Charges	35
Further Compliance Information	36
Disclosure Index	38
The Financial Report	
Gordon Institute of TAFE	FIN 1
Gotec Limited	FIN 61

Board Chair's Welcome

The Gordon Annual Report 2020

Dear Minister,

It is with great pleasure that I submit the 2020 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 during 2020. The year was incredibly challenging as we navigated life amid COVID-19, and I thank you for your resilience and commitment to The Gordon. I am especially proud of the way in which The Gordon adapted quickly and effectively to ensure ongoing training and support for our students. The speed of our courses moving online was remarkable – and essential face-to-face training continued across the year within a framework of stringent physical distancing requirements. Education is critical to our community's social and economic wellbeing, and your efforts ensure The Gordon is well placed to make an innovative contribution to the post-COVID-19 economic recovery.

To our graduates and their families, I congratulate you on your achievement. The completion of your qualification is a great personal triumph – and a milestone that is also shared by parents, siblings and friends who contributed to your success. We are all proud of your achievement and wish you well in your chosen career as you leave The Gordon as one of our valued ambassadors.

Along with ensuring students were supported through uncertain and challenging times, The Gordon Board ensured other commitments and priorities continued to advance, remaining focused on the Institute's Strategic Plan, 2018-2021.

The Board is committed to delivering an exceptional student experience, centred on inspirational teaching and learning opportunities. High-quality teaching and learning are fundamental to achieving our vision for the future, and for further building on our reputation as one of Australia's leading education and training providers. I am pleased to report that The Gordon's student and employer outcome measures continue to exceed independent sector benchmarks. In 2020, the Institute also delivered an innovative suite of micro-credentials for the Health Industry.

Supporting community priorities through training and re-skilling is central to the Institute's vision for the future. Skilling the Bay is at the forefront of the Institute's community engagement, delivering education, employment and skills initiatives that connect education and industry with the community. This is a unique regional initiative focused on growing Geelong's future workforce. I was delighted by the additional \$1.6 million funding commitment to Skilling the Bay announced in the November 2020 Victorian State Budget. This funding recognises the important role Skilling the Bay plays in the regional education landscape, linking students with vocational opportunities.

The Board is focused on additional investment in infrastructure, equipment and technology to meet new skills requirements brought about by a changing economy. I am thrilled that 2020 saw the commencement of our new Culinary School Project, which will transform our facility into a world-class hospitality and cookery training centre. The Culinary School Project is a story of strategic value and opportunity, where we meet, on the one hand, the needs of an industry with a very strong growth trajectory and, on the other, the needs of our community for strong pathways to employment.

On behalf of the Board, I would like to acknowledge our Chief Executive Officer, Joe Ormeno, for his exceptional leadership during a year of unprecedented disruption and complexity. I also wish to thank the Executive Leadership Team and Board Secretary Katrina Scano for their efforts to ensure students and stakeholders alike are provided with the very best experience.

I acknowledge and thank the Hon. Gayle Tierney MP, the Minister for Training and Skills and the Minister for Higher Education, for her support in 2020. The Minister and the Department of Education and Training's commitment and ongoing support during a challenging yet rewarding year for The Gordon is greatly appreciated.

I would also like to thank Board members for their commitment to leading and supporting The Gordon throughout this year. The Board continues to share a clear vision for vocational education and a commitment to improving educational outcomes.



Justin Giddings
Board Chair
March 2021

The Organisation

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 and, in particular, the education of the disadvantaged. After his passing at the Siege of Khartoum in 1885, the people of Geelong, inspired by the General, determined to build a meaningful 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. This building remains today and houses the Davidson Restaurant, forming part of The Gordon Culinary School.

The Gordon today

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

While serving Geelong and the surrounding communities for more than 130 years, The Gordon has recently expanded operations into the Wyndham area, with several campuses offering a range of courses, apprenticeships, and traineeships to western metropolitan communities. Providing to a broader community, The Gordon continues to deliver quality education and training to meet current and future workforce needs and provides clear pathways to further study.

Moving to remote learning for the majority of 2020 in response to the global Covid-19 pandemic, The Gordon, as an essential service provider, offered more than 130 nationally accredited qualifications, 42 other accredited training products, a range of VCE and VCAL programs, and 64 accredited and non-accredited specialist short courses. This saw the delivery of an extensive range of study options for students with qualifications ranging from Certificate I through to the Advanced Diploma level across campuses and locations in Geelong, Wyndham, Colac, and Ballarat.

The Geelong Tech School, which is hosted by The Gordon at its Geelong City Campus, continued to engage secondary students, teachers, industry and the community in STEM learning programs.

In 2020, The Gordon registered more than 16,000 enrolments, equating to more than 14,000 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 3,500 apprenticeships and traineeships Australia-wide.

With more than 600 staff and approximately 60 percent of students from the wider Geelong region, The Gordon plays a key leadership role in assisting the region's economic and social development. In 2020 the Institute was awarded the prestigious Victorian Learn Local Collaboration Award, in partnership with Cloverdale Community Centre.

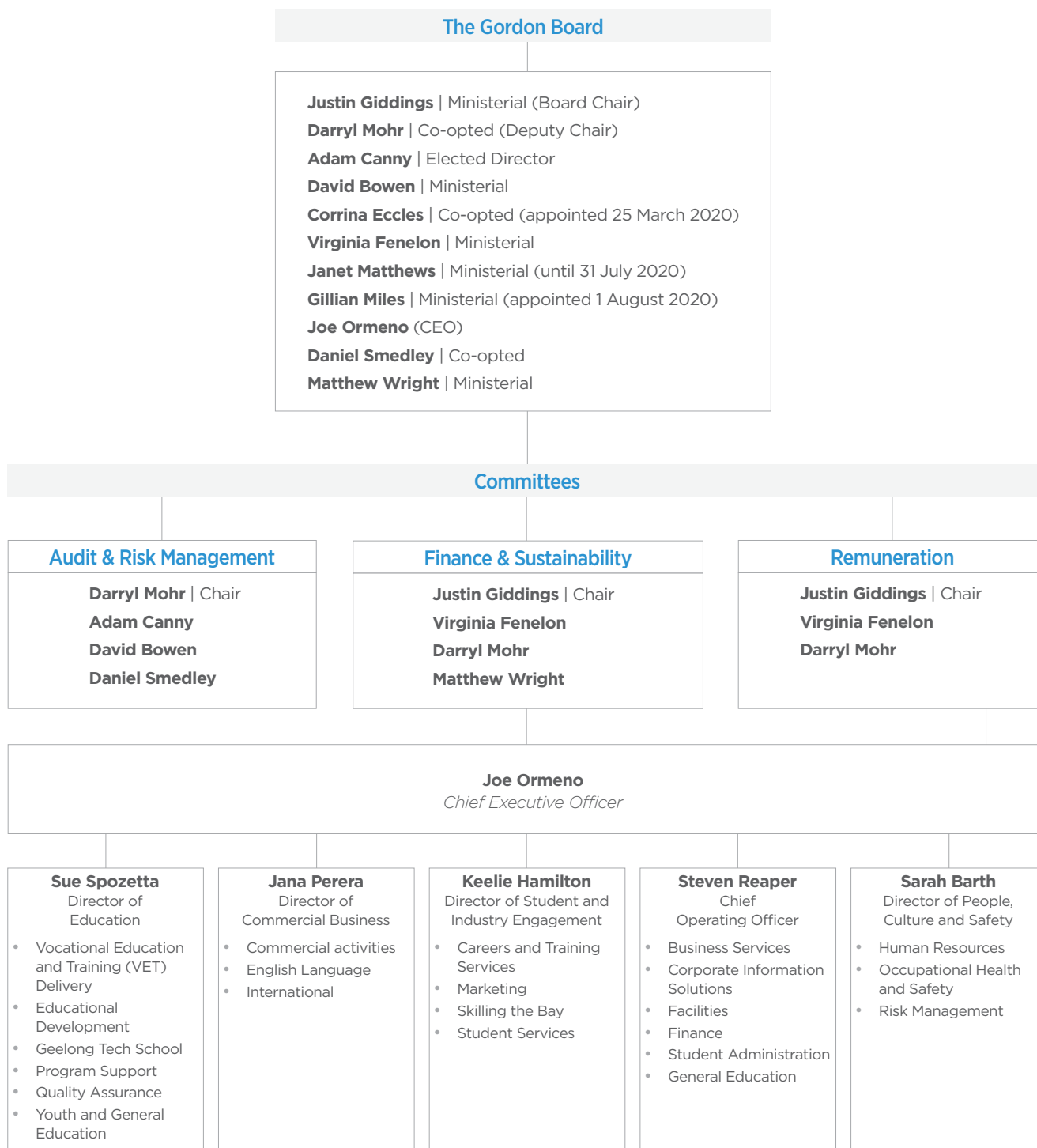
The Gordon works in partnership with secondary schools, universities, employers and the community to deliver positive learning outcomes. The Gordon also continues to focus on building its onshore and offshore international delivery.

Tailoring International Skills Training programs for vocational education teachers in Chongqing, The Gordon continued to support educational Institutes in China to adapt to a changing world. The Gordon additionally made its international online debut, delivering a Diploma of Building Construction program to overseas students through online mediums in 2020.

The Gordon's objectives, powers and functions are set out in the Constitution, which was 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 the Minister for Higher Education.



Organisational Chart



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 and 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 of the strategic plan and obtain approval of the 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 to which 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 2018-2021 Strategic Plan sets out the Institute's strategic direction and strategic priorities.

Summary of training

All Board members undertook Governance training provided by the VTA, where appropriate.

Summary of performance and activities of the Board

Key priorities and major decisions during 2020 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
- Overseeing of the third year of 2018 – 2021 Strategic Plan;
- Monitored the Geelong Tech School project
- Monitored the Culinary School Development project
- Overseeing of the performance indicators and targets, and reviewed The Gordon's performance against those targets
- Progressed the Institute's Wyndham Growth Strategy
- Oversight 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 any financial risks to which 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
- Approved the Institute's inaugural Reconciliation Action Plan (RAP).

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 2020 the following Directors served on The Gordon Board:

- Justin Giddings | Ministerial (Board Chair)
- Darryl Mohr | Co-opted (Deputy Chair)
- Adam Canny | Elected Director
- David Bowen | Ministerial
- Corrina Eccles | Co-opted (appointed 25 March 2020)
- Virginia Fenelon | Ministerial
- Janet Matthews | Ministerial (until 31 July 2020)
- Gillian Miles | Ministerial (appointed 1 August 2020)
- Joe Ormeno (CEO)
- Daniel Smedley | Co-opted
- Matthew Wright | Ministerial

Justin Giddings (Board Chair)

Justin joined the Board in 2012. He is currently the CEO of Avalon Airport and was previously the Commercial and Operations Manager at Essendon Airport for seven years. He is also currently a board member of the Committee for Geelong and holds advisory roles on various boards and committees for both the Victorian Government and local education sector. Justin is also a fully qualified Aircraft Maintenance Engineer.

Darryl Mohr (Deputy Chair)

Darryl joined the Commonwealth Bank in 2013 and as the General Manager is responsible for the Bank's regional Business and Agribusiness customers across regional Victoria and Tasmania. His team consists of 160 staff located in 15 locations across the two states. Darryl has over 28 years' experience within the financial services industry, having undertaken a broad range of roles, including customer relationship roles, people and leadership roles, along with targeted strategy and project assignments. Darryl has also been a Committee member of Regional Development Australia (Barwon South West region) a joint Federal and State Government initiative to support economic development in Regional Australia.

Darryl holds a Bachelor of Business degree, is a CPA Australia graduate, an Australian Institute of Company Directors graduate, a Lean Six Sigma graduate and a Cranlana alumni. Additionally Darryl has completed the Harvard Business School Global Agribusiness seminar in Boston USA (2012) and in Shanghai (2014) and recently completed the Global Advanced Risk Management program at The Wharton Business School at Pennsylvania University in Philadelphia USA in June 2019.

Adam Canny

Adam is a qualified motor mechanic and trainer in the Automotive Department of The Gordon which services apprentices in and around the Greater Geelong region.

Since leaving school, Adam has completed six different qualifications with The Gordon, including his apprentice and teaching qualifications. Adam holds multiple roles within The Gordon, which allow him to enjoy substantial consultation with staff from all areas.

David Bowen

David Bowen retired as CEO of the National Disability Insurance Agency in 2017 after five 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 (UNSW) 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 significantly 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.

Corrina Eccles (appointed 25 March 2020)

Wadawurrung Traditional Owner Corrina Eccles has 22 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, at both Government and community level, and a member of many advisory and committee groups.

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

Virginia Fenelon

Virginia is a VET consultant and auditor, with senior and executive experience in TAFE and University sectors, and also had 10 years experience as a secondary school teacher. Virginia has extensive experience as a Director on education Boards at State, Regional and local levels across all sectors and was a Director on the Ballarat Health Services Board for six years. She is currently a Director on the Pharmacy and Medical Group, UFS Dispensaries.

Janet Matthews (until 31 July 2020)

Janet is the Principal of Grovedale College, and has held a number of roles during her 29 year tenure. She has been a positive advocate for The Gordon over many years and has been involved in the Institute's VET in Schools and Tertiary Taster programs. She was also involved in the Community Consultation Forum as part of the Skilling the Bay project and was previously a Board member in 2016.

Janet holds a Bachelor of Arts with Honours in History, a Master of Arts in International Relations and a Graduate Diploma of Education.

Gillian Miles (appointed 1 August 2020)

Gillian Miles is CEO and Commissioner at the National Transport Commission.

With over 30 years' experience, Gillian has a strong record of achievement in public sector excellence, particularly in transport and community-focused services. As Head of Transport for Victoria, Gillian designed and led the most significant reform of the Victorian transport system in decades, integrating all transport services and minimising disruption through the transport infrastructure build. Gillian has also held Deputy Secretary roles in Transport and Community Development; she was CEO of the City of Greater Geelong, and Head of Strategy and Performance for the Transport Accident Commission.

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

Joe Ormeno

Joe was appointed as Chief Executive Officer as of 3 October 2019, a role 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 Chief Operating Officer and concurrently retained the position 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.

Daniel Smedley

Daniel joined the Board in 2016. Daniel is a lawyer involved in business and commercial law. He is the Executive Chair of The Lantern Legal Group Pty Ltd which comprises the law firms Harwood Andrews and Sladen Legal. He is a Chartered Tax Advisor with The Tax Institute, accredited as a specialist in Taxation Law with the Law Institute of Victoria, and member of the Law Institute of Victoria's Taxation and Revenue Law Committee.

Matthew Wright

Matthew is the Branch Manager of Strategic Engagement at the NDIA. Matthew 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 was an Adviser Diversity at National Australia Bank, 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 AHRC Reference Panel on the National Enquiry into Employment Discrimination, IAC's 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 HRM and IR from the University of Melbourne. He is a fellow of the Williamson Community Leadership Program with Leadership Victoria and 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
- Adam Canny
- David Bowen
- Daniel Smedley

Finance and Sustainability Committee

The purpose of the Finance and Sustainability Committee is to assist the Board in its consideration, approval and ongoing oversight of matters pertaining to:

- the Minister's Annual Compact
- monitoring the financial performance of The Gordon
- key strategic initiatives, specifically: Fee-for-Service growth, learning delivery opportunities, increased international and interstate delivery, partnerships and collaborations, asset maximisation, and income diversification
- obtaining external information for the purpose of identifying industry needs and emerging patterns of demand
- undertaking strategic reviews relating to potential opportunities for Institute development and growth, and making recommendations to the Board
- assessing and evaluating the performance of program areas using the Strategic Course Review tool and identifying efficiencies where possible
- reviewing options for increasing market share and business scale, with due diligence on mergers/acquisitions, including proposals which may have a material impact.

Membership

- Justin Giddings | Chair
- Virginia Fenelon
- Darryl Mohr
- Matthew Wright

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

- Justin Giddings | Chair
- Virginia Fenelon
- 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 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 Chief Operating Officer and concurrently retained the position 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.

Director of Education

Sue Spozetta

BHlthScNursing, GradDipEd(Adult VET)

Sue was appointed as Director of Education as of 16 September 2019. Sue has extensive experience in the Vocational Education and Training sector, having worked in both TAFE NSW and TAFE QLD over a twenty year period. Sue commenced delivery in TAFE NSW teaching Nursing and First Aid, then in 2008, moved to Queensland to set up Nursing and Community Services delivery for Brisbane North Institute of TAFE. Sue was part of the senior management team involved in the TAFE QLD reform, bringing all TAFE Institutes in Queensland together to form a singular RTO model.

Director of Commercial Business

Jana Perera

BBus, MAdvtg

Jana Perera was appointed as the Director International Education in September 2019 and joins from Bendigo Kangan Institute where she had been the Manager International Projects and Business Development. Jana brings with her significant experience in international education as well as experience in managing multiple complex projects in countries and regions of strategic importance.

Jana also has higher education experience having worked for three universities including Latrobe University, Victoria University and Central Queensland University to expand international operations globally and increase international onshore enrolments.

Director Student and Industry Engagement

Keelie Hamilton

DipPM, BA, ACEcD

Keelie commenced in her role as the Director Industry Engagement in March 2016. Keelie has a 20 year background in community, business and industry engagement substantively in Local Government. Previous roles include Manager Enterprise Geelong, Co-ordinator Armstrong Creek Urban Growth, and Co-ordinator Ancillary Services in the Aged and Disability area. Committee roles include Community Advisory Committee, Northern Futures, Judge Geelong Business Excellence awards, Previous Winning From Second Subcommittee, Committee for Geelong, Deputy Chair of the G21 Economic Development Pillar, Deputy Chair GRIIF Taskforce, and Chair of the Land 400 Steering Group.

Chief Operating Officer

Steven Reaper

BCom, CPA

Steven was appointed Chief 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, leading the organisations 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 to name a few. Steven's qualifications and training include a Bachelor of Commerce (La Trobe University), CPA (CPA Australia), Graduate Certificate in Human Resource Management (RMIT) and successful completion of training at Harvard University in the Art and Practice of Leadership Development.

