



the
Gordon
2019
Annual Report

The Annual Report 2019
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Board Chair's Welcome

The Gordon Annual Report 2019

Dear Minister

We are pleased to present The Gordon's 2019 Annual report. The report comprises commentary on the operations of the Institute, highlights areas of achievement and includes detailed, audited financial statements.

The Gordon Board has continued to provide strong governance to navigate strategic initiatives and infrastructure projects, while remaining focused on the Institute's Strategic Plan 2018-2021. Despite the adverse operating result, the Board and leadership team are focused on financial sustainability and have developed growth strategies to improve performance. Our financial reserves remain strong and the Board is confident of future growth in the coming years.

Further, the Board is committed to providing education and training of the highest quality, closely linked to industry. We have continued to develop our education options and locations in this past year to ensure the programs we offer lead to real skills, real experience and real outcomes. As part of our ongoing commitment to business growth and renewal, the Institute spent over \$8.3 million on infrastructure in 2019.

Ensuring consistent, high-quality teaching and learning is fundamental to achieving our vision for the future and building on our reputation as one of Australia's leading education and training providers. The Gordon demonstrates this through continuing to meet sector benchmarks for student and employer outcome measures.

It has been a year of growth for The Gordon, with the introduction of the Free TAFE program being a significant driver of new enrolments. The successful implementation of this initiative is a remarkable achievement, and I recognise the exceptional work of our staff across the Institute. Beyond the Free TAFE initiative, we continued to assist thousands of individuals to realise their potential, whilst also providing the skills for a diversity of talents in a changing economy.

In terms of growth, we have also seen the commencement of milestone projects, including The Gordon's Future Health Skills project. This project, funded as part of the Victorian Government's Workforce Training Innovation Fund, will see more than 1,600 health workers trained over the next two years. The skilling of workers within the health and community services sector is a key priority for the Institute and local industry.

Our master plan continues to guide further investment in infrastructure, equipment and technology which will be critical in assisting our students in developing the skills necessary for the jobs of the future.

Highlights of the year included opening a new facility in July – the Werribee Princes Campus - located at 180 Princes Highway Werribee. This facility represents our continuing commitment to provide high-quality education to the Wyndham community. Another important achievement was the opening of the rejuvenated H Building at the Geelong City Campus in November. This high-profile building is also an illustration of the Institute's enduring commitment to delivering quality education for the region's needs.

Community engagement over 2019 was further complemented by the offering of training and employment advice at Skills and Jobs Centres located in Geelong and Wyndham; working in partnership with Deakin University and the Victorian Government through the Skilling the Bay project to prepare Geelong for the jobs of the future; and in developing innovative new training programs in partnership with employers, such as The Gordon's Design Centre of Excellence, assisted by Skills First funding programs.

On behalf of the Board, I would like to acknowledge our Chief Executive Officer, Joe Ormeno, for the work he has undertaken since commencing in the role this year. I also wish to thank the Executive leadership team for their efforts in ensuring students and stakeholders are provided with the very best experience. The team's efforts continue to build on our exceptional reputation in the vocational sector.

I would also like to acknowledge the work of Lisa Line as CEO over the five years until 2019. Lisa's passion and commitment as a leader in the education sector has ensured The Gordon is well placed to realise the connection between industry needs, teaching excellence and career pathways.

Finally, I would like to thank The Gordon Board members for their ongoing enthusiasm and support. Their collective skills and experience have been instrumental in effecting positive change.



Justin Giddings
Board Chair
March 2020

The Organisation

Overview

History

'The Gordon' name was inspired by the heroic exploits of British Major General Charles Gordon, who died during the Siege of Khartoum in Africa in 1885. As he was a man devoted to civic duty, especially to the education of the disadvantaged, the people of Geelong decided to build a memorial in his honour and thus The Gordon was born.

Established in 1887 The Gordon was originally a mechanics institute and night school for tradespeople seeking technical training and to meet the local needs of the new industrial era. Its first building was a single-storey hall on Fenwick Street used for lectures and exhibitions. This building still stands today and houses the Davidson Restaurant, run by cookery students at The Gordon Culinary School.

The Gordon today

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

Serving Geelong and the surrounding communities for over 130 years, and now more recently expanding operations into the Wyndham area with several campuses offering a range of courses, apprenticeships and traineeships to western metropolitan communities, The Gordon continues to deliver quality education and training aimed at meeting the needs of current and future workforces and providing clear pathways to further study.

In 2019, The Gordon offered more than 130 nationally accredited qualifications, 80 other accredited training products, a range of VCE and VCAL programs, and almost 100 accredited and non-accredited specialist short courses. The Gordon provides an extensive range of study options for students, offering qualifications 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, continues to engage secondary students, teachers, industry and the community in developing a STEM focus.

The Gordon registered nearly 15,000 enrolments in 2019, equating to more than 13,500 students studying via a range of modes including on-campus, off-campus, full and part-time, online, and industry-based. More than 3,000 apprenticeships and traineeships Australia-wide were also managed by The Gordon in 2019.

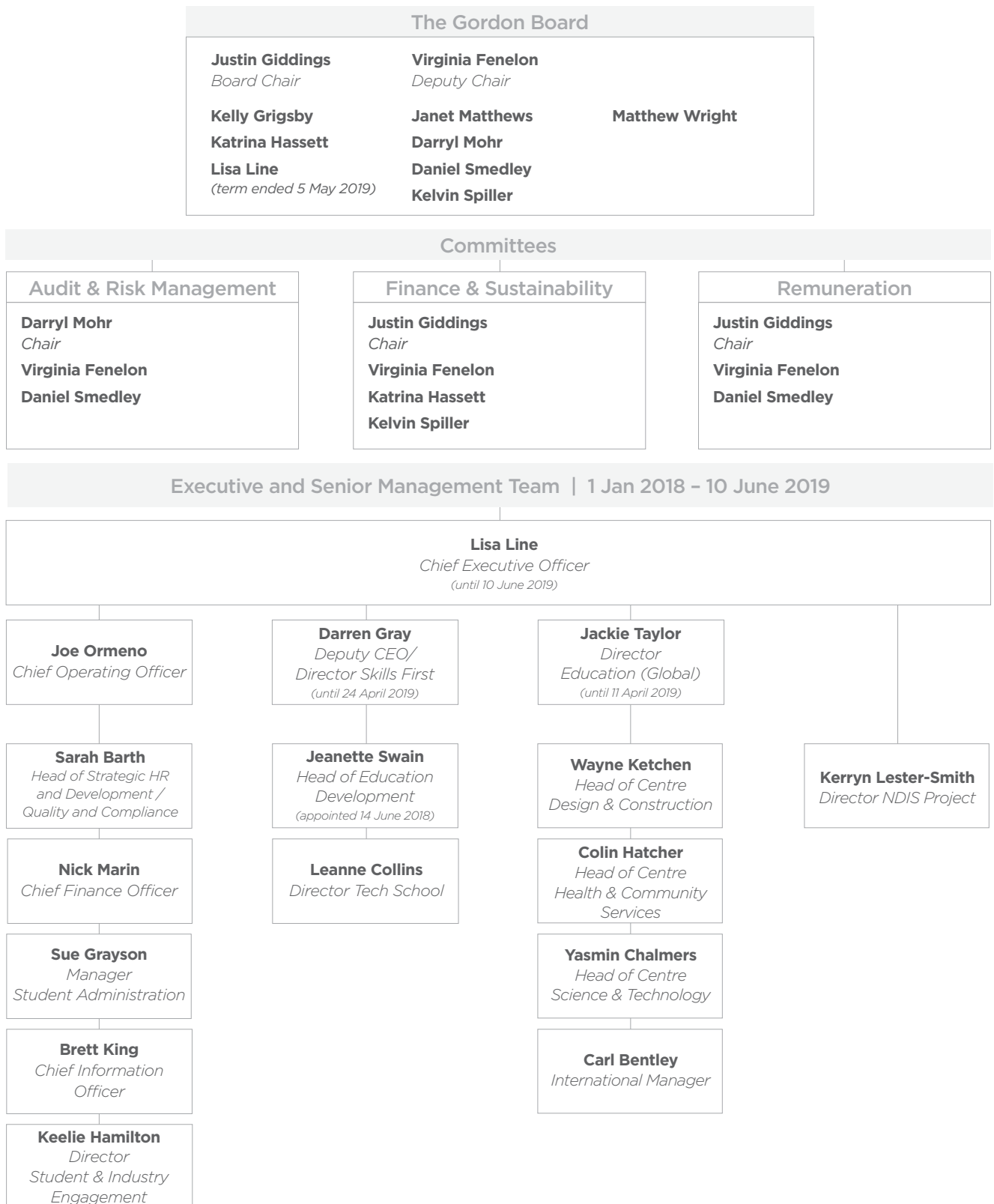
With more than 600 staff and approximately 60 percent of students coming from the wider Geelong region, The Gordon plays a key leadership role in assisting the region's economic and social development.

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.

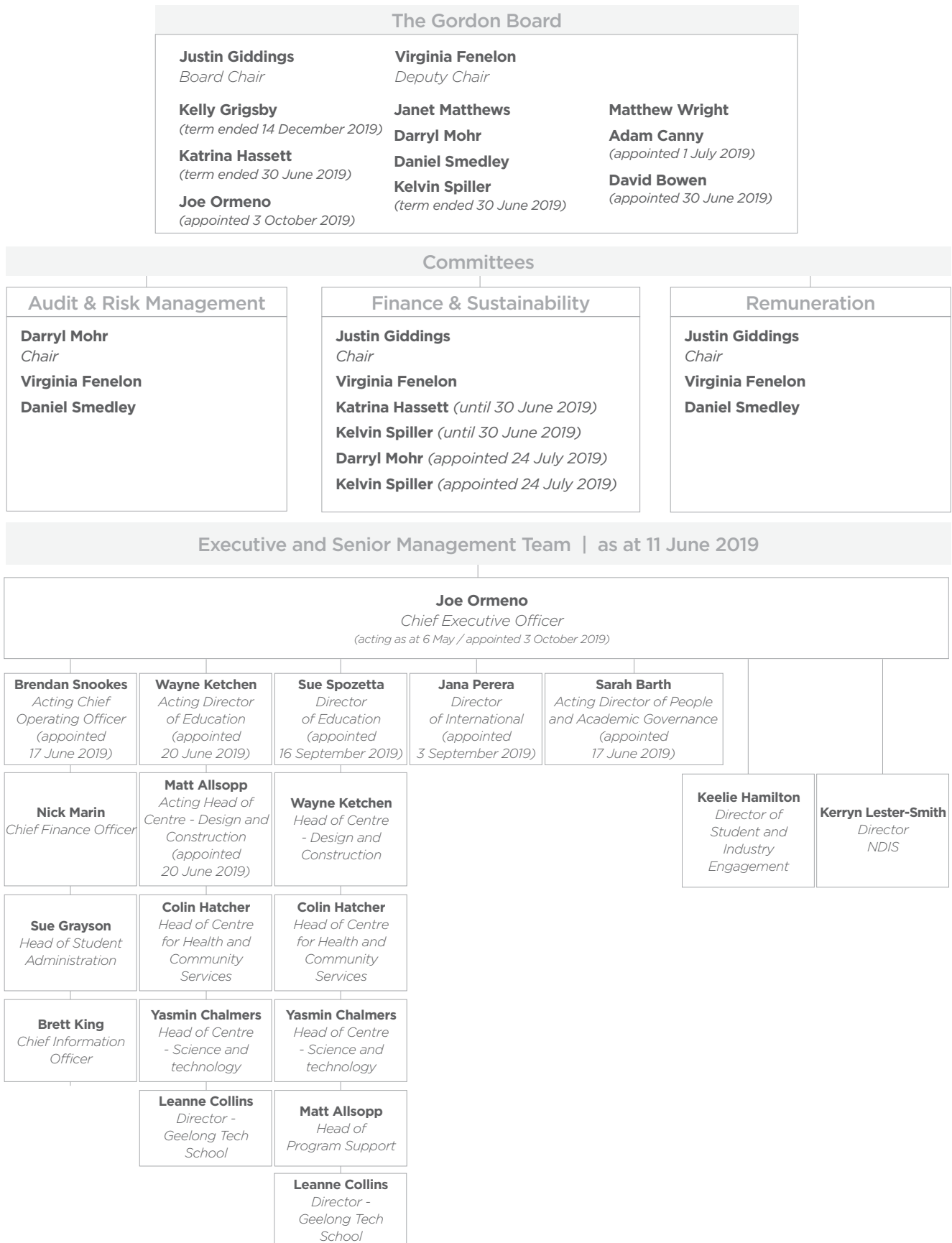
The Gordon's objectives, powers and functions are set out in the Constitution, which was revised as part of the Education Legislation Amendment (TAFE and University Governance Reform) Act 2015. The Gordon reports to Parliament through the Hon. Gayle Tierney MP, Minister for Training and Skills and the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