Director of People, Safety and Culture

Sarah Barth

HNDip (BiomedSci), ProfDipHR

Sarah was appointed as Director, People, Safety and Culture in March 2020. She had been acting as the Director of People and Academic Governance since 17 June 2019.

Sarah joined The Gordon in 2009 as Senior Manager, Human Resources. During her tenure, Sarah has overseen and been part of a number of key changes and projects within the Institute. Prior to joining The Gordon, Sarah held a number of senior HR positions in the UK, the most recent as Assistant Director of Human Resources in a large, acute National Health Service (NHS) hospital.

In her role at The Gordon Sarah chairs the Inclusion and Diversity Advisory Committee (IDAC) and the Child Safe Standards Working Party. On behalf of the TAFE sector, Sarah is the current chair of the Victorian TAFE Association HR Network and also represents the Australian Human Resources Institute (AHRI) as a member of the regional AHRI Geelong network.

The Year in Review

CEO's message

As an Institute, there is much we can be proud of in 2020. The Victorian experience was in many ways unique throughout the year, and I am proud to be part of an organisation that worked so hard to support our education community during unprecedented times. Our dedicated staff across the Institute demonstrated a commitment to our students, industry partners and community by delivering timely, evidence-based responses to the challenges that emerged as a result of the pandemic. Our agility came to the fore as we responded to the evolving challenges of the communities we serve.

Across the year, the changing landscape of work saw the Institute connecting with industry and business in new ways. We rapidly transitioned face-to-face learning into a remote environment, and we engaged with key businesses in the markets we serve to ensure the provision of contemporary, relevant industry training. Together with our industry partners we worked to build our region's workforce, reduce unemployment, and create opportunities. Responding to industry needs continues to be a hallmark of The Gordon's operations and we are well placed to make an innovative contribution to the post-COVID-19 economic recovery.

As part of this response, The Gordon strengthened its commitment to producing work-ready graduates across a range of industries with a series of free, online community courses designed to engage participants in job-aligned skill sets. A range of online, nationally accredited skill sets training was also launched during 2020 as part of the Institute's contribution to COVID-safe industry practices and cross-sector recovery.

With Cloverdale Community Centre, we designed pre-accredited programs in horticulture and community services - giving vulnerable students the foundation skills to move into accredited courses at The Gordon. The collaboration was the starting point for all parties to develop a sustainable working relationship that's now a life-changing instrument for growth. In October, the Minister for Training and Skills and the Minister for Higher Education, the Hon. Gayle Tierney MP announced the program had won the Victorian Learn Local Collaboration Award.

The Geelong economy is not a stranger to momentous challenges and change. Skilling the Bay was established in 2011 to investigate and deliver education, employment, and innovation initiatives that supported Geelong businesses and workers as they transitioned to the new economy. Whilst Geelong has generally transitioned well through economic changes over the past decade, ongoing commitment to initiatives such as Skilling the Bay is necessary. This ensures the region's workforce is educated, skilled and equipped to navigate change and be at the forefront of driving innovation in a new economy. We are grateful to the State Government for making a \$1.6 million funding commitment supporting Skilling the Bay for another two years. The funding focuses on continuing to deliver programs that inspire and engage secondary students in learning and the world of work.

Our response to the pandemic brought out the best in our Institute, showcasing innovation, resilience and recovery - and strengthening the ways we engage, learn and thrive. The delivery of our inaugural, three-day Teacher Summit in January 2020 was prescient - building our capacity to support our learners' wellbeing and education. Professional development is the cornerstone of our approach to improving the quality and relevance of education and learning. We focus on continually improving what we do, knowing that high-quality education is fundamental to the development and growth of individuals and our community as a whole.

At The Gordon, we shape an education system that strengthens equity and accelerates Aboriginal and Torres Strait Islander people's educational achievement and well-being. In October, I was incredibly proud to launch our inaugural Reconciliation Action Plan. Our Reconciliation Action Plan sets out how we at The Gordon can benefit from Aboriginal and Torres Strait Islander knowledge and ways of learning. It reaffirms our commitment to working with the Aboriginal and Torres Strait Islander peoples' wisdom, their culture, spirituality and history. It celebrates indigenous culture, promotes reconciliation and presents a vision where Aboriginal and Torres Strait Islander people participate equally in all aspects of our education community.

The Institute's campuses and facilities are significant assets that provide the learning environment necessary for students to develop job-ready skills. In 2019, the Hon. Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education, committed over \$23 million for capital works to transform our Culinary School into a world-class hospitality and cookery training centre. With the commencement of works in 2020, the Culinary School is a cornerstone of our vision for meeting industry and the community's needs. The Gordon emphasises supporting the development of offerings that are of strategic value to the region, based on analysis of key determinants of long term regional growth, including historical and projected employment growth, business growth opportunity and financial sustainability. The Institute is committed to achieving financial sustainability and continues to focus on investing in leading-edge infrastructure, equipment and technology to drive business growth.

It has been a fulfilling year for The Gordon. I want to acknowledge the tremendous support of both the Hon. Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education, and our local member Christine Couzens MP. Their commitment to education ensures our local communities and economies continue to flourish.

I thank the staff at The Gordon for all their efforts throughout 2020. I have enormous respect for the leadership, innovation, hard work, and commitment that our people have demonstrated. Your contribution is incredibly important because education is critical to our community's social and economic wellbeing.

I would also like to thank all Board members for their commitment and dedication. The Board is led by Chair Justin Giddings, who has a clear vision for vocational education and a commitment to improving educational outcomes.

Finally, I am incredibly proud of our students who worked so hard to achieve their education goals. Our annual excellence awards demonstrated their capacity to shine during unprecedented times.

Real Skills. Real Experience. Real Outcomes.



Joe Ormeno CEO
March 2021

2018 – 2021 Strategic Plan: Year three

In 2020 the Institute continued to work on achieving financial sustainability in light of the impacts generated from the pandemic (COVID-19) and the resulting government and sector guidelines and directives implemented to address public safety.

In line with our Strategic objectives, a number of key initiatives were undertaken with key actions assigned and reported quarterly.

Continuation of the pandemic throughout 2020 required ongoing review and reprioritisation of some initiatives to ensure the impacts to program delivery, staff and student safety, student contact and industry placement were minimised where possible

A number of major milestones successfully contributed to the Institute's enhanced agility to provide flexible online delivery to students within this challenging environment where face-to-face delivery was significantly disrupted.

Vision

The first choice for skills | learning, inspiring, transforming.

Mission

The Gordon, as a public training provider since 1887 is committed to:

- Providing an enriching student experience that promotes pathways for further study and employment
- Leading the skilling of industries and communities
- Ensuring Institute success through sound financial management, strategic partnerships and commercial innovation.

Values

The achievement of our vision will be built on the drive, dedication and creativity of our staff. The shared values which provide the structure for how we work together and with stakeholders is critical for the implementation of our Strategic Plan.

Operating as a values-based organisation, we demonstrate our values through our behaviours. The Gordon has identified and adopted a set of Trademark Behaviours that provides a framework for us to model, reward and challenge behaviour in support of our strategic objectives. These behaviours guide everything we do, creating a positive workplace environment where staff and students have the means to reach their potential. The Trademark Behaviours are:

- Step up and take a risk
- Show respect
- Take responsibility
- Always positive

Our Trademark Behaviours are underpinned by the staff Code of Conduct, the Charter of Student Rights and Responsibilities, and specific provisions for teachers detailed in the Teachers' Handbook.

The following is a summary of the Plan's four strategic priority areas, including an overview of major initiatives undertaken in 2020. A complete list of Key Performance Indicators (KPIs), targets and results are presented on page FIN 56.



Strategic Plan | 2018 - 2021

Strategic Priority 1: Student, industry and community engagement

Maintaining positive, long term relationships with students, industry and community is fundamental to realising The Gordon's vision for the future. Equity of educational opportunity is a core principle underpinning the Institute's Strategic Plan. This focus is aligned with the Victorian Government's Education State vision and addresses the distinct role for TAFE expressed under Skills First. By improving access to education and building pathways to employment and further study, we can assist more individuals to realise their potential or change their life circumstances, whilst also providing increased skills and a diversity of talents for a changing economy.

Objectives

- 1.1 Enhance access to education and pathways for students.
- 1.2 Develop partnerships with industry to identify current and emerging skills needs.
- 1.3 Support community priorities through training and re-skilling.

Major initiatives in 2020:

- Commence development of an Institute wide coordinated apprenticeship growth strategy.
- Renew focus on industry customer experience.
- Develop a Corporate Social Responsibility (CSR) Framework.
- Increase advocacy endeavours that support bespoke solutions to community engagement in education.

Strategic Priority 2: Excellence in teaching and learning

The Gordon is committed to delivering an exceptional student experience centred on inspirational teaching and learning opportunities. Achieving excellence in teaching and learning opportunities is a clear strategic priority and aligns with the Skills First objective of TAFE being the benchmark for quality learning in the VET sector. Emphasis is given to introducing new programs that support skills development in priority industry sectors crucial to the region's future and aligned with Government priorities. Specialist centres will be established in partnership with industry to ensure a skilled workforce for a changing economy. The development of STEM programs, linked with the new Geelong Tech School, is a priority to ensure there are a range of pathways for young people to the careers of the future.

Objectives

- 2.1 Deliver high-quality teaching and learning.
- 2.2 Lead development of flexible and innovative delivery.
- 2.3 Develop areas of excellence to support priority industry sectors.

Major initiatives in 2020:

- Ongoing and continuous improvement in quality, compliance and consistency of all learning and assessment resources to meet ASQA standards.
- Train teachers to deliver and develop blended learning and assessment products that are fit for purpose.
- Deliver on remaining WTIF initiatives that lead to micro credentials for the Health Industry.



Strategic Priority 3: Business growth and financial sustainability

The Gordon is committed to enhancing its financial position in order to reinvest in the communities in which it operates. Operational effectiveness is a priority to ensure the best possible alignment of resources with operational and strategic priorities, as is increasing the scale of operations and diversifying revenue. Business partnerships, acquisitions and joint ventures are being actively pursued, particularly those that improve the alignment of training delivery with emerging areas of community and industry need, and assist in achieving growth targets. The Institute's campuses and facilities are significant assets that provide the learning environment necessary for students to develop job-ready skills. Evolving training delivery to meet new skills requirements brought about by a changing economy will require additional investment in infrastructure, equipment and technology.

Objectives

- 3.1 Maximise operational efficiency.
- 3.2 Optimise revenue, diversify income, build self-sufficiency.
- 3.3 Invest in leading-edge infrastructure, equipment and technology.

Major initiatives in 2020:

- Evaluate labour efficiency (teaching and non-teaching).
- Review casual workforce (teaching and non-teaching).
- Deliver cost savings through reduction in non-salary expenditure.
- Expand and grow the International Business (on hold).
- Establish a local Business Development function and drive incremental fee for service income.
- Deliver the Culinary School Capital Project, including rejuvenation of the Fenwick St entrance.
- Plan and implement further expansion into the West of Melbourne

Strategic Priority 4: A high performing Institute

Central to The Gordon's success will be its ability to attract, retain and develop a high calibre workforce. Technological advances and the changing economy, will mean teachers and specialist support staff will need to learn new skills and become proficient in new fields. The Institute's Professional Development Program will ensure capability is aligned with the changing requirements of learners, the evolving skills needs of industry, and that it supports organisational growth and change. The Institute has been collaborating as part of the TAFE network to build sector capability and realise new opportunities aligned with Government priorities. The Gordon is committed to providing a collegiate and rewarding professional environment where both individuals and the organisation thrive. Enhancing our customer service capabilities and harnessing entrepreneurial proficiency will assist in creating a competitive advantage in an era where innovation is disrupting traditional models of service delivery.

Objectives

- 4.1 Develop and retain a high performing workforce.
- 4.2 Maintain a values-based Institute.
- 4.3 Achieve excellence in customer service and innovation.

Major initiatives in 2020:

- Deliver recruitment, talent management and reporting through Phase 2 of the My HRP software.
- Deliver The Gordon's Reconciliation Action Plan and Employment Strategy.
- Review and expand The Gordon's response strategy to COVID-19 with a focus on safety, wellness and resilience of staff and students.
- Develop an Innovation Framework.

Teaching and learning highlights

Education Development Virtual Staffroom

To support all Gordon teachers to move quickly into remote delivery with the onset of COVID-19, the Education Development team created a Virtual Staffroom. In the initial stages of moving to remote delivery, staff were able to drop in to Zoom sessions or post questions on an online forum to assist them with new skills needed for their rapid shift in delivery practice. The virtual staffroom also was a one-stop-shop for practitioner guides, tricks and tips for teaching online and a broad range of recorded professional development webinars. The Virtual Staffroom covered topics such as inducting new students online, using video for engagement, Open Education resources, eAssessment and more. In total, 117 teachers provided feedback on their experience with the site and this feedback was overwhelmingly positive.

Teacher Entrepreneurship Education

Entrepreneurship Education (EE) has been identified as a powerful tool in developing a workforce with the mindset and capabilities to respond to career opportunities and challenges. Not only does EE hold the potential to foster the underlying skills needed by future generations, such as critical thinking, creativity, collaboration and communication, but also to develop an Australian society that drives to translate innovative ideas into commercial opportunities. In order to implement successful EE, teacher training programs must equip educators with an entrepreneurial disposition and behaviours thereby enabling them to develop the skills and confidence to experiment with different teaching approaches and entrepreneurial concepts within their own classrooms and institutions.

The Gordon's first delivery of UpSchool, was an exciting three-day TAFE teacher professional development program in entrepreneurship education. Delivered in January 2020, in partnership with Wade Institute of Entrepreneurship, this program gave our teaching staff the skills, experience, and connections to support the next generation of thinkers, doers and creative problem solvers. UpSchool Workshops were immersive and intense. Participants experienced first-hand the methods and processes involved in building a sustainable business or entrepreneurial project, while also gaining actionable implementation strategies for their classrooms.

Cottage by the Sea

In support of The Gordon's vision for learning, inspiring and transforming lives, the Institute has established a Memorandum of Understanding with Queenscliff based Cottage by the Sea (cottagebythesea.com.au). The collaboration strengthens Cottage by the Sea's vision to support disadvantaged young people in a positive, healthy seaside environment. The scope of activities potentially includes a range of student projects, work placements and voluntary work experience opportunities that contribute to the design, construction or evaluation of the Cottage's capital works, physical environment and programs.

In 2021, the collaboration will explore opportunities for youth program co-design, resource development and training delivery (e.g. life skills, employability skills, STEM skills, taster programs and other training), along with engagement in community-based events. These activities are expected to provide an enriching set of student experiences that promote pathways to further study and employment.

A successful outcome of this collaboration has been the opportunity for landscape apprentices to renovate a courtyard at Cottage by the Sea as part of their course work whilst in a real-world context. The completed project included concreting, paving, drainage, retaining walls, coordinating worksites, timber structures and stonework. These activities all aligned with units being delivered as part of their Certificate III in Landscape Construction. This not only included landscape construction best practices but also other important items such as safety awareness, OHS, correct tool use and care, along with site coordination and evaluation.

2020 Teacher Summit

In January, The Gordon launched its inaugural, three-day Teacher Summit around the themes of learning, innovation and professional practice. This was an event showcase of best practice and innovative teaching strategies that engaged external and internal experts to stimulate practitioner conversations and practice change.

The event was conducted across two campuses to maximise staff engagement. The event explored dimensions of health and wellbeing, the importance of practitioner self-care and how this influences student wellbeing. This conference style event promoted interaction, networking and collaboration across the Institute. It featured a range of keynote speakers, including Dr Tim Shop, Karen Dymke, Andrew Fuller and experts from the VET Development Centre, The Wade Institute and the VET sector. These speakers were complemented by a variety of thematic workshops ranging from trauma-informed practice through to mental health awareness and tips and tricks for managing classroom behaviours.

The conference closed with a plenary session by Tasneem Chopra, who discussed the need for tolerance within the education sector and for collaborative opportunities supporting diversity through education. This highlighted the importance of the Institute's international programs and opportunities to link these back into the community.

Strengthening education pathways

Producing work-ready graduates

In 2020, The Gordon strengthened its commitment to producing work-ready graduates across a range of industries with a series of free, online community courses designed to engage participants in a series of job aligned skillsets. These included an Introduction to Business Administration, Introduction to Business Administration (Medical), Introduction to Warehousing Operations, and Construction Induction Card. Each course focused on specific and targeted industry needs, ensuring demand in growing business sectors are met with people with entry-level skill sets. In 2020, these industries have included health, logistics, administration and construction. These courses also provide valuable pathway opportunities for students to enhance their education with further study in accredited qualifications in allied fields.

In support of a Victorian Government project agreement with the Commonwealth Government to form a National Infection Control Skill Set Fund, The Gordon also launched a range of online, nationally accredited skill sets targeting cross-sector skills training as well as retail, hospitality, transport and logistics sectors. In the three months since launching the skill sets as part of the Institute's contribution to COVID-safe industry practices and sectoral recovery, The Gordon has commenced more than 200 students.

Building VET Teaching Capability

Transferring industry skills and practices into vocational educational training, as it relates to teaching and learning, is fundamental to driving curriculum advances. To drive this change The Gordon sought to build a teaching cohort with strong industry connections with the necessary teaching qualifications and pedagogy. The Gordon has been proactive in this opportunity by coordinating an industry Teaching Scholarship program in 2020. This "Entry-Level Teacher program" recruited Subject Matter Experts (SMEs) from across various industries and supported their transition to vocational teaching by designing a bespoke Training and Assessment (TAE) program. Entry-level teachers were offered enrolment in a sponsored TAE program and employed for a period of one year. The program was designed as a blended delivery model and contextualised to incorporate The Gordon documents and processes used in the delivery of training and assessment activities. A mentoring community of practice supported the participants and supervising teachers has resulted in nine industry participants successfully completing the TAE40116 Certificate IV in TAE and gaining employment at The Gordon.