Organisational Chart (1 January – 10 June 2019)



Organisational Chart (11 June – 31 December 2019)



Board and Governance

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 that The Gordon is exposed to in the course of its activities and responsibilities.

Powers of the Board

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

Reviewing and ratifying

- risk management processes and systems of internal control and compliance with codes of conduct and legal compliance
- financial and audited financial annual reports
- major capital expenditure, capital management, 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.

Summary of training

New 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 2019 included:

- ensured all Governance obligations were met by the Board, including the review of all policies, procedures and Committee Charters.
- oversight of the second year of 2018 – 2021 Strategic Plan.
- monitored the Geelong Tech School project and Stage 1 of the Campus Revitalisation Program.
- oversight 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 the significant financial risks that The Gordon is exposed to in the course of its activities and responsibilities.
- monitored the Institute's involvement in the Skilling the Bay Project.
- closely monitored 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; and
- monitored staff agreements.

Board Members

David Bowen (appointed 1 July 2019)

David Bowen retired as CEO of the National Disability Insurance Agency in 2017 after 5 years in the position. He was 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 of 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 very strongly involved in the Sydney 2000 Paralympic Games. He continues to be heavily involved in the Geelong area, providing pro bono assistance to several organisations for people with disability and long term foster care in his role as Chair of the BCYF Carers Reference Group. He is also a Member of the Western Division Carers Advisory Group.

Adam Canny (appointed 1 July 2019)

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.

Virginia Fenelon (Deputy Chair)

DipFLM, HDTS, MEd, MAICD

Virginia is a VET consultant and auditor. She has senior and executive experience in TAFE and University and has ten 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.

Justin Giddings (Board Chair)

AdvDipMgt, BCom (Economics and Accounting), MBA, GAICD

Justin joined the Board in 2012. He is currently the CEO of Avalon Airport and was the Commercial and Operations Manager at Essendon Airport for seven years. He is currently a board member of the Committee for Geelong, 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.

Kelly Grigsby (until 14 December 2019)

DipComServ, GDipDevStu, MIntlComDev, CPP

Kelly has been the Chief Executive Officer of Wyndham City Council since September 2015. She commenced as the Director Community Development in 2012. She has worked at various levels of local government for more than 15 years within the human services, community development, strategic and statutory planning areas, across a number of municipalities. She has also worked in the Solomon Islands as an Organisational Management Advisor.

Katrina Hassett (until 30 June 2019)

DipPM, BBus

Katrina is currently the Manager of Student Support Services at The Gordon. During her 11 years with the Institute, she has held various senior team and management roles. She has an extensive knowledge of operations and a strong focus on customer service. She is currently undertaking postgraduate study in business administration and strategic customer service.

Lisa Line (until 10 June 2019)

PGDipPersonnelMgt, FCPHR, Chartered FCIPD Lisa has held the CEO position since December 2013 and is a board member of the VET Development Centre. She was previously the Acting CEO and Deputy CEO/Chief Operating Officer and has held various senior positions at The Gordon, including Director Organisation Development, Acting Executive Director Corporate Services and Senior Manager Human Resources. Lisa's former roles also include Chief Operating Officer Plymouth University, UK; Group HR Manager (Victoria/Tasmania) with the Just Group; and several senior HR and general management roles with the John Lewis Partnership, UK.

Janet Matthews

BA, GDipEd, MA (IntIRIns)

Janet is the Principal of Grovedale College, and has held a number of roles during her 30 year teaching 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 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.

Darryl Mohr

BBus (Accounting), CPA, GAICD

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 in 15 locations across the two states. Darryl has over 28 years' experience within the financial services industry. These include a broad range of roles, including customer relationship roles, people and leadership roles, along with targeted strategy & 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 he completed the Global Advanced Risk Management program at The Wharton Business School at Pennsylvania University in Philadelphia USA in June 2019.

Joe Ormeno (appointed 6 May 2019)

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 held until December 2014. In July 2014, Joe was appointed to the Chief Operating Officer role whilst retaining the role of Chief Finance Officer until December of that year. Prior to The Gordon, Joe spent five years as General Manager Finance and Administration with St. Laurence Community Services. He has also held various executive roles in corporate services within the private and not-for-profit sectors.

Daniel Smedley

BCom, LLB, MTax

Daniel joined the Board in 2016. He 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.

Kelvin Spiller (until 30 June 2019)

AssocDipBusStu (LocalGov), GDipMgt, Master of Management, Certificate of Management Studies (Oxford, UK), FAICD

Kelvin is an experienced CEO, director and executive coach with over 35 years' experience in building, leading, managing and developing professional teams in complex service organisations. He is currently the CEO of his consultancy business Leadership Thinking Australia.

His previous career appointments include working as a CEO for the Mornington Shire Council, City of Greater Geelong, Endeavour Foundation in Queensland, Preston City Council, Darebin City Council, Maroochy Shire Council (Queensland), AquaGen Water & Power (Queensland), and the Rural City of Wangaratta, and held other executive positions for the Shires of Corio, South Barwon, Bannockburn and City of Newtown (prior to the 1994 amalgamations).

Kelvin has been a member of over 30 boards/committees in government, industry and community in 12 different industry sectors in Victoria, Queensland and the Northern Territory.

Matthew Wright

BA, PGDipHRMandIR

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. He was a Diversity Advisor at National Australia Bank and developed 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, has had a severe hearing loss from birth and identifies as part of the Deaf community.

Sub-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
- Virginia Fenelon
- 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:

- 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
- Katrina Hassett (until 30 June 2019)
- Kelvin Spiller (until 30 June 2019)
- Darryl Mohr (appointed 24 July 2019)
- Matthew Wright (appointed 24 July 2019)

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
- Daniel Smedley

Executive and Senior Management

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 held until December 2014. In July 2014, Joe was appointed to the Chief Operating Officer role whilst retaining the role of Chief Finance Officer until December of that year. Prior to The Gordon, Joe spent five years as General Manager Finance and Administration with St. Laurence Community Services. He has also held various executive roles in corporate services within the private and not-for-profit sectors.

Acting Chief Operating Officer

Brendan Snookes

BCom, BSci, Chartered Accountant

Brendan was appointed as Acting Chief Operating Officer as of 17 June 2019. Brendan joined The Gordon in May 2015 as the Financial Controller. In November 2016 to June 2017, He held the Chief Finance Officer role on an interim basis. Prior to The Gordon, Brendan held senior management positions at several multi-national companies, including BHP Billiton, Asahi Breweries and PricewaterhouseCoopers. His roles included Divisional Financial Controller, General Manager – Finance and Head of Finance Operations.

Director of International

Jana Perera (appointed 3 September)

BBus, MAdvtg

Jana Perera was appointed as the Director International Education as of September 2019 and joined 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. She continues to expand international operations globally and increase onshore enrolments.

Director of Education

Sue Spozetta (appointed 16 September)

BHlthScNursing, GradDipEd(Adult VET)

Sue was appointed as Director of Education as of 16 September 2019. She has extensive experience in the Vocational Education & 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 & Community Services delivery for Brisbane North Institute of TAFE. She was part of the senior management team involved in the TAFE QLD reform, bringing all TAFE Institutes in Queensland together to form one RTO model.

Acting Director of People and Academic Governance

Sarah Barth

HNDip (BiomedSci), ProfDipHR

Sarah was appointed as the Acting Director of People and Academic Governance as of 17 June 2019. She 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.

Executive (Departures)

Chief Executive Officer

Lisa Line (until 10 June 2019)

PGDipPersonnelMgt, FCPHR, Chartered FCIPD

Lisa held the CEO position from December 2013 to June 2019 and was a board member of the VET Development Centre. She was previously the Acting CEO and Deputy CEO/Chief Operating Officer and has held various senior positions at The Gordon, including Director Organisation Development, Acting Executive Director Corporate Services and Senior Manager Human Resources. Lisa's former roles include Chief Operating Officer Plymouth University, UK; Group HR Manager (Victoria/Tasmania) with the Just Group; and several senior HR and general management roles with the John Lewis Partnership, UK.

Deputy Chief Executive Officer/Director Skills First

Darren Gray (until 24 April 2019)

DipPM, BA, BEd, MBA

Darren held the Deputy Chief Executive position from April 2014 to April 2019. He joined The Gordon in January 2009 and has held senior positions at the Institute for nine years, including Director of Education and Head of Innovation and Strategy. Prior to The Gordon, Darren worked in a variety of roles within local government. His responsibilities included the delivery of strategic projects focused on economic and community development within regional communities, primarily in the Geelong region. Darren is a member of the Board of Directors, Geelong Connected Communities. He holds Bachelor of Arts, Bachelor of Education and Master of Business Administration degrees with his MBA specialisation being Leadership and Communication.

Director of Education (Global)

Jackie Taylor (until 11 April 2019)

BA, PGDipLeadership

Jackie joined The Gordon in 2016 with 20 years' experience in the international education sector. She has a special interest in internationalisation, with a focus on student mobility and has been a driving force in this field in Australia for the past 10 years. She made a significant contribution to the Australian Government's Best Practice Student Mobility Guide, and played a key role in increasing student participation and awareness for the importance of student mobility in the Australian Higher Education sector.

Senior Management

Director Student and Industry Engagement

Keelie Hamilton

DipPM, BA, ACEcD

Keelie commenced in her role as the Director Industry Engagement in March 2016. She has a 20 year background in community, business and industry engagement, substantively in Local Government. Previous roles include Manager Enterprise Geelong. Coordinator Armstrong Creek Urban Growth, and Coordinator 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.