Vocational Education and Training Delivered to Secondary Students (VETDSS)

In 2020, The Gordon offered 30 VETDSS programs, each providing pathways into higher level Certificate and Diploma courses. More than 1,500 students took part in programs, which were conducted in partnership with over 90 secondary schools.

The Gordon continued its partnership with local secondary schools as the appointed training provider for the delivery of VETDSS programs at Trade Training Centres in Wyndham, Hobson's Bay, Colac, Ballarat, St Joseph's College and Sacred Heart College, as well as all five Gordon campuses.

VETDSS provides secondary school students the opportunity to attain an accredited qualification or partial qualification that contributes to their Senior Certificate (VCE or VCAL). Some VETDSS programs can contribute to VCE ATAR scores. In 2020, 91 students undertook scored programs with results issued on 31 December.

The Gordon's partnership with the Wyndham and Hobsons Bay Secondary Schools Cluster continues to grow and expand through ongoing consultation with the cluster and the need to develop programs for student pathways and jobs of the future.

Starting with eight schools in 2014, in 2020 The Gordon delivered 14 courses to over 455 students from 21 schools across the Wyndham and Hobson's Bay region. Through this delivery, and The Gordon's commitment to inclusive education for all, the Institute developed two courses for students with special learning needs, introducing Certificate II courses in Automotive and Kitchen Operations. Ballarat region has approached The Gordon to assist with developing courses for students with special learning needs in response to the positive feedback they had received regarding The Gordon's programs.

Industry Engagement

Early Childhood Education and Care have been collaborating with Industry specialists from NDIS, Early Childhood and Education Centres and KU Children's Services throughout 2020 to assist with providing relevant feedback to the new training package to ensure industry currency and inclusion are considered throughout the process. This partnership increased The Gordon's engagement with childcare employers and staff and provided The Gordon students with valuable industry networking opportunities. The Gordon will continue with consultation for continuous improvement in partnerships, education and resources.

Geelong Tertiary Futures Program

An additional 400 Year 9 students from five local Geelong Secondary schools participated in a COVID-modified version of the Geelong Tertiary Futures Program. The event combined vocational tours and information sessions conducted at The Gordon with two units from the Certificate I in Employment Pathways. Participating students gained valuable information on future career pathways and had the opportunity to explore careers of interest. VETDSS is a valued program for The Gordon with over 69% of students returning for future study within 4-5 years of undertaking their VETDSS course.

GEELONG TECH SCHOOL

Geelong Tech School engages young minds in active learning and design thinking using leading technologies. Participating in programs at the Geelong Tech School empowers students to make more informed decisions about subject choices, future pathways and careers.

The school acts as a hub for industry, community members, teachers and subject matter experts to collaborate in emerging and leading educational opportunities. The Geelong Tech School focuses on developing transferable skills that will be in demand in the future. Programs are scenario based giving a holistic, real life experience using technology as a vehicle to design solutions to prepare students for the world of work. Programs are developed in partnership with local industry, community and schools, and extend the education delivered by partner schools through providing access to innovative learning programs, the latest technologies and state-of-the-art facilities.

In Term 1, the Geelong Tech School delivered immersive STEM programs to students onsite. School closures late in Term 1 resulted in the Tech School successfully pivoting existing programs to be delivered online with direct facilitation from Tech School staff. COVID-19 restrictions reduced the ability for community and industry events to proceed. Where possible, Industry and community events were postponed, with only a small number cancelled due to ongoing restrictions.

Throughout Terms 2 and 3 Geelong Tech School customised program offerings and support to partner schools. While schools were dealing with numerous challenges in teaching their own programs offsite, Geelong Tech School staff were investigating, experimenting and developing interactive content. Programs were openly available to schools, could be delivered remotely by Tech School staff, managed by the teacher or distributed directly to students. Facilitators worked tirelessly to create interactive online content and simulations to develop skills and knowledge that align with onsite programs to progress the Tech School initiative.

Online programs were offered to partner schools through the OneDrive embedded in the Geelong Tech School website and more broadly through the DET online network 'FUZE.' Due to the speed of the support supplied and the open platform for accessibility, structures were not in place to collect online engagement data.

Geelong Tech School also worked closely with partner school teachers developing the skills and confidence to incorporate technologies and design thinking into learning programs and the wider curriculum. There were numerous instances where Tech School facilitators worked closely to support partner schools meeting their individual requests.

Programs

Core Programs with pre and post visit facilitation required by teachers in schools.

- Future Bricks with Austeng - sustainability, data analysis - onsite and online option
- Backed Up to the Future with Barwon Water - robotics, coding - onsite and online option
- The Last Mile with Ford - forces, concept design - onsite and online option
- Water Reality Check with Barwon Water - 360 video production, VR - onsite and online option
- Bot Rescue with SES - robotics, coding - onsite
- Bees with Backpacks with CSIRO data analysis, electronics, sustainability - online and onsite versions
- Programs fully developed and ready for trailing in 2021
- Coasting Drones with Life Saving Victoria - drones, design, coding
- Design for Humanity with Field Ready - design process, CAD, Prototyping
- Future Fashion with Australian Wool Industry - design, prototyping, entrepreneurial skills
- Virtual X with ACMI - VR, design, using software

Tech Tasters - a one day applied learning experience addressing a 'brief' designed to build confidence and inspire the use of technologies.

- Tinker Time, Mini Golf - electronics, design, coding
- Robotics - robots, design, coding
- 360 Interactive - 360 video production, VR
- Fast Cars - physics, data collection and analysis,
- Tinker Time, Table Maze- electronics, design, coding
- Check Mate - 3D design process, CAD, 3D printing, finishing
- Leather Bound - 2D design in illustrator, laser cut / etching, finishing
- Drone Dash - Drones, maths, coding
- Tilt Brush VR - VR, creativity in 3D, use of software

Teacher Professional Development (PD)

Onsite Teacher PD was conducted early in Term 1 and Term 4 however due to the unique circumstances this year, many planned Teacher Professional Development programs did not go ahead onsite. During the remote learning period, 64 teachers including a number of Gordon staff participated in PD.

Online Workshops included:

- Google Tour Creator
- Create in Illustrator
- Block Coding and
- 3D Design in CAD

Collective Impact throughout 2020

- 4,849 student program days were recorded in 2020, with 24 of 26 partner schools participating in programs.
- In Term 3 FUSE online with DET recorded 413 views and 251 downloads of Geelong Tech School programs. No data is available from online interactions from the Geelong Tech School platforms.
- Bees with Backpacks – state-wide competition in collaboration with Bendigo and Ballarat Tech Schools.
- COVID-19 state-wide mask competition in collaboration with Oberon SC and Design and Technologies Teachers Association of Victoria (DATTA Vic).
- PD was facilitated to 78 teachers.
- Geelong Tech School staff conducted numerous online information sessions disseminating information ranging from programs available, through to facilitating online content.
- Collaboration was instigated with indigenous groups to conduct a series of Tech camps in conjunction with the Western Koorie Academy of Excellence. The first day is scheduled for late December.
- Engagement and preplanning has taken place with Colac and Bannockburn secondary schools to facilitate a series of regional Tech Camps.

Highlights

Student Ambassadors

Led by Mim Glasby, our first year of ambassador students:

- participated in an online entrepreneurial journey resulting in students pitching to teachers, the Council of Greater Geelong and the Ford Motor Company who provided feedback.
- trialled our After School Programs in an online format.
 - › Coding and Design program - project brief to create a 3D model toy with moving parts,
 - › Coding - starting with block coding in Snap!, and moving through to several challenges in Python coding.
 - › Introduction to Arduino – with kits delivered to the schools for ambassadors to work with.

Social Innovators program

Over 100 VCAL students from five different schools participated in a five week online program culminating in an online presentation of their work to teachers, Geelong Tech School staff and community partners.

Bees with Backpacks online program and competition

Geelong Tech School created an online version of the Bees with Backpacks program which was scheduled to be trialled onsite in 2020. The online Bees with Backpacks was shared state-wide receiving enormous attention and was offered out by other Tech Schools to their partner schools.

Geelong Tech School worked in collaboration with Ballarat Tech School and Bendigo Tech School to run a state-wide 'Bees with Backpacks' competition. After completing the online program students created and pitched their bee friendly environment to judges. From a local perspective Kardinia International School students were among the winners.

COVID mask competition

In partnership with Oberon Secondary College and DATTA Vic, Geelong Tech School ran a COVID-19 mask competition with two different categories; a medical mask and a street wear mask. The competition received entries from around the state and incorporated some high profile judges. From a local perspective Oberon High School students were among the winners.

Code Breaker series

A series of three, one day sequential Tech Tasters targeting senior systems engineering classes. The content was adapted for online and was a terrific support for teachers during the shutdown period.

Communications strategy

The Geelong Tech School invested in a comprehensive communications strategy to showcase the opportunities provided by the Geelong Tech School. The strategy was released via the new website in December, 2020.

Industry and Community Engagement

For over 130 years The Gordon has been responding to the changing needs of the employment landscape through providing relevant and future focused training. Responding to industry needs through industry engagement has been a hallmark of The Gordon. The 2020 Stakeholder Engagement Plan provided the framework and direction for engaging with students, staff, industry, community, government, education peak bodies and key stakeholders.

Industry advisory and engagement

During 2020 The Gordon collaborated with industry to develop new course content, review the current curriculum, and explore new ways of delivering learning. The Gordon rapidly transitioned face-to-face learning into a remote environment, engaging with key businesses in the markets we serve to ensure the provision of contemporary, relevant industry training. During 2020 the changing landscape of work saw The Gordon connecting with industry and business in new ways.

The Gordon held industry round tables in engineering, agriculture and business, supported the Geelong Manufacturing Council Women in Manufacturing Network (WIMN) as a major sponsor, and engaged with the WIMN Mentoring program for the second consecutive year.

Skilling the Bay played an integral part in supporting industry with the round tables and delivered on key pieces of informing work during 2020, including presenting the 'Workforce Ready in a Transitioning Economy' paper at the NCVER conference and commissioning the Geelong Education and Workforce Profile – Education 4.0 report.

The Skills and Jobs Centre, Industry Engagement and Skilling the Bay delivered a verbal presentation and contributed to the Parliamentary inquiry into 'Sustainable employment for disadvantaged job seekers'. In conjunction with Business Support Services, Careers and Training Services also contributed to the State Government's submission to the Parliamentary inquiry 'TAFE access for learners with disability'.

Industry expertise immersion

The Gordon continues to work with industry experts to provide opportunities for students to hear first-hand from experts in class and via industry panels.

During 2020 The Gordon Skills and Jobs Centre provided the general community and our students with the opportunity to learn directly from people in industry about the realities of work activity across several different sectors. This activity included collaboration with Wyndham City Council to deliver Industry Insight panels in Werribee.

The Director of Student and Industry Engagement undertook the role of Geelong Business Excellence Award judge for the sixth consecutive year, providing connection and opportunity for representatives from these businesses to connect to students as in-class guest speakers.

Apprentice support

Supporting economic recovery and the government's participation goals for apprentices post COVID-19, Skilling the Bay held three sessions supporting employers of an apprentice and aiding people considering an apprenticeship to gain first-hand knowledge of what it is like to be an apprentice and what this pathway entails.

During this challenging year, the Apprenticeship Support Officers expanded their remit to provide support to apprentices in the first year of trade to provide engagement and support to apprentices in need. The ASO program continues to be a pivotal program providing a point of contact and advice to all apprentices in the Geelong and Ballarat region, not just those in training with The Gordon.

Sponsorship and scholarships

In 2020, The Gordon injected \$126,477 into the Geelong and Wyndham communities through sponsorship of 14 local organisations, community projects, sporting clubs, and charity initiatives.

The annual Gordon 2020 Scholarship program saw 60 scholarships awarded. The scholarships were offered to students across a multitude of disciplines and valued at \$105,700. The Gordon's Scholarship program operates in collaboration with community members, businesses, and charitable trust benefactors to support students facing financial hardship and reward the pursuit of excellence within their industry, community and studies.

Student Support Fund and Student Wellbeing

The Gordon is a proud supporter of the Student Support Fund, benefiting students since the 1990s. As an independent charity, the Student Support Fund provides much needed financial support to students struggling to meet the pressures associated with the cost of studying and living. Due to restrictions that saw the primary fundraising event for this program cancelled in 2020, The Gordon continued to raise funds through The Gordon coffee cart (hosted by students), offering beverages to staff and students on campus for a gold coin donation.

In a challenging year for students affected by the downturn in casual work, The Gordon has had the support of Empow+r Food Relief Centre. The provision of 50 bags of non-perishable grocery items to students at our Student Residence supported domestic and international students whose incomes had been adversely affected, providing much needed and welcomed food relief.

Fundraising and Community Engagement

The Gordon staff and student body is an active participant in community development and in making a difference in the lives of those in the key markets which we serve.

Gordon staff have participated in many not-for-profit fundraising initiatives and events throughout 2020. The Gordon Staff has donated \$11,319.88 to the Give Where You Live Workplace Giving program through fortnightly deductions from their salary, supporting many local community initiatives and charities. Staff also supported Australia's Biggest Morning Tea, Jeans for Genes, Run for Geelong's Kids, HALT Breakfast, Sexual Assault and Family Violence Centre, R U OK? Day, The Gordon Student Support Fund and the Australian Red Cross Blood Service.

The Gordon has partnered with the Royal Children's Hospital Melbourne to support their 150th anniversary of providing care and support to ill children. The sponsorship sees The Gordon as a part of the UooUoo art expression with installations across Melbourne and Geelong. In 2021, the art installation will prominently appear at the Federal Mills precinct in the City of Greater Geelong. The artist is a previous Gordon alumnus.

Strengthening our Partnerships:

The Gordon continues to develop ongoing and mutually beneficial partnerships with government, industry, business, and community across the region. The Gordon is a member of twelve peak bodies in our key markets.

During 2020 The Gordon continued its long term partnerships with key community stakeholders to deliver pre-apprenticeship and Certificate II and III courses for vulnerable communities. The Gordon also continued to build on newer, bespoke learning support programs in partnership with Learn Local providers.

Programs delivered in a remote delivery environment included Northern Futures introductory courses in Individual Support, Engineering and Business Basics, the third year of delivery of the RISE program in conjunction with G-Force and City of Greater Geelong, and the delivery of Community Services, Introduction to Automotive and Horticulture with Cloverdale Community Centre, Learn Local.

Building on the relationships developed in 2016, The Gordon is very proud to have won the Victorian Learn Local Collaboration Award 2020 for our collegiate work in partnership with Cloverdale Community Centre in supporting people to pathway to education or employment.



Awards for Excellence

Victorian Learn Local Collaboration Awards

- The Gordon and Cloverdale Community Centre - Winner

Design Matters National Building Design Awards

- Zane Leist, Ramona Robinson, Brayden Tonkin - Emerging Designers - Best Group Project - Winner

Independent Cabinetmakers Geelong Apprenticeship Awards

- Jackson Davis - Best First Year Apprentice
- Joshua Laverty-Meloni - Best Second Year Apprentice
- Hayden Kent - Best Third Year Apprentice
- Harry Smith - Apprentice of the Year

Belmont Rotary Club Bert Fagg Apprenticeship Award

- Aiden McGivern - Winner



Skilling THE BAY



Throughout the challenges and disruptions of 2020, Skilling the Bay (STB) adapted to play an active role in delivering education, employment and skills initiatives that connect education, industry and the community to grow Geelong's future workforce.

A unique regional initiative, STB was established to address the economic and industry changes impacting the Geelong region, led by The Gordon and delivered in partnership with Deakin University and the Victorian State Government. Leading a collaborative effort, STB brings together education providers, community organisations and industry to deliver targeted place-based initiatives that enable the community to prepare for the new world of work.

During 2020, STB completed Stage 3 delivery, realising several integrated projects to improve education, employment and skills outcomes in the region. There are many indicators that STB's cumulative work has had a positive impact in the Geelong region, meeting its goal to support people of all ages to participate in education and training, particularly the vulnerable and those experiencing disadvantage.

Highlights for Stage 3 (2018 to June 2020) include:

- 2668 secondary students from the Geelong region participated in a STB program
- 826 Year 9 students participated in the Geelong Tertiary Futures Program, with 40% returning to The Gordon for future study
- 687 students completed VETiS/SBATs in Community Services and Health, with an 85% completion rate
- Over 75% completion rates for education to employment programs (compared with the national average of 47%, NCVER)

The Northern Futures and Whittington Works Education to Employment Programs concluded under the current funding contract, with collective impacts exceeding targets and making a real difference for a significant number of community members in these postcodes. During the past two years of delivery, over 180 individuals participated in these programs, with over 75% completing their training and 69% and 39% (respectively) gaining employment.

COVID-19

Early this year we experienced unprecedented disruption to our economy, our schools, our educational institutions, and our lives due to the COVID-19 pandemic. We have been thrust into the future of work and learning that was previously talked about. The social and economic impact of the pandemic and social distancing restrictions is emerging with predictions of long term recovery from job losses and under-employment. We can now see how the pandemic is exacerbating existing issues of community inequality.

Along with all our education industry colleagues, STB focused on adapting to operating in the challenging and uncertain times of the COVID-19 crisis. We sought to ensure that those students and community members who are already vulnerable did not face further disadvantage as a result of this crisis. We worked closely with our stakeholders and delivery partners to investigate contingency plans, modify programs, and change engagement methods given the social distancing and lockdown measures. This led to the delivery of programs in a blended-learning model including a mix of facilitated virtual 'work skills' sessions, virtual industry site visits and on-campus practical experiences, where possible.

Regional collaboration – advancing education and skills participation

During Stage 3, STB continued to contribute to a number of regional forums, providing submissions to inform future policy on education and employment, combat rising youth unemployment, and address employment challenges for disadvantaged job seekers.

STB continued to play a key role in the G21 Training Pillar, and the STB Program Manager supports the Pillar's work as Deputy Chair of the Training Pillar.

Presenting virtually at the National Vocational Education and Training Research 'No Frills' Conference (July 2020), STB presented the paper 'Workforce ready in a transitioning regional economy'. The presentation outlined the recent research STB commissioned as part of Stage 3 and outlined the role Vocational Education and Training can play in facilitating regional economic recovery.

STB welcomed the continued focus and review of vocational education and training through the recent Firth Review of Vocational and Applied Learning and the Macklin Review of the Victorian VET Sector. The flagship Geelong Tertiary Futures Program (delivered by The Gordon) was featured in the Firth Review, showcasing the important role vocational tasters play in furthering student knowledge of pathways and career options. STB looks forward to seeing how the results of these research reports work to ensure that all Victorian students continue to have access to high-quality vocational and applied learning opportunities in the region.

The Gordon TAFE, together with STB, were engaged by the Advanced Fibre Cluster Geelong (AFCG) to undertake a training needs analysis for cluster members. This involved consultation and workshops with industry member organisations to determine the existing workforce composition, current and future training development needs, and workforce requirements. The final report 'Developing a world-class workforce' contains a number of recommendations to develop a sustainable and skilled local workforce to enable member industries to grow and thrive and at the same time raise awareness of Advanced Manufacturing as an attractive career and business opportunity.

STB has continued to contribute to innovation and entrepreneurship in education delivery, including team member participation in the Wade Institute UpSchool program, to facilitate teaching entrepreneurship at The Gordon. STB is now leading the development of the Institute's Innovation Framework to promote and foster a culture of innovation throughout the organisation, drawing on existing strengths and emerging opportunities.

STB was a key collaborator in the Future of Work Forum hosted by Committee for Geelong (26 – 30 Oct), supporting the virtual week-long event through planning, participation, and facilitation. The STB Manager co-facilitated a stakeholder workshop focused on 'Entry level skills and upskilling, re-skilling and building careers'. Feedback from the forum will be consolidated into a collection of regional actions, and STB will continue to be involved, along with The Gordon, in determining the regional priorities for building and sustaining a skilled and equipped regional workforce.

Rounding out an eventful year, STB hosted an Apprenticeship Support Forum (a series of virtual events). This aimed to raise awareness of apprenticeship opportunities for individuals considering an apprenticeship and provide current information to small-medium businesses considering employing an apprentice. With the national apprenticeship retention rate for all occupations at 56.89% (NCVER), it was also an opportunity to raise awareness of the importance of setting up the right environment for a successful apprenticeship and each party's role and obligation in fulfilling an apprenticeship. The forums, delivered in collaboration with the City of Greater Geelong, The Gordon, GROW, and the Skills and Jobs Centre, were well attended for a pilot program with approximately 70 participants from business, school, vocational education, and apprenticeship services sectors.

The Next Two Years

STB was delighted to receive a \$1.6 million funding commitment in the November 2020 Victorian State Budget from the Department of Education and Training (Learning, Teaching and Pathways Division). This funding recognised the important role STB plays in the regional education landscape, linking students with vocational opportunities in the changing Geelong economy. The funding focuses on continuing to deliver programs that inspire and engage secondary students in learning and the world of work in close collaboration with The Gordon TAFE.

The Next Chapter

The STB Advisory Group released the Geelong Education and Workforce Profile (GEWP) Report to tell the story of Geelong's response to the decline in traditional manufacturing and impending jobs crisis in 2011, and its transition to a more diverse knowledge-based economy. The report profiles the education, employment, and skills landscape during the past ten years and details emerging challenges and opportunities. This research provides an evidence base to inform a unified approach to address current and rapidly developing education, employment and skills challenges, including identifying how such a strategy can be resourced in the future.

It is timely, that as governments, businesses and the community consider the next steps for recovery post-COVID-19, the GEWP report and recommendations remain relevant despite a considerably changed landscape from the one in which they were written. Education and skills initiatives will form essential strategies to support social and economic recovery. The recommendations identified provide us with a mechanism to rebound more successfully and grasp opportunities more effectively as we deal with the critical education and employment challenges ahead and emerge into a new environment.

Marketing and Promotion

2020 – A virtual year

With the enormous impact COVID-19 had on the way we delivered training, student support and course information, marketing activity in 2020 had to quickly adapt to reflect our new way of operating. With face-to-face events unable to occur, innovation was key. Providing timely, factual and reassuring communication to current and future students became more important than ever.

Virtual information nights

In lieu of on-campus sessions, we ran Zoom information nights in May and November. Each program ran their own live sessions. We had 1,115 registrations across the May and November nights - showing students were just as willing to adapt as we were. 121 participants applied after the May sessions - our highest application number post-session so far.

Videos, videos and more videos

To overcome the lack of contact with school students, career teachers and prospective students, Marketing created a suite of videos to help provide information and aid decision making.

- Virtual campus tours were created to showcase our great facilities.
- Program managers were interviewed to expose a 'Day in the Life' of their program.
- Teachers provided course summaries which included industry information and the skills needed to succeed.

These videos were incredibly popular and received over 9,732 views throughout the year.

Campaign themes - reduce stress and build confidence

With VCE / VCAL studies heavily disrupted by COVID-19 and unemployment at a high, campaigns in 2020 focused on reducing stress and building confidence.

May to July - Mid-year

There's no reason to put your study plans on hold.

The Gordon is utilising online and audio-visual delivery methods to ensure you reach your study goals - even if you're in isolation.

August to October - Apply Early

Would you like to sit your final exams knowing your tertiary study is sorted?

Apply early and receive an outcome by late October.

November to January - Future Proof

Future proof your career

As the world changes, so will our careers. Get qualified and job-ready for the new normal.

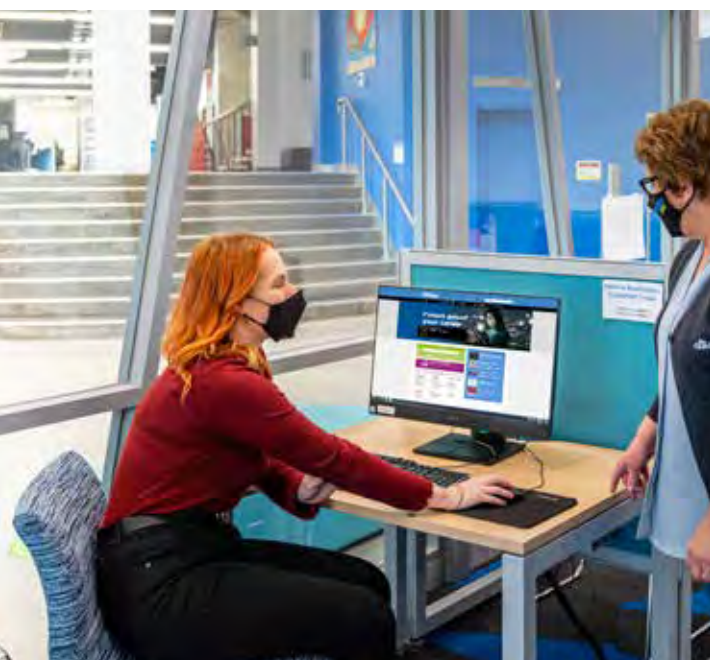
December to January - Change of Preference

Need a pathway to uni?

The Gordon can get you there. Hands-on learning, Free TAFE courses and no ATAR required!

Community engagement

The Gordon was unable to host its annual suite of community engagement events in 2020. However, we continued to engage with and support our local communities through the sponsorship of local organisations, community projects, sporting clubs and charity initiatives.



International Operations

In 2020, The Gordon continued to strengthen its international and domestic commercial engagement in education and teacher training. Key achievements and activities included:

- The Institute continuing to deliver programs to 110 international students. The most popular programs were Commercial Cookery - Hospitality Package, Diploma of Nursing, and Diploma of Early Childhood and Care.
- The Diploma of Building and Construction program at Chongqing Jianzhu College in China continued its delivery through an online medium in 2020 due to border closure. The Gordon has an eight year contract that covers six cohorts.
- The Gordon introduced delivery of non-accredited International Skills Training (IST) to 58 teachers in China, through the partnership with Chongqing Centre for International Education Exchange (CQCIEE). The delivery of this program to further cohorts will continue in 2021.

The English Language Centre teaching team showed commitment and creativity in pivoting to online delivery in April. The year commenced with delivery of updated ELICOS course offerings, with increased focus on 21st century skills of teamwork, collaboration, research and creativity, and on supporting students for successful VET pathways. Promotion of the revised ELICOS program received positive feedback from education agents.

In January and February, prior to pandemic health and travel restrictions, early indications were that we were on track to achieve targeted growth in ELICOS enrolments in 2020. From March, program enrolments began to be impacted by the pandemic, and student numbers declined. In April, ELICOS delivery moved online until November, when students returned to on-campus delivery. Despite being online, students continued to make satisfactory progress, with students successfully pathwaying to their VET courses.

Pearson Test Centre exam delivery began the year in line with expectations. In April the test centre closed due to the impacts of health and travel restrictions. In November the test centre reopened, however social distancing significantly reduced the number of test seats available.

The Institute also commenced to celebrate 100 years of International Education. The Gordon welcomed its first international student in 1920, a young man from Tokyo enrolled in a wool course. Since that time, thousands of students from more than 75 countries have studied at The Gordon to expand their skills in a variety of vocational occupations. Throughout the decades these have evolved from textiles and dressmaking, electrical and wireless operations, to nursing and cookery. This campaign is set up to celebrate the achievements of the Institute in the last 100 years and assist the recruitment of new onshore and offshore students (for when borders open). The campaign will demonstrate The Gordon is an experienced market leader, providing quality education to international students for 100 years.

Domestic Commercial

In 2020, the Commercial portfolio began progress of a commercial strategy that is progressive, sustainable, robust and relevant. It includes a tool kit for the Business Development Managers to utilise when employed in 2021 to gain strong market share across Victoria, and nationally, playing to our internal capabilities and strengths to position The Gordon as the education provider of choice for industry partners.

The Gordon signed an agreement to develop and deliver the Certificate III in Corrections for G4S, a security market leader that provides a broad range of products and services across more than 90 countries. G4S Australia, over the past 25 years, has offered services across all aspects of the justice system, including correctional facilities, courts, electronic monitoring, prisoner transport, and offender rehabilitation, which has become an integral part of the Australian justice system.

The opportunity is to develop a customised Certificate III Corrections course for G4S Security Guards with training for up to 60 personnel per year with a minimum three year contract.

WorldSkills

Six students will be representing The Gordon and the State of Victoria at the National WorldSkills Competition, scheduled to be held in Western Australia in 2021. The students will compete in Landscape construction, Business, Bricklaying and Mechatronics.

Risk management and risk mitigation strategies

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



The Statistics

Summary of Operating Results

The primary factor influencing the movement in the Institute's working capital ratio has been the increase in contract liabilities. Specifically capital grants received in relation to the Culinary School development for capital works scheduled in 2021.

Given the impact of the COVID-19 pandemic in 2020, strong Government support, in the form of Business Continuity funding, was a positive factor in enabling the Institute's operating revenue to remain largely in accordance with budget and prior year respectively. With staff working from home and remote teaching delivery in place there have been significant savings in non-salary expenditure e.g. reductions in consumables, travel, training conferences/seminars and placement fee expenditure. Offsetting these savings were significant increases in leave provision expense due to COVID-19 and travel restrictions resulting in substantially less leave taken by staff in 2020. The net effect being a \$4.2m increase in operating expenditure in 2020.

The effects of COVID-19 also impacted on the Student Contact Hours (SCH) delivered and funded. There was a 13% decrease in 2020 compared to 2019 with all Teaching Centres affected. Fee for Service revenue was ahead of budget and prior year primarily due to positive results derived from the VET Delivered to Secondary Schools program.

Consultants

In 2020, nine consultants were used with fees payable to each of \$10,000 or more. The combined amount for these services was \$611,642 (ex GST). Consultancy details are made available on the Institute's website thegordon.edu.au. Two other consultants were utilised during the year with fees payable under \$10,000, representing a total of \$10,308 (ex GST).

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.

Summary of Operating Results	\$'000 2020	\$'000 2019	\$'000 2018	\$'000 2017	\$'000 2016
Working Capital					
Current Assets	55,061	56,074	61,436	71,015	68,367
Less: Current Liabilities	29,708	16,935	15,077	14,253	11,730
Net Working Capital	25,353	39,139	46,359	56,762	56,637
Net Working Capital Ratio	1.85	3.31	4.07	4.98	5.83
Financial Results					
Operating Revenue *	67,774	68,194	71,480	70,666	67,567
Operating Expenditure **	79,707	75,489	70,398	67,640	66,477
Operating Surplus/(Deficit) ***	(11,933)	(7,295)	1,082	3,026	1,090
Operating Surplus/(Deficit) excluding Abnormal and Extraordinary Items ****	(11,933)	(7,295)	1,082	3,026	1,844
Contact Hours					
Total Funded SCH '000	2,483	2,849	2,581	2,614	2,472
Fee for Service \$'000	6,663	6,287	5,278	4,808	4,905

* 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 (the 2016 result included the write off of building works).

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

Consultant	Purpose of consultancy	Total approved project fee \$ (exc. GST)	Expenditure 2020 \$ (exc. GST)	Future expenditure \$ (exc. GST)
Acil Allen Consulting	Project Evaluation	233,197	233,197	0
FM Scope	Tender Analysis	13,800	13,800	0
GL Business Services	Program Evaluation	13,000	13,000	0
Honeylight Consulting	Business Advisory Services	12,000	12,000	0
Ludowyk Evaluation	Program Evaluation	22,095	22,095	0
Management Governance Australia	Industry Research and Scoping	46,000	46,000	0
Playmakers Consulting	Support Services	26,100	26,100	0
Strategic Project Partners	Business Advisory Services	225,000	225,000	0
Wan-Yaari Aboriginal Consultancy Service	Business Advisory Services	20,450	20,450	0
9		611,642	611,642	0
< \$10K:				0
Grange Advisory	Business Advisory Services	4,867	4,867	0
Michael Taylor Architecture & Heritage	Heritage Advice	5,441	5,441	0
2		10,308	10,308	0

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 \$
5,385,683	488,123	208,171	279,952

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

Enrolment Statistics

As at 30 December 2020:

Totals		
Enrolments	Students	SCH
16,283	14,542	3,247,510

Enrolments vs Students	Full-time	Part-time	Total
Students	3,221	11,321	14,542
Enrolments	3,942	12,341	16,283

Enrolments by Age & Status	Full-time	Part-time	Total
0 - 15		228	228
15 - 18	501	2,599	3,100
19 - 25	1,577	3,647	5,224
26 - 35	893	1,863	2,756
36+	971	4,004	4,975
Total	3,942	12,341	16,283

Enrolments by Gender & Status	Full-time	Part-time	Total
Male	1,579	6,882	8,461
Female	2,363	5,459	7,822
Total	3,942	12,341	16,283

Students by Gender & Status	Full-time	Part-time	Total
Male	1,306	6,338	7,644
Female	1,915	4,983	6,898
Total	3,221	11,321	14,542

Enrolments by Funding & AQF Level				
Sum of SCH Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	1,136	2,804	1,060	5,000
Trade Apprentices		3,420		3,420
Fee-for-Service and Other	6,095	1,246	193	7,534
Other Trainees	29	241	59	329
Total	7,260	7,711	1,312	16,283

Student Contact Hours by Funding & AQF Level				
Enrolments Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	285,019	936,134	593,081	1,814,234
Trade Apprentices		731,334		731,334
Fee-for-Service and Other	300,053	182,129	111,258	593,440
Other Trainees	11,861	65,106	31,535	108,502
Total	596,933	1,914,703	735,874	3,247,510

VCE and VCAL Outcomes

The Centre for Language and Further Education delivers

- Youth programs for 15-17 year old students wanting to pathway into VCE or VCAL or further vocational pathway studies
- VCE (Year 11 and 12) programs for 16 to 19-year-olds seeking to complete their secondary schooling in an alternative education setting
- VCE for adults wishing to return to study.

The Geelong Technical Education Centre (GTEC) delivers an integrated VCAL program to a youth cohort of 16 to 19-year olds who have completed Year 10 and wish to undertake senior secondary studies alongside vocational/trade training in a chosen career field. The program comprises:

- Victorian Certificate of Applied Learning (VCAL) Foundation, Intermediate, and Senior levels
- VET Delivered to Secondary Students (VETDSS) or a school-based apprenticeship at a Certificate II or III level training in areas such as Building and Construction, Regulated and Mechanical Trades, Civil Construction, Animal Studies, Community Services, Children's Services, Creative Design, Design Fundamentals, Hair and Beauty, Tourism, Hospitality and Information Technology.
- Regular on-the-job work skills training with employers through Structured Workplace Learning placements, School-based Apprenticeships or Traineeships.

Significant changes and Key Initiatives

Significant changes will be implemented in 2021 with the combining of the VCE and VCAL programs and the employment of a new Senior Secondary Principal to manage the transition. The changes will enhance the student experience by offering additional subjects to assist students with developing a program that aligns with future career pathways.

The Department of Education announced in 2020 the VCE/VCAL certificates were to be combined to one certificate commencing 2023 with full implementation by 2025, to support the introduction of a new vocational specialist pathway for VCE. The combination of the two certificates, and taking the strengths of VCAL, offers both a vocational and applied learning pathway within the VCE Certificate. Students will be better prepared for lifelong learning to transition through school, further education or training and work with the employability skills needed to meet industry needs.



Participation & Completion	Language and Further Education Program		Geelong Technical Education Centre	
	VCE Year 11	VCE Year 12	VCAL Intermediate (Year 11)	VCAL Senior (Year 12)
Participation	28*	52** (15 part time)	64	47
Completion	22	28	29	24
Completion rate %	79%	70% (28/40)	45%	51%
Completed year (non-achievement of full certificate)			16	16
Withdrawn			19**	7**

* Includes 6 VCE Preparation students. VCE Preparation is a Youth Access program designed for students who intend to transition into VCE. Students undertake a selection of four Year 11 units in semester 2 and transition into full Year 11 VCE in the subsequent year.