Director NDIS

Kerryn Lester-Smith

BAppSc, Masters Health and Human Services Management

Kerryn joined The Gordon in October 2018 to lead the TAFE Network's response to the National Disability Insurance Scheme (NDIS). Kerryn has 13 years of experience in the health and disability sectors with a particular focus on enhancing programs and services for people with disabilities. In 2013, she led the LEAD Barwon Project (Leading, Educating, Advocating for Disability) a leadership and advocacy development program for the first participants of the NDIS and their carers. With a background as an Occupational Therapist, she has also held various roles in the social insurance sector across TAC, WorkSafe and the National Disability Insurance Agency.

Chief Finance Officer

Nick Marin

BCom

Nick was appointed as Chief Finance Officer in July 2017. He commenced with The Gordon in April 2006 working within the Finance department in the roles of Financial Analyst and Management Accountant. Prior to The Gordon, Nick worked in the health insurance sector as the Management Accountant for GMHBA. Nick has also held Financial Accountant and Auditor roles within the superannuation sector and chartered accounting field respectively.

Chief Information Officer

Brett King

BIS

Brett joined The Gordon as the organisation's first Chief Information Officer (CIO) in 2018. He brings to the organisation significant experience in the Information Technology and Vocational Education industries through his previous role at a Student Management System vendor where he held the Australasia Director of Operations role. Previous to this, Brett had over 15 years' experience in Australia and the UK in business intelligence and analytics, and more broadly in consulting management and general management of IT businesses. Brett is an active member of the Geelong business community, previously holding roles within ICT Geelong, Committee for Geelong and currently as the Chairman of Brand Geelong.

Head of Student Administration

Sue Grayson

Cert IV Frontline Management, Dip Project Management, BArts

Sue joined The Gordon in July 2003 and was appointed as Head of Student Administration in 2017. During her 16 years with The Gordon, Sue has held a variety of senior positions and has overseen a number of projects and major process changes within the Institute. Sue and her team are committed to providing our students with the best possible experience during their application, admission and enrolment. Sue is a member of, and has previously been Chair of a number of Victorian TAFE Networks and is always keen to foster collaboration. Prior to The Gordon, she held senior management roles in both Victoria and New South Wales with Target Organisation.

Head of Centre for Design and Construction/ Acting Director of Education

Wayne Ketchen

Cert IV TAA, Cert IV TAE, Dip Project Management, Dip VET, Bach. Arch (hons), Masters of Leadership and Management in Education (underway)

Wayne acted as Director of Education from 20 June to 16 September 2019. He joined The Gordon in 2009 as a sessional teacher after a career in Architecture both locally and overseas. He was appointed Program Manager, Advanced Design & Building in 2013 and was Acting Enterprise Manager for Constructing Futures from May 2017 until May 2018 when he was appointed Head of Centre for Design & Construction. Wayne is committed to lifelong learning through his current Masters studies with the University of Newcastle.

Head of Centre for Health and Community Services

Colin Hatcher

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

Colin joined The Gordon in 2018 with 20 years experience in the vocational and higher education sectors in Australia, the United States, Mexico, Brazil, India and The Netherlands. Prior to joining The Gordon, he worked as GM Health Services Development for Cobaw Community Health. He has held a range of executive roles including Executive Director Train@CQUUniversity, GM Health Skills Australia (Navitas), Co-founder and Director Corporate Strategy for Endeavour Learning Group and Associate VP Education Operations for Apollo International. Colin is passionate about the TAFE sector's lead role in improving educational and service sector outcomes in the regional Victoria and beyond.

Head of Centre for Science and Technology

Dr Yasmin Chalmers

PhD, Grad Cert HELT, B Appl Sci (Hons), Cert IV TAE

Yasmin joined The Gordon in 2018 having extensive background in horticultural research and development/higher education programs. Previously, she was Director of Postgraduate Agribusiness Studies, Marcus Oldham College, Manager of the National Centre for Sustainability, SuniTAFE and Senior Research Scientist, Department Primary Industries. Having worked with Government agencies, industry and leading higher education and VET providers across many rural regions of Australia, Yasmin is committed to developing the educational and skill needs of our future students.

Head of Program Support/Acting Head of Centre for Design and Construction

Matthew Allsopp

CertIIIAuto, CertIVAuto, CertIVFLM, CertIVTAE, DipVET, AdvDipBusMgt

After joining The Gordon in 2001 as a teacher in the automotive course, Matthew was appointed acting Head of Centre for Design and Construction from 24 June to 16 September. In 2009 he was appointed Acting Education Manager and in 2010, the Automotive Studies Coordinator. He was appointed Program Manager for AutoTech in 2011, and Enterprise Manager for Smart Technologies in 2013. In 2019 he was appointed Head of Program Support.

Director Tech School

Leanne Collins

BEEd, CertIVTrainAssess

Leanne commenced as Director of the Geelong Tech School with The Gordon in January 2017. She has an extensive working history in a variety of roles and educational settings. Previous employment has been held at Deakin University, LaTrobe University, Goulburn Ovens TAFE, The Australian Sports Commission, Life Education and in secondary schools as a teacher. These roles ranged from working closely with disengaged students through to working with highly focused learners in the primary, secondary and tertiary sectors of education. Leanne is also passionate about sport having played hockey at National level, represented Australia in basketball and contributed to local sport through coaching and committees.

The Year in Review

CEO's message

As I look back over 2019, particularly since my appointment as CEO of The Gordon, I acknowledge the achievements of the organisation and the efforts of our dedicated staff. The year has been one of growth, engagement and educational commitment, and, as the year ends, we have a strong sense of confidence in the strategic direction of the Institute.