** 12 part time Year 12 VCE students returning next year to complete.

Student outcomes	Language and Further Education Program		Geelong Technical Education Centre	
	VCE Year 11	VCE Year 12	VCAL Intermediate (Year 11)	VCAL Senior (Year 12)
Achieved Year level and further study pathway			20	9
Achieved Year level and employment			3	10
Achieved Year level (pathway unknown)			5	5
Further study with non-completion			10	4
Employment with non-completion			4	5
Withdrawn in 2020			19**	7**
Other/Unknown			3	7
TOTAL			64	47

* 6 from VCE Preparation returning to complete VCE Year 11 or GTEC.

** Includes 12 VCE students who studied part-time in 2020 and will return to complete VCE Year 12 in 2020.

*** Includes 5 Senior students who finished Year 12 achieving an Intermediate outcome.

NB: 15 of 16 Year 11 VCE students who completed are transitioning to Year 12 in 2021.

GTEC notes:

- ** 2020 Intermediate full course withdrawals decreased by 59% compared to 2019.
** 2020 Senior full course withdrawals decreased by 50% compared to 2019.
A decrease in full course withdrawals is attributed to COVID disruption to SWL work placement which impacted on full-time apprenticeship opportunities presenting during the school year.
- GTEC delivered for the 2nd year 'in-house' VETDSS course CPC20211 Certificate II in Construction Pathways. In 2020, 13 students participated and 2 students withdrew, continuing on with VCAL.
- GTEC also provides two mid-year Programs for Year 10 and 11 students as a pathway to VCAL study at GTEC the following year. 16 students participated in Foundation (Year 10) VCAL with 16 (100%) returning to study Intermediate VCAL at GTEC in 2021. 15 students participated in mid-year Intermediate (Year 11) VCAL with 10 (66%) returning to study Senior VCAL at GTEC in 2021.
- 11 Senior VCAL students attained full-time apprenticeships (which includes further study). These have been included in both completion and non-completion outcomes.
- 40 (88%) Intermediate students are returning to complete Senior VCAL in 2020. Included in further study completion and non-completion.

Workforce and Employment

This year will be remembered as one of unprecedented change but also opportunity. Responding to the pandemic has seen innovation and business transformation accelerate across all industry sectors, along with the increased adoption of technology and also changes to the nature of work itself. These changes have been reflected across The Gordon in 2020. The move to remote working arrangements, in line with government directions, saw the introduction of more flexible work practices that will remain part of the Institute as it moves into 'COVID normal' and beyond.

Health and Wellbeing

More so than ever this year, the health and wellbeing of our staff have been a priority. COVID-19 required The Gordon to review the support and activities available to staff fundamentally. For a significant proportion of the year, staff were working remotely and responding to rapid changes in public policy as the pandemic unfolded. Through the autumn and into winter, the main focus was on Say G'Day. This initiative provided over 270 staff with the opportunity to stay connected as well as share stories of resilience and accomplishment.

As the year progressed and we came to understand how to work 'COVID safe', so the emphasis moved on to 'Stories of Happiness, Optimism, Perseverance and Empathy (HOPE)'. These were vignettes submitted by staff for staff and were widely welcomed.

Staff also had accessed a range of support material provided by our Employee Assistance Program (EAP) including 'Coping with COVID', a series of nine podcasts covering a range of wellbeing topics.

Recognition and Reward

At the beginning of the year, the Institute introduced its new Recognition and Reward strategy, which turned out to be a timely launch. The new initiative focused on The Gordon's commitment to providing a workplace wherein staff are recognised and valued for all that they do, not only in supporting student outcomes, but also working alongside community and industry partners. Closely aligned with strategic priority four – 'a high performing Institute', staff can recognise colleagues more frequently, in categories such as leadership, relationships, performance, innovation and service.

There are also new awards specifically aligned to the recently launched Reconciliation Action Plan that are celebrated during NAIDOC week.

Teacher Summit 2020

To remain a training provider of choice, The Gordon needs to offer learning outcomes that respond to both current and emerging employment outcomes, as well as social needs. To support teaching staff in meeting these challenges, the inaugural Teacher Summit was held in January 2020. The Summit focused on Learning, Professional Practice and Innovation. It provided the opportunity to share best practice and highlight key achievements whilst also hearing from experts from across the field of education.

People Matter Survey

In response to the pandemic, the 2020 survey focused primarily on the health and wellbeing of staff. The survey was open to all staff, including casuals, and achieved a 51% response rate.

Carers Recognition Act 2012

The Gordon provides a range of flexible workplace options to ensure staff 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 made available for people who have made a disclosure.

Conduct and Employment Principles

The Gordon continues to promote its Code of Conduct, aligned to the Code of Conduct for Victorian Public Sector Employees, through induction and ensures it is available to staff on the intranet.

The Gordon has structured recruitment procedures, to positions that are classified correctly, based on best practice public sector approaches. These procedures support merit-based appointments, along with policies and processes to support equal opportunity, including return from parental leave, those with caring responsibilities, flexible work arrangements and reasonable adjustment for staff with disabilities.

Victorian Public Sector Travel Policy

The Gordon's travel policy adheres to the above principles.

Workforce data reporting by FTE*

2020	Full-time		Part-time		Casual	
	Ongoing	Fixed term	Ongoing	Fixed term	Teacher	Other
PACCT	132.4	35.5	37.7	20.1	N/A	14.7
Executive	0.0	10.0	0.0	0.0	N/A	0.0
Other	0.0	0.0	0.0	0.0	N/A	0.3
Teacher	144.6	37.1	34.7	48.5	41.4	N/A
2019						
PACCT	111.8	26.2	32.5	18.4	N/A	24.1
Executive	0.0	5.1	0.0	0.0	N/A	0.0
Other	10.5	4.3	0.0	0.9	N/A	0.6
Teacher	132.0	30.9	34.9	28.3	84.5	N/A

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

Workforce Disclosures (December 2019 - December 2020)

		All employees		Ongoing			Fixed-term & Casuals	
		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
2020								
Demographic dates	Gender							
	Women Executives	7	6.0	0	0	0	7	6.0
	Women (total staff)	427	299.5	110	99	173.3	218	126.2
	Men Executives	4	4.0	0	0	0	4	4.0
	Men (total staff)	265	225.8	136	40	163.3	89	62.5
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	4	2.7	1	0	1.0	3	1.7
	25-34	53	38.4	9	7	15.5	37	22.9
	35-44	149	107.3	47	26	60.3	76	47.0
	45-54	231	183.1	89	55	125.7	87	57.4
	55-64	225	172.5	90	41	117.0	94	55.5
	Over 64	30	21.3	10	10	17.1	10	4.2
Total employees	692	525.3	246	139	336.6	307	188.7	
2019								
		All employees		Ongoing			Fixed-term & Casuals	
		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Demographic dates	Gender							
	Women Executives	6	2.8	0	0	0	6	2.8
	Women (total staff)	563	317.6	134	92	173.8	337	143.8
	Men Executives	3	2.3	0	0	0	3	2.3
	Men (total staff)	345	227.4	143	25	147.9	177	79.5
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	10	1.8	0	0	0	10	1.8
	25-34	87	45.0	10	7	14.6	70	30.4
	35-44	168	103.8	46	24	58.0	98	45.8
	45-54	305	198.1	106	44	115.2	155	82.9
	55-64	274	170.5	99	34	115.8	141	54.7
	Over 64	64	25.8	16	8	18.1	40	7.7
Total employees	908	545	277	117	321.7	514	223.3	

Environmental Performance

As a leading community focused organisation, The Gordon has a strong commitment to improving its environmental performance and has employed a number of strategies in 2020 to support this goal.

Sustainable Salons

The Gordon's hair and beauty training salon 'The Studio' continues its accreditation with Sustainable Salons Australia, a partnership held since 2015. This comprehensive resource recovery service allows the salon to recycle up to 95% of its waste including paper, plastics, aluminium foil, hair and chemicals which are collected fortnightly. The initiative benefits the community and the environment through several programs. The program to date has provided 118,000 meals for people in need by saving 583,800kg of materials from landfill, over 90,000 ponytails have been collected and made into wigs for children suffering medically induced hair loss, 193,700kg of paper has been recycled into new paper products, 29,600 litres of chemicals recycled into clean water for use in construction and manufacturing, 143,200kg of plastic kept in circulation, and 28,700kg of hair collected and made into hair booms that can soak up 95,800L of oil in land or ocean spills.

Waste Diversion

The Gordon continues its commitment to decrease waste sent to landfill, with organics recycling rolled out across the City and East Campuses. A total of 9130kg of organics was sent for composting in 2020, including food waste, green waste, and handtowels from commercial, teaching, and public areas.



2020 Environmental data

Base performance		Measurement	Result
Geelong City Campus		Useable Floor Area (UFA)	23,790
East Geelong Campus		Useable Floor Area (UFA)	26,423
Werribee Campus		Useable Floor Area (UFA)	1,106
Hoppers Crossing Trades Campus		Useable Floor Area (UFA)	838
Skills and Jobs Centre		Useable Floor Area (UFA)	192
Werribee Princes Campus		Useable Floor Area (UFA)	665
Total UFA			53,014
Total FTE			557
Gas & Electricity			
E1	Total energy usage segmented by primary source (including Green Power)	Megajoules - Electricity	9,700,286
		Megajoules - Gas	7,634,279
E2	Greenhouse gas emissions associated with energy use, segmented by primary source and offsets	Tonnes CO2-e - Electricity	3,045
		Tonnes CO2-e - Gas	392
E3	Percentage of electricity purchased as Green Power	%	0
E4	Units of energy per FTE	Megajoules/FTE	31,121
E5	Units of office energy used per unit of office area	Mega joules/m2	327
Optional*	Total renewable energy generation installed	kW installed	218
Optional*	Total renewable energy generated	Mega joules	888,550
Waste Production			
Ws1	Total units of office waste disposed of by destination	Landfill	365,546
		Recycled paper	50,085
		Recycled comingle	6,425
		Greenwaste	11,513
		Organics	941
		Recycled hardwaste	53,343
Ws2	Units of office waste disposed of per FTE by destination	Landfill	656
		Recycled paper	90
		Recycled Comingle	12
		Greenwaste	21
		Organics	2
		Recycled Hardwaste	96
Ws3	Recycling rate (% of total waste by weight)	%	33
Ws4	Greenhouse gas emissions associated with waste disposal	Tonnes CO2-e	641
Optional*	Paper towel recycled	Kilograms	286
Water Consumption			
W1	Total units of metered water consumed by water source	Potable (kL)	6,111
		Rainwater (kL)	513
W2	Units of metered water consumed in offices per FTE	Potable (kL)	10.97
		Rainwater (kL)	0.92
W3	Units of metered water consumed in offices per unit of office space	kL/m2	0.12
Transportation			
T1	Total energy consumption by operational vehicles segmented by vehicle type (MJ)	ULP	668,984
		Diesel	123,282
		Hybrid	107,299
T2	Total vehicle travel associated with entity operations segmented by vehicle type (km)	ULP	177,604
		Diesel	38,706
		Hybrid	52,436
T3	Greenhouse gas emissions associated with operational vehicle fleet by vehicle type (Tonnes CO2-e)	ULP	45.09
		Diesel	8.62
		Hybrid	7.23
	Greenhouse gas emissions from vehicle fleet per 1,000km segmented by vehicle type (Tonnes CO2-e/1,000km)	ULP	0.25
		Diesel	0.22
		Hybrid	0.14
T4	Total distance travelled by air	Kilometres	00
T5	Percentage of employees using sustainable transport (public transport, cycling, walking or car pooling) to get to and from work, by locality type	% of total employees	00
Optional*	Number of petrol hybrid, electric and plug-in hybrid electric vehicles in fleet	Number	10
Greenhouse Gas Emissions			
G1	Total greenhouse gas emissions associated with energy use	Tonnes CO2-e	3,437
G2	Total greenhouse gas emissions associated with vehicle fleet	Tonnes CO2-e	0.61
G3	Total greenhouse gas emissions associated with air travel	Tonnes CO2-e	00
G4	Total greenhouse gas emissions associated with waste production	Tonnes CO2-e	641
G5	Total greenhouse gas emissions: energy, waste, vehicle	Tonnes CO2-e	0

Occupational Health and Safety

The Gordon is committed to providing a safe and healthy environment for staff, students, contractors and visitors. The OHS Strategy identifies three main areas of focus: safety culture and leadership, OHS risk management and incident management.

Safety culture and leadership

The Gordon's Health and Safety Committee meets on a bi-monthly basis to consider and consult on all matters relevant to OHS and consists of 18 elected Health and Safety Representatives (HSRs), representing teaching and support areas as well as four management representatives. The Manager, Risk, Safety and Wellness represents this Committee at the Institute's Risk and Compliance Committee.

In 2020, safety culture improvement and leadership improvement initiatives included:

- A 'Boots on the ground' initiative involving the OHS team performing area safety interactions and observations with staff onsite promoting responsibility and accountability toward OHS matters at an area level
- A focus on OHS representation at all monthly team meetings for program areas to ensure regular updates are provided with relevant OHS information and requirements
- A COVID-19 leadership group was developed to regularly communicate and consult on our exposure to risk from the pandemic. This group also worked collaboratively to ensure the appropriate controls were implemented and that effective information was delivered to all staff, students and visitors to campus.
- The establishment of the Risk, Safety and Wellness team.

OHS risk management

The Gordon demonstrates its commitment to proactive risk management through hazard identification and teaching of safe work methods, to both staff and students. Regular workplace inspections are undertaken and supported by formal risk identification management processes.

In 2020 OHS risk management initiatives included:

- The development of Plant and Equipment Procedure
- The development of Powtoon videos, COVID safety controls and Scenario Planning procedures in response to COVID-19
- Risk profiling of all individual work and program areas to assess the risk from COVID-19 and the development of area guideline documents to outline safe practice protocols as well as controls to ensure the safety of all staff, students and visitors

COVID-19

The virus and its associated business impacts highlighted The Gordon's ability to respond to a crisis and implement safe systems of work with critical deadlines in place. A COVID-19 policy was implemented in the early phases to outline The Gordon's commitment to ensuring the safety of everyone throughout this pandemic. An associated COVID-19 Risk Management Control was developed to provide all staff, students and others with the framework on how this would be achieved. The commitment and drive shown by everyone, to ensure the safety of all staff, students, contractors and visitors to The Gordon was reflective of our good safety culture. The leadership provided by our managers to their teams was nothing short of outstanding, and the response and ownership of all staff resulted in The Gordon navigating the pandemic without incident.

Incident management

The Gordon is focused on reducing the number, and minimising the impact of staff and student injuries. Where appropriate, injuries and 'near misses' are investigated to establish a root cause. Solutions are then recommended and followed through for implementation. Incident management improvement initiatives included:

- The implementation of the Incident Cause Analysis Method (ICAM) incident investigation process for serious incidents, enabling a broader review to determine contributing and root cause factors of incidents.
- Investment in an end to end safety management reporting system that provides easy reporting and monitoring. The dashboard ability of this system will enable regular reporting of incidents and hazards to all staff and allow a strategy to be developed to ensure risks that cannot be eliminated are reduced to levels as low as reasonably practicable (ALARP).

Key Performance Indicators	2020	2019	2018
Number of staff hazards/incidents per 100 FTE	3.5	8.1	7.2
Number of student hazards/incidents per 100 students	0.3	0.2	0.6
Number of staff lost time injury claims per 100 FTE	0.4	0.3	0.8
Number of student serious injury claims per 100 students	0.02	0.03	0.006
Average cost per staff lost time claim	\$29,811	*\$20,437	\$15,815.64

* The WorkCover insurer advised in January 2020 that its total cost paid in 2019 was \$20,437 but that further costs in respect of 2019 lost time may arise if further valid medical certificates are provided.

Fees and Charges

In 2020, fees payable by enrolling students were made up of two 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.

Those 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 the course being undertaken.

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	\$40
Replacement Statement of Attainment, Participation or Completion	\$25
Replacement certificate	\$40
Archive result search and replacement certificate	\$80

Compulsory fees

There were no compulsory non-academic fees charged in 2020.

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 & 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 2020:

- Victorian Auditor General audit of financial statements
- Continuous audit program by BDO
- Australian Skills Quality Authority – National Standards for ELICOS providers and courses.

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 2020, The Gordon received two applications for the release of information under freedom of information.

Public Interest Disclosures Act 2012

The Gordon has maintained its policy in relation to the *Public Interest Disclosures Act 2012*, which covered the procedures staff may access to disclose any concerns in relation to the Act. No disclosures were made under the Act during the 2020 reporting period.

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 2020, no activity has been 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 2020, The Gordon commenced 1 applicable project in 2020. The total value of Local Jobs First projects within the 2020 reporting period is \$30.9 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 25 February 2021.

Ex-gratia payments

The Gordon did not make any ex-gratia payments during 2020.

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, Justin Giddings, on behalf of the Responsible Body, certify that for the period 1 January 2020 to 31 December 2020, The Gordon has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Justin Giddings
Board Chair
25 February, 2021

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 22H - 5.4	Manner of establishment and the relevant Minister.	3
2	FRD 22H - 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	3, 11-25
3	FRD 22H	Nature and range of services provided including communities served.	3, 11-25
MANAGEMENT AND STRUCTURE			
4	FRD 22H - 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities.	4-10
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends.	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements.	FIN 54
7	FRD 10A	Disclosure Index.	38-39
8	FRD 17B	Long service leave and annual leave for employees.	FIN 20
9	FRD 22H - 5.11c	Operational and budgetary objectives, including performance against objectives and achievements.	12-14, FIN 56
10	FRD 22H - 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	34
11	FRD 22H - 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections.	30-31
12	FRD 22H - 5.11	Summary of the financial results, with comparative information for the preceding four reporting periods.	26
13	FRD 22H - 5.11	Summary of significant changes in financial position.	26
14	FRD 22H - 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	12-23
15	FRD 22H - 5.11d	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	FIN 54
16	FRD 22H - 5.18	Summary of application and operation of the <i>Freedom of Information Act 1982</i> .	36
17	FRD 22H - 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	26
18	FRD 22H - 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target.	N/A
19	FRD 22H - 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	N/A
20	FRD 22H - 5.18e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform.	36
21	FRD 22H - 5.18g	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	30
22	FRD 22H - 5.18c	Summary of application and operation of the <i>Public Interest Disclosures Act 2012</i> including disclosures required by the Act.	30
23	FRD 22H - 5.18h and FRD 24D	Summary of Environmental Performance.	32-33
24	FRD 22H - 5.13 - 5.14 - 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST). 2. Location (e.g. website) of where details of these consultancies over \$10,000 have been made publicly available. • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project. 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period.	26
25	FRD 22H - 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	37
26	FRD 22H - 5.17	An entity shall disclose the following in the report of operations: a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	26
27	FRD 25D	Local Jobs First.	37
28	AASB 16	Leases.	FIN 8, FIN 36-38
29	SD 5.1.4	Financial management compliance attestation - The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions of the Assistant Treasurer and the Instructions, and disclose all Material Compliance Deficiencies.	37
30	FRD 119A	Transfers through contributed capital.	FIN 36
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	FIN 6, FIN 11-12
32	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	2, FIN 57
33	CG 10 (clause 27)	Summary of Major Commercial Activities.	37
34	CG 10 (clause 33)	TAFE Institute Controlled Entities.	FIN 11, FIN 51

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT	
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984			
35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <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 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 6
OTHER REQUIREMENTS UNDER STANDING DIRECTION / FINANCIAL MANAGEMENT ACT 1994 (FMA)			
36	SD 5.2.2(a) and FMA s49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> the Accountable Officer subject to Direction 5.2.2(c), the CFO for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	FIN 6
37	FRD 30D	Rounding of amounts.	FIN 11
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament. 	8, 37
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39	FRD 11A	Disclosure of ex-gratia payments.	N/A
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report.	4, FIN 50-52
41	FRD 102A	Inventories.	FIN 8
42	FRD 103H	Non-financial physical assets.	FIN 8, FIN 25-28
43	FRD 105B	Borrowing costs.	FIN 7, FIN 24
44	FRD 106B	Impairment of assets.	FIN 25-29, FIN 31-32, FIN 37, FIN 39, FIN 42, FIN 46, FIN 53
45	FRD 107B	Investment properties.	N/A
46	FRD 109A	Intangible assets.	FIN 8, FIN 29
47	FRD 110A	Cash flow statements.	FIN 10, FIN 35
48	FRD 112D	Defined benefit superannuation obligations.	FIN 20-21
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates.	FIN 11-12, FIN 51
50	FRD 114C	Financial instruments.	FIN 39-43
51	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period.	FIN 54
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
52	Legislation	The TAFE Institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> <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>Local Jobs First Act 2003.</i> 	36
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019.	35
54	Policy	Statement that the TAFE Institute complies with the Victorian Public Sector Travel Policy.	30
55	Key Performance Indicators	See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting - Institutes to report against: <ul style="list-style-type: none"> Employment costs as a proportion of training revenue Training revenue per teaching FTE Operating margin percentage Training revenue diversity. 	FIN 55-56
OVERSEAS OPERATIONS OF VICTORIAN TAFE Institutes			
56	PAEC and VAGO (June 2003 Special Review Recommendation 11)	Financial and other information on initiatives taken or strategies relating to the Institute's overseas operations. <ul style="list-style-type: none"> 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. 	25

The Financial Report

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Report for the Year Ended 31 December 2020

Gordon Institute of TAFE ABN 27 241 053 246

Financial Report - 31 December 2020

How this report is structured

The Gordon TAFE has presented its audited general purpose financial statements for the financial year ended 31 December 2020 in the following structure to provide users with the information about the TAFE's stewardship of resources entrusted to it.

Contents

	Page
Auditor's Independence Declaration	FIN - 3
Directors' Declaration	FIN - 6
Financial Statements	
Comprehensive Operating Statement	FIN - 7
Balance Sheet	FIN - 8
Statement of Changes in Equity	FIN - 9
Cash Flow Statement	FIN - 10
Notes to the Financial Statements	FIN - 11
1 About this report	FIN - 11
1.1 Basis of preparation	FIN - 11
1.2 Compliance information	FIN - 12
1.3 Impact of COVID-19	FIN - 12
2 How we earned our funds	FIN - 14
2.1 Government contributions	FIN - 14
2.2 Revenue from fees, charges and sales	FIN - 16
2.3 Other income	FIN - 19
3 How we expended our funds	FIN - 20
3.1 Employee benefits	FIN - 20
3.2 Superannuation	FIN - 20
3.3 Supplies and services	FIN - 22
3.4 Other operating expenses	FIN - 23
3.5 Finance costs	FIN - 24
3.6 Depreciation and amortisation	FIN - 24
4 The assets we invested in	FIN - 25
4.1 Property, plant and equipment	FIN - 25
4.2 Intangible assets	FIN - 29
4.3 Depreciation and amortisation	FIN - 30
5 Balances from operations	FIN - 31
5.1 Receivables	FIN - 31
5.2 Payables	FIN - 33
5.3 Employee benefits in the balance sheet	FIN - 34
6 How we financed our operations	FIN - 35
6.1 Cash and deposits	FIN - 35
6.2 Contributed capital	FIN - 36
6.3 Leases	FIN - 36
7 Managing risks and uncertainties	FIN - 39
7.1 Financial instruments	FIN - 39
7.2 Contingent assets and contingent liabilities	FIN - 43
7.3 Fair value determination	FIN - 44
8 Governance disclosures	FIN - 50
8.1 Responsible persons	FIN - 50
8.2 Remuneration of executives	FIN - 51
8.3 Related parties	FIN - 51
8.4 Remuneration of auditors	FIN - 52
9 Other disclosures	FIN - 53
9.1 Other economic flows included in net result	FIN - 53
9.2 Other equity reserves	FIN - 53
9.3 Events after reporting date	FIN - 54
9.4 Application of accounting standards issued but not yet effective	FIN - 54
Key Performance Indicators	FIN - 56
Statement of Performance Directors' Declaration	FIN - 57

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 2020 • 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 Operating Officer and Chief Finance 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 2020 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

MELBOURNE
20 March 2021

Auditor-General's Independence Declaration

To the Board, the 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 20120, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
20 March 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Financial Report for the Year Ended 31 December 2020

DECLARATION BY THE BOARD CHAIR CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of the Gordon Institute of TAFE as at 31 December 2020.

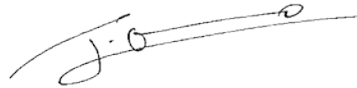
At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate.

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



Justin Giddings
Board Chair

Geelong
17/03/2021



Joe Ormeno
Chief Executive

Geelong
17/03/2021



Steven Reaper
Chief Financial Officer

Geelong
17/03/2021

**Gordon Institute of TAFE
Comprehensive Operating Statement
For the year ended 31 December 2020**

	Notes	2020 \$'000	2019 \$'000
Continuing operations			
Revenue and income from transactions			
Revenue from government contributions	2.1.1	51,858	49,136
Income from government contributions	2.1.2	1,646	2,922
Revenue from fees, charges and sales	2.2	13,244	14,366
Other income	2.3	998	1,722
Total revenue and income from transactions		67,746	68,146
Expenses from transactions			
Employee benefits	3.1.1	56,597	50,242
Depreciation and amortisation	3.6	6,113	5,678
Supplies and services	3.3	10,518	11,142
Finance costs	3.5	141	174
Other operating expenses	3.4	6,806	7,954
Total expenses from transactions		80,175	75,190
Net result from transactions		(12,429)	(7,044)
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets	4.1.3	28	48
Other gains/(losses) from other economic flows	9.1	468	(299)
Total other economic flows included in net result		496	(251)
Net result from continuing operations		(11,933)	(7,295)
Net result		(11,933)	(7,295)
Other economic flows - other comprehensive items that will not be reclassified to net result			
Comprehensive result		(11,933)	(7,295)

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

**Gordon Institute of TAFE
Balance Sheet
As at 31 December 2020**

	Notes	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	48,349	47,437
Receivables	5.1	5,273	7,227
Total financial assets		53,622	54,664
Non-financial assets			
Property, plant and equipment	4.1	125,122	125,595
Right of use asset	6.3	3,501	4,295
Intangible assets	4.2	2,407	2,845
Inventories		230	262
Prepayments		1,209	1,148
Total non-financial assets		132,469	134,145
Total assets		186,091	188,809
Liabilities			
Payables	5.2	5,912	4,494
Contract liabilities	2.2	11,104	4,033
Employee provisions	5.3	13,484	12,023
Other provisions		112	180
Lease liabilities	6.3	3,892	4,524
Total liabilities		34,504	25,254
Net assets		151,587	163,555
Equity			
Accumulated surplus		50,170	62,103
Reserves	9.2	73,688	73,723
Contributed capital	6.2	27,729	27,729
Net worth		151,587	163,555

The Balance Sheet should be read in conjunction with the accompanying notes to the financial statements.

Gordon Institute of TAFE
Statement of Changes in Equity
For the year ended 31 December 2020

	Physical asset revaluation surplus \$'000	Special and general purpose reserves \$'000	Accumulated surplus \$'000	Contributed capital \$'000	Total \$'000
At 1 January 2019	72,348	1,342	69,398	27,729	170,817
Net result for the year	-	-	(7,295)	-	(7,295)
Other economic flows - other comprehensive income	-	33	-	-	33
Year ended 31 December 2019	72,348	1,375	62,103	27,729	163,555
Net result for the year	-	-	(11,933)	-	(11,933)
Other economic flows - other comprehensive income	-	(35)	-	-	(35)
Year ended 31 December 2020	72,348	1,340	50,170	27,729	151,587

Note: There was no impact from the change in accounting policy in 2020 to report.

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

Gordon Institute of TAFE
Cash Flow Statement
For the year ended 31 December 2020

	Notes	2020 \$'000	2019 \$'000
Cash flow from operating activities			
Receipts			
Government contributions		65,910	56,010
User fees and charges received		12,822	16,038
Goods and services tax recovered from the ATO		2,230	-
Interest received		283	758
Other receipts		889	577
Total receipts		82,134	73,383
Payments			
Payments to employees		(53,916)	(49,577)
Payments to suppliers		(18,516)	(21,801)
Goods and services tax paid to the ATO		(3,777)	(1,181)
Other payments		-	(118)
Total payments		(76,209)	(72,677)
Net cash flows provided by/(used in) operating activities	6.1.1	5,925	706
Cash flows from investing activities			
Proceeds from sale of investments		-	28,969
Purchase of non-financial assets		(4,256)	(8,133)
Proceeds from sale of non-financial assets		28	79
Net cash provided by/(used in) investing activities		(4,228)	20,915
Cash flows from financing activities			
Finance lease payments	6.1.2	(785)	-
Net cash from/(used in) financing activities		(785)	-
Net increase in cash and cash equivalents		912	21,621
Cash and cash equivalents at the beginning of the financial year		47,437	25,816
Cash and cash equivalents at end of the financial year	6.1	48,349	47,437

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

Note 1 About this report

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)*.

Its registered office and principal address is:

The 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 notes associated with the item measured on that different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

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

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

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

- the fair value of land, buildings, plant, equipment, vehicles and cultural assets (refer to note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.
- the recognition of revenue in relation to contracts with customers (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 6.3).

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.

Note 1 About this report (continued)

1.1 Basis of preparation (continued)

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.

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)*, *Australian Charities and Not-for-profits Commission Act 2012* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

For the purposes of preparing Financial Statements, The Gordon 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 accounting balance or financial statement matter is disclosed.

1.3 Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including The Gordon.

During the year, COVID-19 has had a material impact on the operations of The Gordon and as a consequence has results in a number of material impacts on the performance of The Gordon as well as the judgements and estimates used in assessing balances.

In response, The Gordon transferred to remote learning where possible, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements where appropriate.

The key impacts on the performance as well as various accounting treatments and estimates are summarised below and disclosed in subsequent notes where relevant and material.

Note 1 About this report (continued)

1.3 Impact of COVID-19 (continued)

The key impacts on the performance is summarised as follows:

Revenue and other income

The Gordon's response to the pandemic included a shift to on line learning. The Department of Education and Training provided crisis support funding and business continuity grants to assist with The Gordon's immediate response to the pandemic. The purpose of this funding was to provide support to retain staff, assist with the transition to online and remote learning and to maintain government funding at pre-pandemic levels. This is further discussed in Note 2.1.

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

- Aged Care,
- Beauty Therapy and
- Hairdressing

The financial implication of the fall in student enrolment was \$790,000.

Expenses

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

The financial implication of the additional expenditure was \$633,000.

Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lock down. As a result, the leave provisions have increased by \$1.2m. This is further discussion in Note 5.3.

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

Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H. 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.

Note 2 How we earned our funds

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

2.1 Government contributions

2.1.1 Revenue from government contributions

Grants and other transfers

	2020	2019
	\$'000	\$'000
Government contributions - operating		
Government grant - contestable	37,319	34,817
Government grant - other contributions	14,539	14,319
Total Government contributions - operating	51,858	49,136

In 2020, The Gordon received \$2.8 million in crisis support funding to assist them with its immediate response to the pandemic, and \$6 million in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels. 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.

Where grants or contracts are recognised over time, the input method of costs incurred-to-date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date mainly comprise salaries accordingly, costs incurred-to-date is the best measure of the transfer of control over the service or product.

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. Specific revenue recognition criteria are set out below.

Note 2 How we earned our funds (continued)

2.1 Government contributions (continued)

Revenue Type	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to contributions received from a limited pool of government funding for which The Gordon must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.	Provision of education services.	Over time, as the student receives and consumes the educational services.
State government – other contributions	Refers to funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts.	<p>These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised on receipt or when the right to receive payment is established.</p> <p>Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.</p> <p>Provision of a specific number of internships with an industry partner.</p>	<p>At the point-in-time when the final product is delivered.</p> <p>Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided.</p> <p>At the point-in-time when each internship is completed. Transaction price is the amount agreed with the customer for each internship.</p>

Note 2 How we earned our funds (continued)

2.1 Government contributions (continued)

2.1.2 Income from government contributions

2020 2019
\$'000 \$'000

Government contributions - capital

Government Grants State Capital	1,646	2,922
Total Government contributions	53,504	52,058

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.	To acquire or construct a non-financial asset.	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.

2.2 Revenue from fees, charges and sales

Student fees and charges	4,224	5,519
Fee for service - government	3,266	2,781
Fee for service - international operations - onshore	1,364	1,533
Fee for service - international operations - offshore	322	384
Fee for service - other	1,711	1,589
Other non-course fees and charges		
Sale of goods	2,357	2,560
Total revenue from fees, charges and sales	13,244	14,366

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

Revenue recognised over time	8,757	9,841
Revenue recognised at a point in time	4,487	4,525
Total revenue from fees, charges and sales	13,244	14,366

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 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.

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.

Note 2 How we earned our funds (continued)

2.2 Revenue from fees, charges and sales (continued)

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

Revenue recognised in relation to contract liabilities

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

	2020	2019
	\$'000	\$'000
Student fees and charges	985	1,333
Revenue recognised from performance obligations satisfied in previous periods	10,119	2,700
	11,104	4,033

Note 2 How we earned our funds (continued)

2.2 Revenue from fees, charges and sales (continued)

Transaction price allocated to 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.

		2020	2021	2022
		\$'000	\$'000	\$'000
Revenue expected to be recognised	2019	1,333	2,700	-
	2020	-	11,104	-

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), 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.

Note 2 How we earned our funds (continued)

2.3 Other income

2 2019
\$'000 \$'000

Other income		
Rental income	203	364
Interest income	283	758
Donations, bequests and scholarship contributions	104	176
Other revenue	408	424
Total other income	998	<u>1,722</u>

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	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.	Provision of services	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.
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations or it cannot be identified when the obligation is satisfied. Typically, the stated purpose of the gift is not specific enough for the requirements of the standard. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
Other income		Other income is recognised when The Gordon's right to receive payment is established.	

Note 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

	2020	2019
	\$'000	\$'000
Salaries, wages, overtime and allowances	48,617	43,453
Superannuation	4,452	4,129
Payroll tax	1,177	1,042
Long service leave	786	1,261
Annual leave	1,119	(41)
Other	446	398
Total employee benefits	56,597	50,242

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.

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 falling due 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) provides 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.

Note 3 How we expended our funds (continued)

3.2 Superannuation (continued)

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:

	2020 \$'000	2019 \$'000
Paid Contribution for the Year		
Defined benefits plans:		
State Superannuation Fund - revised and new	166	172
Total defined benefit plans	166	172
Accumulation contribution plans:		
VicSuper	2,110	2,035
Other	2,046	1,818
Total accumulation contribution plans	4,156	3,853
Total paid contribution for the year	4,322	4,025
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	271	255
Other	275	236
Total accumulation contribution plans	546	491
Total contribution outstanding at year end	546	491

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.