We have concluded a suite of quality initiatives, reviewed our strategic plan and have a renewed focus on growth. The Institute is in a strong position to deliver positive outcomes for our students, community and industry partners.

In terms of operating performance, we are committed to achieving financial sustainability and to continue to focus on growth strategies. Our financial reserves remain strong, with plans for additional investment, aligned with the Institute's 2018 - 2021 Strategic Plan.

The strategic plan focuses on:

- Student, Industry and Community Engagement
- Excellence in Teaching and Learning
- Business Growth and Financial Sustainability
- A High Performing Institute.

To that end, the year commenced dynamically with the roll-out of the Free TAFE for Priority Courses initiative. Free TAFE for Priority Courses significantly reduce the financial barrier for students wanting to train in courses that lead to those jobs in demand from local employers. Growth in enrolments for these courses has been considerable across 2018-19.

The Geelong Tech School opened in 2018 and continues to provide thousands of local secondary school students with an insight and inspiration into future careers. It will be the benchmark for further development of our campuses and facilities. Innovative education programs linked with local industry deliver real-world learning to students from Geelong secondary schools. Across 2019, over 6,100 students and teachers participated in programs exploring new and emerging technologies.

The Skills and Jobs Centre continued its invaluable support of our community. It delivered specialist services to assist career and employment transitions for students of The Gordon and members of the local community. Support has been provided to over 3,690 people across the community.

There were several major investment announcements across 2019. In June, the Hon. Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education, committed over \$23 million for capital works. This funding will transform our Culinary School into a world-class hospitality and cookery training centre, within what is fast becoming central Geelong's new education, arts and culture precinct.

In September, Victoria's Premier, the Hon. Daniel Andrews MP and Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, officially opened H Building, a new \$10 million facility at The Gordon. The rejuvenated building reflects what makes TAFE great. It visibly demonstrates our commitment to deliver quality education to the Geelong community by providing students, teachers and industry with access to state-of-the-art technology and engaging learning spaces, and provides essential educational support, training and course advice, study support, counselling and careers advice. It also is as part of our response to the needs of the Geelong community; especially for the youth of the region and beyond.

The Gordon's Future Health Skills project was also funded as part of the Victorian Government's Workforce Training Innovation Fund. The contribution of \$1.6 million will see more than 1,600 health workers trained over the next two years. The skilling and upskilling of workers within the health and community services sector is a key priority - this sector has a strong employment growth trajectory over the next five years - especially as Geelong manages the implementation of the NDIS - and a rapidly ageing population.

Our Wyndham campuses continued to experience strong growth in enrolments. In July, we opened a new facility located at 180 Princes Highway in Werribee. The new facility, known as the Werribee Princes Campus, represents our commitment to deliver high-quality education to the Wyndham community. Werribee Princes Campus offers students access to quality training rooms, dedicated spaces for student services and career advice, as well as amenities including a large kitchen area, outdoor courtyard and ample car parking.

In November, it was my great honour to fly to China for the opening ceremony which celebrated our first cohort of students who are studying the Diploma Building and Construction program. It was a productive visit, travelling to six cities and meeting seven potential clients over seven days. Growing international education enrolments is a key objective for The Gordon, given the importance of this sector to the Victorian and national economies, and it was a particular delight to meet our students and to further business development discussions.

It has been an important year for The Gordon and I would like 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 want to thank Lisa Line, previous CEO of the Institute, for her important contribution to The Gordon. Lisa's leadership was central to The Gordon navigating the interlocked responsibilities of community service, student-focussed outcomes and sustainability. I would also like to thank all Board members for their commitment and dedication. The Board is led by Chair Justin Giddings, whose passion for education in this region ensures our interests are always well represented.



Joe Ormeno CEO
March 2020

2018 – 2021 Strategic Plan: Year two

In 2019 the Institute continued to work on achieving financial sustainability in the light of government policy changes. The Institute continued to progress key strategic initiatives and build on the solid foundation established in 2018 with a number of major milestones achieved.

The Gordon revisited the vision and mission statements to determine their validity in a changing operating environment, and are of the belief that the current four strategic priorities and objectives are still relevant.

The ongoing focus on continuous improvement underpins all of the strategic priorities. This includes the commitment of staff to provide students with outstanding experiences and outcomes; forging of new partnerships and strengthening existing ones where appropriate; engaging with business and industry; and achieving financial sustainability with a heightened focus on diversification of revenue streams and maximizing efficiencies (systems and processes).

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 provide 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 completed in 2019. A complete list of Key Performance Indicators (KPIs), targets and results are presented on page FIN 51.



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, while also providing increased skills and/or a diversity of talents for a changing economy.

Objectives

- 1.1 Enhance access to education and development 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 2019:

- Co-designing of two pre-accredited pathway programs by TAFE and Learn Locals.
- Development of a marketing strategy with a focus on TAFE and Learn Locals.
- Development of marketing collateral for pathway courses.
- Deployment of The Gordon's digital billboard advertisement.
- Collaboration with higher education providers to strengthen and enhance pathway opportunities for VET students to attain Bachelor degree qualifications.
- Launching of new qualifications in the fast-growing Health and Innovation sector, including the Introduction to NDIS course and a range of Certificate IV qualifications that provide new pathways to higher qualifications and job opportunities.
- Provision of information to people seeking to learn about apprenticeships, including provision of access to apprentices, employers of apprentices and global apprenticeships advocates.
- Creation of potential work placement opportunities through industry panels held by the Skills and Jobs Centre across eight different sectors.
- Management of the TAFE Network NDIS Project, including network communications and the commissioning of research in the following areas:
 - › Improving access and achievement for TAFE students with disability.
 - › Optimising TAFEs as inclusive workplaces for individuals with disability.
 - › Planning for an NDIS workforce that is skilled, diverse and dynamic, delivering high-quality, innovative support.