Note 3 How we expended our funds (continued)

3.3 Supplies and services

	2020 \$'000	2019 \$'000
Supplies and services		
Purchases of supplies and consumables	2,220	2,517
Contract and other services	2,849	3,512
Cost of goods sold/distributed (ancillary trading)	1,474	1,549
Building repairs and maintenance	1,975	1,782
Operating lease payments	57	-
Professional fees and charges	684	659
Computer software and hardware expenses	1,259	1,123
Total supplies and services	10,518	11,142

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	95	94
Later than one year but not later than five years	-	-
Later than five years	-	-
Total short-term and low-value lease commitments	95	94
GST payable on the above	10	9
Net short-term and low-value lease commitments	105	103

Note 3 How we expended our funds (continued)

3.3 Supplies and services (continued)

3.3.2 Other expenditure commitments

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

	2020 \$'000	2019 \$'000
Payable:		
Within one year	867	569
Later than one year but not later than five years	1,734	-
Total other expenditure commitments	2,601	569
GST reclaimable on the above	236	52
Net expenditure commitments	2,365	517

3.4 Other operating expenses

Audit fees and services	8.4	126	118
Equipment below capitalisation threshold		763	1,220
Marketing and promotional expenses		1,396	1,368
Staff development		350	378
Travel and motor vehicle expenses		261	648
Utilities		1,195	1,296
General expenses		2,044	2,424
Bad debts from transactions		576	411
Expenses relating to short- term leases		88	85
Expenses relating to low-value leases		7	6
Total other operating expenses		6,806	7,954

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 in the financial year to which they relate to.

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.

Note 3 How we expended our funds (continued)

3.5 Finance costs

	2020 \$'000	2019 \$'000
Finance costs	141	174
Total finance costs	141	174

3.6 Depreciation and amortisation

Depreciation of non-financial assets

Leasehold improvements	106	12
Buildings	3,065	2,952
Plant and equipment	1,156	951
Motor vehicles	249	229
Library collections	25	30
Works of Art	5	4
Right of use asset	947	1,053
Total depreciation	5,553	5,231

Amortisation of non-financial assets

Amortisation	560	447
Total amortisation	560	447

Total depreciation and amortisation

	6,113	5,678
--	--------------	--------------

Note 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 & equipment includes all operational assets.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land	23,780	23,780	-	-	23,780	23,780
Buildings	100,875	99,466	(8,736)	(5,670)	92,139	93,796
Construction in progress	1,886	673	-	-	1,886	673
Plant and equipment	20,158	19,403	(14,818)	(14,214)	5,340	5,189
Plant and equipment in progress	437	258	-	-	437	258
Motor vehicles	1,512	1,509	(978)	(739)	534	770
Leasehold improvements	1,173	1,626	(494)	(822)	679	804
Library	3,528	3,500	(3,377)	(3,352)	151	148
Works of art	188	184	(12)	(7)	176	177
Net carrying amount	153,537	150,399	(28,415)	(24,804)	125,122	125,595

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

Initial recognition

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

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

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

Note 4 The assets we invested in (continued)

4.1 Property, plant and equipment (continued)

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 depreciated replacement cost method is used, adjusting for the associated depreciation.

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2020, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment.

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.

Note 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		Buildings		Construction in progress		Plant and equipment		Plant and equipment in progress		Motor Vehicles		Leasehold improvement		Library		Work of Art		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cost or fair value	23,780	23,780	93,796	85,132	673	8,937	5,189	3,334	258	107	770	777	804	854	148	145	177	181	125,595	123,247
Additions	-	-	1,392	216	2,250	3,745	1,304	2,391	1,883	258	13	253	-	-	28	33	4	-	6,874	6,896
Disposals	-	-	(432)	-	-	-	(390)	-	-	-	(11)	(31)	-	-	-	-	-	-	(833)	(31)
Disposals - write back dep	-	-	432	-	-	-	390	-	-	-	11	-	-	-	-	-	-	-	833	-
Reclassification of WIP as expenditure	-	-	-	-	-	(339)	-	-	-	-	-	-	-	-	-	-	-	-	-	(339)
Reclassification between asset class	-	-	16	-	-	-	3	-	-	-	-	-	(19)	-	-	-	-	-	-	-
Transfers into/(out of) assets under construction	-	-	-	11,362	(1,037)	(11,670)	-	415	(1,704)	(107)	-	-	-	-	-	-	-	-	-	(2,741)
Depreciation	-	-	(3,065)	(2,914)	-	-	(1,156)	(951)	-	-	(249)	(229)	(106)	(50)	(25)	(30)	(5)	(4)	(4,606)	(4,178)
Closing balance	23,780	23,780	92,139	93,796	1,886	673	5,340	5,189	437	258	534	770	679	804	151	148	176	177	125,122	125,595

Note 4 The assets we invested in (continued)

4.1 Property, plant and equipment (continued)

4.1.2 Capital commitments

	2020 \$'000	2019 \$'000
Payable:		
Within one year	20,446	526
Later than one year but not later than five years	9,244	-
Total capital expenditure commitments	29,690	526
	-	-
Net capital expenditure commitments	29,690	526

4.1.3 Gain/loss on property, plant and equipment

Net gain on disposal of property plant and equipment	28	48
Net gain/(loss) on disposal of property plant and equipment	28	48

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

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

Note 4 The assets we invested in (continued)

4.2 Intangible assets

	2020 \$'000	2019 \$'000
Software		
Gross carrying amount		
Opening balance	7,452	6,701
Additions	122	751
Closing balance	7,574	7,452
Accumulated amortisation and impairment		
Opening balance	(4,607)	(4,160)
Amortisation charge	(560)	(447)
Closing balance	(5,167)	(4,607)
Net carrying amount at end of the year	2,407	2,845

Initial recognition

The Gordon's purchased intangible assets include ICT Software and are initially recognised at cost. When the 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. Depreciation and 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, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the asset;
- 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.

Subsequent measurement

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

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.

Note 4 The assets we invested in (continued)

4.3 Depreciation and amortisation

Depreciation and amortisation is provided for the assets listed in the table below.

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

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

Class of Assets	Useful Life
Buildings	50 years (2019: 50 years)
Plant & equipment	4 - 12.5 years (2019: 4 - 12.5 years)
Motor vehicles	5 years (2019: 5 years)
Library collections	4 - 10 years (2019 4 - 10 years)
Works of Art	50 years (2019: 50 years)
Leasehold improvements	10 - 12.5 years (2019: 10 - 12.5 years)
Software	2.5 - 10 years (2019: 2.5 - 10 years)
Right of use asset	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.

Note 5 Balances from operations

5.1 Receivables

	2020 \$'000	2019 \$'000
Current		
Accounts receivables	2,123	2,521
Allowance for credit losses	(794)	(773)
Other receivables	380	542
Total contractual	1,709	2,290
Statutory		
Accounts owing from Victorian Government	3,564	4,937
Total receivables	5,273	7,227

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 not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for 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 the current receivables, their carrying amount is considered to be the same as their 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.

Note 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.

2020	2019
\$'000	\$'000

Movement in loss allowance for contractual receivables

Balance at the beginning of the year	773	872
Amounts written off	(576)	(489)
Net remeasurement of loss allowance	597	390
Balance at the end of the year	794	773

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 consider the credit quality of trade receivables that are not past due or impaired to be good.

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	Impaired financial assets \$'000
2020							
Receivables:							
Trade receivables	1,329	42	63	368	856	-	-
Other receivables	380	380	-	-	-	-	-
Total	1,709	422	63	368	856	-	-
2019							
Trade receivables	1,748	139	184	232	1,193	-	-
Other receivables	542	542	-	-	-	-	-
Total	2,290	681	184	232	1,193	-	-

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

The average credit period on commercial sales of goods is 31 days (2019: 31 days). No interest is charged on receivables.

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

Note 5 Balances from operations (continued)

5.2 Payables

	2020	2019
	\$'000	\$'000
Current		
Contractual		
Supplies and services	5,786	4,274
Statutory		
GST payable	100	193
FBT payable	26	27
	126	220
 Total payables	5,912	4,494

Payables consist of:

- contractual payables, such as accounts payable, and unearned income. 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 payables.

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

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

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

Note 5 Balances from operations (continued)

5.2 Payables (continued)

Ageing analysis of contractual payables

2020 Financial liabilities	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
Payables:							
Supplies and services	5,786	5,786	4,073	79	602	1,032	-
Total 2020 financial liabilities	5,786	5,786	4,073	79	602	1,032	-

2019 Financial liabilities

Payables:							
Supplies and services	4,274	4,274	4,199	52	23	-	-
Total 2019 financial liabilities	4,274	4,274	4,199	52	23	-	-

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

The average credit period is 30 days (2019: 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 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 considered to be the same as their fair values.

5.3 Employee benefits in the balance sheet

	2020 \$'000	2019 \$'000
Long service leave	8,176	7,637
Annual leave	3,728	2,599
Performance payments	-	-
Total short-term benefits	11,904	10,236
Long service leave	1,580	1,787
Total long-term benefits	1,580	1,787
Total employee provisions	13,484	12,023

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 \$11.9m (2019: \$10.2m) 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.

Note 5 Balances from operations (continued)

5.3 Employee benefits in the balance sheet (continued)

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$1.2m (2019: \$1.5m). 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:

	2020 \$'000	2019 \$'000
Unconditional and expected to wholly settle within 12 months	4,713	3,419
Unconditional and expected to wholly settle after 12 months	7,191	6,817
Total current employee provisions	11,904	10,236

Note 6 How we financed our operations

6.1 Cash and deposits

Cash at bank and on hand	12,619	2,434
Deposits at call	35,730	45,003
Total cash and deposits	48,349	47,437

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	(11,933)	(7,295)
Non cash movements:		
(Gain)/loss on sale or disposal of non current assets	(28)	(48)
Depreciation and amortisation of non current assets	6,113	5,678
Transfers (to)/from equity	35	33
Movements in assets and liabilities		
Decrease / (increase) in trade receivables	1,954	(1,721)
Decrease / (increase) in inventories	32	(33)
Decrease / (increase) in other assets	(61)	(231)
Increase / (decrease) in payables	1,349	2,800
Increase / (decrease) in provisions	1,393	1,519
Increase / (decrease) in current liabilities	-	4
(Decrease)/increase in contract liabilities	7,071	-
Net cash flows from/(used in) operating activities	5,925	706

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.

Note 6 How we financed our operations (continued)

6.1 Cash and deposits (continued)

6.1.2 Changes in liabilities arising from financing activities

	Lease Liability	Total
	\$'000	\$'000
Balance at 1 January 2019	5061	5,061
Net cash used in financing activities	(824)	(824)
Acquisition of leases	287	287
Balance at 31 December 2019	4,524	4,524
Net cash from/(used in) financing activities	(785)	(785)
Acquisition of leases	153	153
Balance at 31 December 2020	3,892	3,892

6.2 Contributed capital

	2020	2019
	\$'000	\$'000
Contributed capital		
Balance as at 1st January	27,729	27,729
Issued for cash	-	-
Balance as at 31st December	27,729	27,729

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

6.3 Leases

Policy

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

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

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

Note 6 How we financed our operations (continued)

6.3 Leases (continued)

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.

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.

Right of use assets

	Property	Other	Total
Balance at 1 January 2020	3,974	321	4,295
Additions	153	-	153
Amortisation charge	(732)	(215)	(947)
Balance at 31 December 2020	<u>3,395</u>	<u>106</u>	<u>3,501</u>
Balance at 1 January 2019	-	-	-
Recognised on initial application of AASB 16	4,525	536	5,061
Additions	287	-	287
Amortisation charge	(838)	(215)	(1,053)
Balance at 31 December 2019	<u>3,974</u>	<u>321</u>	<u>4,295</u>

Note 6 How we financed our operations (continued)

6.3 Leases (continued)

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	2020	2019
	\$'000	\$'000
Less than one year	912	1,012
One to five years	2,754	2,838
More than five years	714	1,271
Total undiscounted lease liabilities as at 31 December	4,380	5,121

Lease liabilities included in the Statement of Financial Position at 31 December:

Current	788	872
Non-current	3,104	3,652
Total lease liabilities	3,892	4,524

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 AUD \$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.

Note 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

	2020 Carrying Amount \$'000	2019 Carrying amount \$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	48,349	47,437
Trade receivables	1,329	1,748
Other receivables	380	542
Total contractual financial assets	50,058	49,727
Contractual financial liabilities		
Loans and payables and cash		
Supplies and services	5,786	4,274
At amortised cost		
Contract liabilities	11,104	4,033
Lease liabilities	3,892	4,524
Total contractual financial liabilities	20,782	12,831

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 as at amortised cost only if both of the following criteria are met:

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

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

The Gordon recognises the following financial assets in this category:

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

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

The Gordon recognises the following liabilities in this category:

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

Note 7 Managing risks and uncertainties (continued)

7.1 Financial instruments (continued)

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.

Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Credit risk arises from the contractual financial assets of 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 counterparty on their contractual obligations resulting in financial loss to The Gordon.

Credit risk is measured at fair value and 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, market position 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 balance at 31 December 2020 and 31 December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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.

Note 7 Managing risks and uncertainties (continued)

7.1 Financial instruments (continued)

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

	Financial institutions (AA rating) \$'000	Government agencies (AAA rating) \$'000	Other counter- party \$'000	Total \$'000
2020				
Cash and deposits	48,349	-	-	48,349
Trade receivables	-	-	1,709	1,709
Total contractual financial assets 2020	48,349	-	1,709	50,058
2019				
Cash and deposits	47,437	-	-	47,437
Trade receivables	-	-	2,290	2,290
Total contractual financial assets 2019	47,437	-	2,290	49,727

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.

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 2020 and the past 48 months before 31 December 2019, 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 according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Note 7 Managing risks and uncertainties (continued)

7.1 Financial instruments (continued)

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2020 and 2019:

	Estimated gross carrying amount \$	Weighted average loss rate %	Estimated loss allowance \$	Credit impaired
31 December 2020				
Current (not past due)	47	10	5	No
1–30 days past due	92	31	29	No
31–60 days past due	473	27	127	No
61–90 days past due	105	79	83	No
90–120 days past due	114	79	91	No
More than 120 days past due	1,292	36	459	No
Total	<u>2,123</u>		<u>794</u>	
31 December 2019				
Current (not past due)	149	7	10	No
1–30 days past due	58	27	16	No
31–60 days past due	142	37	53	No
61–90 days past due	153	51	78	No
90–120 days past due	210	45	95	No
More than 120 days past due	1,809	29	521	No
Total	<u>2,521</u>		<u>773</u>	

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

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with 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, \$0 (2019 - \$0) relate to receivables arising from contracts with customers.

Note 7 Managing risks and uncertainties (continued)

7.1 Financial instruments (continued)

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 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 an adequate level of reserves and uncommitted funds 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 markets; 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 insignificant 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.

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 2020 that may have a material effect on the financial operations of The Gordon.

Note 7 Managing risks and uncertainties (continued)

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 values for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

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

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

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.

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 2020 and 2019.

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination (continued)

Fair value determination of non-financial assets

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

The Gordon, in conjunction with the Valuer-General Victoria, 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 Institute'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.

Below are the relevant fair value information relating to those assets.

Fair value measurement hierarchy for assets as at 31 December 2020	Carrying amount as at 31 Dec 2020 \$'000	Fair value hierarchy		
		Level 1 Quoted Prices \$'000	Level 2 Observable Price Inputs \$'000	Level 3 Un-observable Inputs \$'000
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	79,723	-	-	79,723
Heritage buildings	13,095	-	-	13,095
Total of buildings at fair value	92,818	-	-	92,818
Plant, equipment and vehicles at fair value:				
Vehicles	534	-	-	534
Plant and equipment	5,340	-	-	5,340
Library collection	151	-	-	151
Total of plant, equipment and vehicles at fair value	6,025	-	-	6,025
Cultural assets at fair value:				
Artwork	176	-	176	-
Total of cultural assets at fair value	176	-	176	-
Total of assets	122,799	-	11,601	111,198

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination (continued)

Fair value measurement hierarchy for assets as at 31 December 2019	Carrying amount as at 31 Dec 2019 \$'000	Fair value hierarchy		
		Level 1 Quoted Prices \$'000	Level 2 Observable Price inputs \$'000	Level 3 Un-observable Input \$'000
Land at fair value:				
Non specialised land	12,229	-	12,229	-
Specialised land	12,355	-	-	12,355
Total of land at fair value	24,584	-	12,229	12,355
Buildings at fair value:				
Specialised buildings	80,959	-	-	80,959
Heritage buildings	13,510	-	-	13,510
Total of buildings at fair value	94,469	-	-	94,469
Plant, equipment and vehicles at fair value:				
Vehicles	770	-	-	770
Plant and equipment	5,189	-	-	5,189
Library collection	148	-	-	148
Total of plant, equipment and vehicles at fair value	6,107	-	-	6,107
Cultural assets at fair value:				
Artwork	177	-	177	-
Total of cultural assets at fair value	177	-	177	-
Total of assets	125,337	-	12,406	112,931

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 amount applicable to that class of asset.

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

The recoverable amount for most assets is measured at the higher of depreciated 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.

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination (continued)

Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

For the year ending 31 December 2020 The Gordon conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

The assessment was based on the Valuer General Victoria indices and fair value movements were not considered to be material. Given the impact of COVID-19 there is some uncertainty around the use of Valuer General Victoria indices in 2020. This uncertainty is unable to be quantified.

The VGV indices, which are based on data to September 2020, indicate an average cumulative increase of -1.12% across all land parcels and a 9.27% cumulative increase in buildings since the 2017 independent valuation. No managerial adjustment required in 2020 as the movements were less than 10%.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 31 December 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

The land and building balances are considered to be sensitive to declining market conditions. To trigger a managerial revaluation a decrease in the land indices of -8.88% and a decrease in the building indices of -19.27% would be required.

COVID-19 has caused an increase to the estimation uncertainty around the fair value of non-physical financial assets. The impact of COVID-19 is further discussed in Note 1.3.

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 2017. 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.

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination (continued)

Specialised land is valued using the market approach and then adjusting 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 Level 3 assets.

Specialised and heritage buildings are valued using the depreciated 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 in the fair value hierarchy.

Construction in Progress assets are held at cost. The Gordon transfers the assets into and out of assets under construction when they are ready for use.

Motor Vehicles are valued using the depreciated 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 depreciated 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 the 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 Level 3 assets.

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination (continued)

There were no changes in valuation techniques throughout the period to 31 December 2020.