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. An emphasis on introducing new programs that support skill development in priority industry sectors and are aligned with Government priorities is crucial to the region's future. 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 opportunities delivery.
- 2.3 Develop areas of excellence to support priority industry sectors.

Major initiatives in 2019:

- Significant work undertaken to further refine the Scope of Registration to assist in the Institute's preparation for re-registration. The internal audit and validation program supports The Gordon's commitment to continuous improvement of resources and assessment practices.
- The Institute secured funding under the Workforce Training Innovation Fund to develop Future Health Skills, building the capability of Geelong's Healthcare workforce. Collaborating with major Healthcare providers, this innovative program will deliver a number of micro-credentials utilising virtual and augmented reality to existing and future health care professionals.
- Planning is in progress for The Gordon to work alongside the Geelong Tech School to deliver non-accredited short courses that align with various VET qualifications for years 9, 10 & 11 school students.
- Establishment of the Multi-disciplinary Design course which will enhance employment opportunities within the design sector, and is aligned with the transformation of the traditional, large-scale manufacturing economies into one of innovation and collaboration.
- Partnering with major employers in the health sector to support skills development within future and existing workforce.

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.
- 3.2 Invest in leading-edge infrastructure, equipment and technology.

Major initiatives in 2019:

- Implementation of the Victorian TAFE Teaching Staff Agreement including ensuring teachers had work plans in place that are aligned to the new Agreement.
- Ensuring wherever appropriate, teaching staff have been offered secure forms of employment.
- Implementation of key initiatives in the Institute's International Education Growth Strategy resulting in continued growth in international student enrolments, building on work from the previous year.
- Engagement with TAFE International Education Working Group to secure new opportunities for the sector, aligned with the Victorian Government's International Education Strategy.
- Establishment of a new training facility in Werribee in response to the Government's Free TAFE initiative.
- Establishment of a new HRP system.
- Realignment of the organisation structure to focus on growth including business development, partnerships and tendering.
- Establishment of a corporate Project Management Office.
- Funding secured to upgrade The Gordon Culinary School and other general areas.
- Opening of H Building by Victoria's Premier, the Hon. Daniel Andrews MP and Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, including:
 - › Auditorium
 - › Student Library
 - › Computer Lab; and
 - › Customer Service Centre.

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 2019

- Implementation of a leadership program to enhance capability and ensure succession risk management. This program will extend into 2020.
- Over 10 roadshows held across multiple campuses focusing on feedback from the annual People Matter Survey.
- Launching of a staff engagement initiative to explore initiatives and ideas that support a positive and inclusive workplace culture.
- Planning for the 2020 Teacher Summit is in place, focusing on Learning, Professional Practice and Innovation.

Teaching and learning highlights

Building a 'Tech Ready' workforce

Supported by the Victorian Government, Tech Ready is a digital skills pilot program that has helped young regional Victorians develop digital and work readiness skills required by industry. The program is a partnership between The Gordon, Infoxchange and Gforce to help young people to kick start their career in digital technology.

The program provided young people from 17-25 years of age in regional Victoria with training (ICT30115-Certificate III Information, Digital Media and Technology), job-ready skills, digital skills and industry exposure. The aim of the program was to enhance employment opportunities and/or encourage further study in a technology related pathways. This included supporting students to transition to further study or employment in professional services and technology related industries, plus engage local businesses in the program by promoting collaboration between industry, education providers and community organisations.

With more than 90% of Australians requiring some level of digital skills at work, the need to access technical skills is imperative. Furthermore, enterprise skills such as complex and creative problem solving, innovative thinking, communication skills, teamwork and an understanding of the business and industry context will be driving the new skilled-ready workforce. Through the development of these enterprise skills the Tech Ready program will assist in achieving a skilled workforce, that will meet industry demand and create jobs for the future.

Working safely in the solar industry

As of July 2020 it will be mandatory for all solar workers carrying out installation in the Solar Homes program to have training in VU22744-Work safely in the solar industry qualification. The Gordon is one of a small number of providers selected to deliver the free-of-charge pilot program with the assistance of funding through Future Energy Skills. This contextualised program will ensure solar installers are well equipped and trained to a high standard to meet the appropriate work, health and safety knowledge of the solar installation industry.

Regional Industry Sector Employment (RISE)

In an effort to address poor apprenticeship completion rates in the building industry, a specialised support program has been established. The RISE program aims to bring together students, industry, mentorship and training into a supportive network, designed to encourage greater engagement and advise of pathways to further opportunities. In conjunction with City of Greater Geelong, GForce and industry partners, the RISE program enrolls students into a 12 week intensive Certificate II in Construction Pathways qualification. Support and mentorship sessions, along with site tours and industry engagement activities promote realistic expectations of requirements within construction and give participants not only a qualification but also opportunities to engage with employers and seek apprenticeships or other forms of employment.

Micro-credentials for Future Health Skills

Supported by the Victorian Government, The Gordon is partnering with major health sector employers in the Geelong region to develop a suite of non-accredited micro-credentials that will effectively address skilling requirements of existing workers, increase the supply of job-ready graduates and improve the operational efficiency and effectiveness of workforce training. The Future Health Skills project is a scalable solution for the health sector that will use innovative teaching and learning modes to develop 20 co-designed, fit-for-purpose micro-credentials over two years. The micro-credentials will be supported by virtual and augmented reality, face-to-face and blended learning delivery modes that are accessible via a shared online portal. The project will support up to 1,100 clinical and non-clinical staff and 670 future workers to complete at least two of the training modules by 2021. The micro-credentials will be co-designed by health professionals, patients/customers, schools, technology experts and instructional designers and delivered by The Gordon and partner hospitals.