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

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
Heritage buildings	Depreciated replacement cost	Direct cost per square metre
Plant and equipment	Depreciated replacement cost	Useful life of plant and equipment
Motor Vehicles	Depreciated replacement cost	Useful life of vehicles
Library collections	Depreciated replacement cost	Useful life of library books
Leasehold improvements	Depreciated replacement cost	Useful life of lease

Note 8 Governance disclosures

8.1 Responsible persons

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

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

Position	Name	Dates of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January to 31 December 2020
Board Chair	Justin Giddings	1 January to 31 December 2020
Deputy Chair	Darryl Mohr	1 January to 31 December 2020
Chief Executive Officer	Joe Ormeno	1 January to 31 December 2020
Board Director	Virginia Fenelon	1 January to 31 December 2020
Board Director	Janet Matthews	1 January to 31 July 2020
Board Director	Daniel Smedley	1 January to 31 December 2020
Board Director	Matthew Wright	1 January to 31 December 2020
Board Director	David Bowen	1 January to 31 December 2020
Board Director	Adam Canny	1 January to 31 December 2020
Board Director	Corrina Eccles	25 March to 31 December 2020
Board Director	Gillian Miles	1 August to 31 December 2020

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: \$350 000 - \$399 999 [2019: \$500 000 - \$549 999].

There were no termination benefits paid in 2020 included in the above (2019 range: \$150,000 - \$199,999).

Total remuneration paid/payable to executive officers during 2019 was impacted by the resignation of the former CEO and the subsequent payment of leave entitlements upon termination.

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

	2020	2019
Income range		
Less than \$10,000	2	-
\$10,000 – \$19,999	1	2
\$20,000 – \$29,999	5	3
\$30,000 – \$39,999	-	1
\$40,000 – \$49,999	1	1
\$90,000 - \$99,999*	1	1
Total number	10	8
Total amount of remuneration (\$'000)	297	354

*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.

Note 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 2020 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 for the terminations benefits category.

	Total Remuneration	
	2020	2019
	\$'000	\$'000
Remuneration		
Short-term employee benefits	977	760
Post-employment benefits	86	67
Other long-term benefits	19	14
Termination benefits	99	76
Total remuneration	1,181	917
Total number of executives	6	9
Total annualised employee equivalents (i)	5	5

(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
- 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 Ltd

Note 8 Governance disclosures (continued)

8.3 Related parties (continued)

Significant transactions with related entities

	Transaction values for year		Balances outstanding as at 31	
	ended 31 December		December	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Related party transactions				
Debtor - Belmont High	62	11	47	13
Debtor - Grovedale Secondary College	55	24	51	5
Debtor - Lodge Catering	14	113	-	25
Creditor - Barwon Water	38	-	-	-
Creditor - Lodge Catering	44	118	3	13
Total	213	266	101	56

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

Compensation of Key management personnel

	Total Remuneration	
	2020	2019
	\$'000	\$'000
Remuneration		
Short-term employee benefits	1,576	1,341
Post-employment benefits	129	116
Other long-term benefits	28	24
Termination benefits	99	227
Total remuneration	1,832	1,708

Transactions and balances with key management personnel and other related parties

The Gordon had no related party transactions for the period ended 31 December 2020.

8.4 Remuneration of auditors

Remuneration of Victorian Auditor-General's Office:

Audit of the financial statements	95	85
Total remuneration of Victoria Auditor-General's Office	95	85

Remuneration of other auditors

Internal audit services	31	33
Total remuneration of other auditors	31	33

Total	126	118
--------------	------------	------------

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

Note 9 Other disclosures

9.1 Other economic flows included in net result

Other gains/(losses) from other economic flows

	2020	2019
	\$'000	\$'000
Net gain/(loss) arising from revaluation of long service leave liability	468	(299)
Total other gains/(losses) from other economic flows	468	(299)

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

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

- revaluations and impairments of non-financial physical and intangible assets; and
- remeasurement arising from employee benefits disclosed above.

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

Balance at 1 January	72,348	72,348
Revaluation increments/(decrements)	-	-
Balance at 31 December	72,348	72,348

9.2.2 Special and General Purpose Reserves

Balance at 1 January	1,375	1,342
Transfers from accumulated surplus	(35)	33
Balance at 31 December	1,340	1,375
Total reserves	73,688	73,723

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

Note 9 Other disclosures (continued)

9.3 Events after reporting date

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

9.4 Application of accounting standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2020 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.

As at 31 December 2020, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2021 that are expected to impact The Gordon.

KEY PERFORMANCE INDICATORS

TAFE Sector Standard Key Performance Indicators

Indicator title	Description and methodology	Metric	2020 Target	2020 Actual	Explanation of variances	Prior year
Training Revenue Diversity	Breakdown of 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	71.8%	77.3%	Current year training revenue exceeded budgetary expectations and also prior year. This was the direct result of Business Continuity Funding provided and additional aid during unprecedented times. Due to the pandemic and the requirement for remote learning SFC revenue was also significantly down.	75.3%
			13.0%	13.9%		13.1%
			15.2%	8.8%		11.7%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue.	Percentage	108.1%	117.4%	Improving labour utilisation efficiency was again a focus for the TAFE in 2020 however a reduction in both annual leave and long service leave taken during the pandemic also had a direct impact on the leave provisions. A favourable movement in the bond rates prevented this from being even more pronounced.	106.8%
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	\$173,445	\$156,059	2020 result was heavily impacted by COVID-19. The delivery of education in a remote learning environment was undertaken where possible to do so. The inability to deliver hands on learning was challenged and much of it was delayed due to enforced lock downs and social distancing.	\$152,117
Operating margin	Operating margin % <i>EBIT (excluding Capital Contributions) / Total Revenue (excl Capital Contributions)</i>	Percentage	(19.8%)	(20.6%)	The 2020 result is consistent with budget. Total revenue was supported during COVID-19 with \$8.8m in funding directly related to the pandemic. Overall training revenue was \$1m less than budget however this was offset by an increase in support/transitional government funding of \$3.8m. In addition to this, employee expenses exceeded budget by \$3.8m but this was offset by savings in non-salary expenditure of \$2m. Variance to prior year was caused by an increase in employee expenses of \$6.4m as well as the gains from contestable funding of \$2.5m being offset by reductions in revenue for fees, charges and sales of \$1.1m.	(15.7%)

**Performance Statement
For the Year Ended 31 December 2020**

**DECLARATION BY THE BOARD CHAIR
CHIEF EXECUTIVE
AND CHIEF FINANCIAL OFFICER**

In our opinion, the accompanying Statement of Performance of the Gordon Institute of TAFE, in respect of the year ended 31 December 2020, 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 this Statement to be misleading or inaccurate.



Justin Giddings
Board Chair

Geelong
17/03/2021



Joe Ormeno
Chief Executive

Geelong
17/03/2021



Steven Reaper
Chief Financial Officer

Geelong
17/03/2021

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 2020 • the management certification. <p>In my opinion, the performance statement of the Gordon Institute of TAFE in respect of the year ended 31 December 2020 presents fairly, in all material respects.</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 is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
Auditor’s responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. 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 the 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 the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
20 March 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

GOTEC Limited

ABN 49 006 410 671

Financial Report for the Year Ended 31 December 2020

GOTEC Limited ABN 49 006 410 671

Financial Report - 31 December 2020

How this report is structured

Gotec Limited has presented its audited general purpose financial statements for the financial year ended 31 December 2020 in the following structure to provide users with the information about the Company's stewardship of resources entrusted to it.

Contents

	Page
Independent Auditors Report	FIN - 63
Auditor's Independence Declaration	FIN - 65
Financial Statements	
Comprehensive Operating Statement	FIN - 68
Balance Sheet	FIN - 69
Statement of Changes in Equity	FIN - 70
Cash Flow Statement	FIN - 71
Notes to the Financial Statements	FIN - 72
1 Principal activities	FIN - 72
2 About this report	FIN - 72
2.1 Basis of preparation	FIN - 72
2.2 Compliance information	FIN - 73
2.3 Impact of COVID-19	FIN - 73
3 Balances from operations	FIN - 73
3.1 Payables	FIN - 73
4 How we financed our operations	FIN - 74
4.1 Cash and deposits	FIN - 74
5 Managing risks and uncertainties	FIN - 74
5.1 Financial instruments	FIN - 74
5.2 Contingent assets and liabilities	FIN - 77
6 Governance	FIN - 77
6.1 Responsible persons	FIN - 77
6.2 Related parties	FIN - 78
6.3 Remuneration of auditors	FIN - 78
7 Other disclosures	FIN - 78
7.1 Interest income	FIN - 78
7.2 Events after reporting date	FIN - 78
7.3 Application of standards issued but not yet effective	FIN - 78

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 2020 • 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 • Director's Declaration. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and 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 2020 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 company 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>
Other information	<p>The Directors are responsible for the Other Information, which comprises the information in the annual report for the year ended 31 December 2020, but it does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, Part 7 of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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 company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' 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 company'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 company 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.



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
20 March 2021

Auditor-General's Independence Declaration

To the Directors, GOTEK 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 GOTEK Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
20 March 2021

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Directors' Report for the Year Ended 31 December 2020

The directors of Gotec Limited present the following report together with the financial statements of Gotec Limited for the year ended 31 December 2020 and the auditor's report thereon.

Principal activities

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

Objectives

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

Directors

The names of directors in office at any time during or since the end of the year are Mr Joe Ormeno, Mr Justin Giddings and Mr Daniel Smedley.

Directors' qualifications, experience and special responsibilities

The directors have a variety of qualifications suitable to discharge their duties, including commercial and legal experience.

- Mr Joe Ormeno - Bachelor of Commerce (Accounting and Finance), CPA;
- Mr Justine Giddings - AdvDipMgt, Bachelor of Commerce (Economics and Accounting), MBA
- Mr Daniel Smedley - Bachelor of Commerce, Bachelor of Law, Masters in Tax, Chartered Tax Adviser, Accredited Specialist in Tax Law, Australian legal practitioner

Gotec is largely dormant, the Directors meet once a year.

Director 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 and results of operations

The operating profit for the year is \$458 (2019: \$403).

Auditor's Independence Declaration

In accordance with the provisions of section 307C of the *Corporations Act 2001*, the Directors of the company have obtained an independence declaration by the company's auditor. A copy of the declaration forms part of this report.

Signed in accordance with a resolution of the Directors.



Joe Ormeno
Director

Geelong
17/03/2021

Financial Report for the Year Ended 31 December 2020

DECLARATION BY THE DIRECTORS OF THE COMPANY

The directors of the company declare that the attached financial statements for Gotec Limited have been prepared in accordance with Standing Direction 5.2 of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards, *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 notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of Gotec Limited as at 31 December 2020.

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



Joe Ormeno
Director

Geelong
17/03/2021



Justin Giddings
Director

Geelong
17/03/2021

GOTEC Limited
Comprehensive Operating Statement
For the year ended 31 December 2020

	2020	2019
Notes	\$	\$
Continuing operations		
Revenue and income from transactions		
Interest income	458	453
Total income from transactions	458	453
Expenses from transactions		
Other operating expenses	-	50
Total expenses from transactions	-	50
Net result from transactions	458	403
Other economic flows included in net result	-	-
Net result from continuing operations	458	403
Net result	458	403
Other economic flows - other comprehensive income	-	-
Comprehensive result	458	403

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

GOTEC Limited
Balance Sheet
As at 31 December 2020

	Notes	2020 \$	2019 \$
Assets			
Financial assets			
Cash and deposits ¹	4.1	<u>45,963</u>	45,505
Total financial assets		<u>45,963</u>	45,505
Total assets		<u>45,963</u>	45,505
Liabilities			
Payables	3.1	<u>41,345</u>	41,345
Total current liabilities		<u>41,345</u>	41,345
Total liabilities		<u>41,345</u>	41,345
Net assets		<u>4,618</u>	4,160
Equity			
Accumulated surplus		<u>4,618</u>	4,160
Net worth		<u>4,618</u>	4,160

Notes

1 No investment or other financial assets held as non-current, all classified as Cash and Deposits

The Balance Sheet should be read in conjunction with the accompanying notes to the financial statements.

GOTEC Limited
Statement of Changes in Equity
For the year ended 31 December 2020

	Accumulated surplus \$	Total \$
At 1 January 2019	3,757	3,757
Net result for the year	403	403
Year ended 31 December 2019	4,160	4,160
Net result for the year	458	458
Year ended 31 December 2020	4,618	4,618

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

GOTEC Limited
Cash Flow Statement
For the year ended 31 December 2020

	2020	2019
Notes	\$	\$
Cash flow from operating activities		
Receipts		
Interest received	458	453
Total receipts	458	453
Payments		
Other payments	-	(50)
Total payments	-	(50)
Net cash flows from operating activities	458	403
Net increase in cash and cash equivalents	458	403
Cash and cash equivalents at the beginning of the financial year	45,505	45,102
Cash and cash equivalents at end of the financial year	45,963	45,505

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

Note 1 Principal activities

Gotec Limited'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 Gotec Limited were transferred to The Gordon Institute of TAFE and it currently has no employees and remains dormant.

Note 2 About this report

Gotec Limited 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.

Its principal address is:
Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

The financial statements include all the controlled activities of the entity.

2.1 Basis of preparation

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

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 AASs 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 its parent entity funding.

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.

Note 2 About this report (continued)

2.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)*, *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 the 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 have been applied.

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

2.3 Impact of COVID-19

On 16 March 2020, a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate. There has been no material impact on Gotec and its operations, given it has been dormant.

Note 3 Balances from operations

3.1 Payables

	2020	2019
	\$	\$
Current Contractual		
Loan payable to The Gordon	41,345	41,345
Total payables	41,345	41,345

The Gordon TAFE agrees it will not recall this amount with the next 12 months. This liability is at call and is non-interest bearing.

Note 4 How we financed our operations

4.1 Cash and deposits

	2020	2019
	\$	\$
Cash at bank and on hand	45,963	45,505
Total cash and deposits	45,963	45,505

Cash and deposits comprises cash at bank.

Reconciliation of operating result to net cash flows from operating activities

	2020	2019
	\$	\$
Net result for the year	458	403
Net cash flows from operating activities	458	403

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.

Note 5 Managing risks and uncertainties

5.1 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.

		2020	2019
Categories of financial instruments	Notes	\$	\$
Contractual financial instruments			
Financial assets measured at amortised cost			
Cash and deposits	4.1	45,963	45,505
Total contractual financial assets		45,963	45,505
Contractual financial liabilities			
Payables¹:			
Related party payable	3.1	41,345	41,345
Total contractual financial liabilities		41,345	41,345

Note

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

Note 5 Managing risks and uncertainties (continued)

5.1 Financial instruments (continued)

Categories of financial instruments

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

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

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

Gotec 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. Gotec recognises the following liabilities in this category:

- payables (excluding statutory payables).

Financial risk management objectives and policies

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

Credit risk

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 has no material credit risk. Its only financial assets are cash and deposits, held with a reputable financial institution with a AA rating.

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

	Financial institutions (AA rating) \$	Government agencies (AAA rating) \$	Other counter- party \$	Total \$
2020				
Cash and deposits	45,963	-	-	45,963
Total contractual financial assets 2020	45,963	-	-	45,963
2019				
Cash and deposits	45,505	-	-	45,505
Total contractual financial assets 2019	45,505	-	-	45,505

Note 5 Managing risks and uncertainties (continued)

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. e.g. an adverse movement in interest rates or foreign currency exchange rates.

The Company's exposures to market risk is primarily through interest rate risk. 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.

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

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 cash and deposits are on a floating interest rate, with a weighted average effective rate of 1% (2019: 1%).

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 and down (2019: 100 basis points up and down) in market interest rates (AUD)

The following tables show 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.

Note 5 Managing risks and uncertainties (continued)

Market risk (continued)

	Carrying amount	Interest rate risk			
		- 100 basis points Result	Equity	+ 100 basis points Result	Equity
31 December 2020	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and deposits	45,963	(460)	(460)	460	460
Total increase/(decrease) in financial assets		(460)	(460)	460	460
31 December 2019	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and deposits	45,505	(455)	(455)	455	455
Total increase/(decrease) in financial assets		(455)	(455)	455	455

5.2 Contingent assets and liabilities

There are no contingent assets or liabilities at balance date.

Note 6 Governance

6.1 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 are:

Position	Name	Date of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	9 November 2016
Director	Joe Ormeno	10 June 2019
Director	Justin Giddings	30 November 2017
Director	Daniel Smedley	30 November 2017

The directors did not receive any remuneration from the company in 2020 (2019: Nil). There are no other key management personnel in Gotec Limited apart from the members of the board.

6.1.1 Ultimate parent entity

The ultimate parent entity is The Gordon Institute of TAFE.

Note 6 Governance (continued)

6.2 Related parties

Related parties of GOTEC Limited 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.

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Related party transactions	2020	2019
	\$	\$
Current payables (loans)		
The Gordon Institute of TAFE	<u>41,345</u>	41,345
Total current payables	<u>41,345</u>	<u>41,345</u>

6.3 Remuneration of auditors

Gotec Ltd is reliant upon the parent entity for financial support for payment of its annual audit fees. In 2020, \$7,100 (2019: \$7,100) was paid for the external audit of the annual report.

Note 7 Other disclosures

7.1 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.

7.2 Events after reporting date

No matters or circumstance has occurred subsequent to the end of the reporting period that has 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.

7.3 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 2020 reporting period.

As at 31 December 2020, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2021 that are expected to impact the Company.

Geelong City Campus

2 Fenwick Street, Geelong
Victoria, Australia 3220

East Geelong Campus

Boundary Road, East Geelong
Victoria, Australia 3219

Werribee Campus

24 Watton Street, Werribee
Victoria, Australia 3030

Hoppers Crossing Trades Campus

195 Old Geelong Road, Hoppers Crossing
Victoria, Australia 3029

Contact Us

Ph: (03) 5225 0600

Email: courinfo@gordontafe.edu.au

Mail: Private Bag 1, Geelong Mail Centre
Victoria, Australia 3221