Accreditation of HLT54115 Diploma of Nursing

The Gordon has successfully achieved re-accreditation of the HLT54115 Diploma of Nursing qualification with the Australian Nursing and Midwifery Accreditation Council (ANMAC). In addition to implementing teaching and learning design improvements to the qualification itself, The Gordon has modernised its nursing training facilities and essential equipment required to meet the growing demand for Enrolled Nursing and related accreditation standards. Capital works included upgrades to the Geelong City Campus facilities, including refurbishment of the existing clinical lab, establishment of an additional four-bed nursing lab, a utility and treatment room and private simulation room, implementation of 360-degree cameras in clinical labs and upgraded simulation bathroom facilities. Capital works at the Werribee Campus included establishment of an additional four-bed nursing lab.

Strengthening education pathways

Developing an education supply chain

The Gordon has continued to explore and develop education pathway opportunities that align to the skills and capabilities demanded by the Australian economy. University pathway options have been expanded for domestic and international students. A new partnership with the Engineering Department at Deakin University has been established, providing Gordon Diploma of Engineering students a direct credit pathway to university.

Work is underway on recognising learning experience in the workplace by partnering with businesses and industry to develop Skill Set packages that can be tailored to their workplace needs. In addition these learnings can then be recognised as micro credentials for further education pathway options.



Vocational Education and Training Delivered to Secondary Students (VETDSS)

In 2019, The Gordon offered 28 VETDSS programs with each providing pathways into higher level Certificate and Diploma courses. More than 1,200 students took part in programs during the year, which were conducted in partnership with 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 2019, 68 students undertook scored programs with over 60% scoring an ATAR subject score of 30 or above and 10% of students scoring over 40, with the highest student scoring 48 out of a possible 50 in Certificate II in Laboratory Skills.

The Gordon's partnership with the Wyndham and Hobsons Bay Secondary Schools Cluster, grows from strength to strength. Starting with 8 schools in 2014, in 2019 The Gordon delivered 14 courses in Building and Construction (Bricklaying and Carpentry), Electro technology, Plumbing, Laboratory Skills, Kitchen Operations, Children's Services, Allied Health, Automotive, Small Business, Make Up, Animal Studies, and Horticulture to over 390 students from 21 schools across the Wyndham and Hobson's Bay region.

Through this delivery in the Wyndham/Hobson's Bay region, and The Gordon's commitment to inclusive education for all, the Institute modified its Horticulture course delivery to enable the students from Warringa Park Specialist School, to undertake this program, within their own area, at Werribee Park. In 2020 this will be expanded to include two extra courses for students with special learning needs, with the introduction of Certificate II courses in Automotive and Kitchen Operations.

An additional 550 Year 9 students from four local Geelong Secondary schools participated in a 10 week Geelong Tertiary Futures Program. Students in this program participate in Program area tasters as an opportunity to explore career pathways they may like to pursue.

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

The Geelong Tech School brings together the worlds of work and study to help prepare secondary students for the future. They gain a better understanding of diverse industries and the skills they will require while employers tap into student ingenuity.

Throughout 2019, there has been significant investment in collaborating and working with schools and industry to ensure that the programs on offer meet the needs of schools, connects with industry in this region and develop skills using a range of technologies. The Geelong Tech School equips teachers with the knowledge and skills of emerging technologies and contemporary professional practices, which empowers them to facilitate real-world skills with confidence and ensure relevance in a rapidly-changing world.

The completion of building works saw the activation of the six flexible and two custom built learning spaces. Innovatively designed programs emphasising the vital science, technology, engineering and mathematics (STEM) skills were available to partner secondary schools from February, 2019. The applied learning environment and expertise at Geelong Tech School, complement(s) work undertaken at schools - allowing students and teachers to connect knowledge and skills beyond school walls and encourage informed decisions about future pathways. This opportunity has supported student learning experiences where they have designed, prototyped, tested, analysed and redesigned new ideas with real life applications.

Programs

Core programs

Students address an industry-based scenario/brief over 4 weeks both in school and at the Geelong Tech School to access emerging technologies. Schools are provided with extensive curriculum resources, industry information and teacher professional development to ensure programs achieve optimal results. Core programs are linked to the Victorian secondary school curriculum, aimed at building the capacity of partner schools in STEM applied learning. They encourage students to take ownership of their own learning through understanding the relationship of school subjects to STEM skills that are in demand in the workforce.

The Core Programs facilitated in 2019 included:

- Backed Up to the Future - robotics, design, coding
- Water Reality Check - 360 video production, drones
- The Last Mile - forces, concept design, data collection and analysis, prototyping
- Future Bricks - materials design, electronic sensors, data collection/ analysis
- Bot Rescue - robotics, design, coding.

New Core programs in development for mid-2020 include:

- Rapid Prototyping - design process, CAD, Prototyping in Fab Lab (3D print, laser cut/etch)
- Virtual Reality - VR, design, creative use of software
- Drone - drones, design, coding
- Bees with Backpacks - data analysis, electronics, sustainability
- Assistive Technologies - design, VR/robotics, prototyping, entrepreneurial skills.

Tech Tasters

A one day applied learning experience for students and teachers designed to build confidence and enjoyment in the use of technologies to address a given brief. Industry links are referenced and curriculum links highlighted.

Tech Tasters facilitated in 2019 included:

- Tinker Time - mini golf - electronics, design, coding
- Robotics - robots, design, coding
- 360 Interactive - 360 video production, viewing in VR
- Fast cars - physics, data collection and analysis, prototyping.

New Tech Tasters trialled in 2019 and ready for delivery in 2020:

- 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, using software.

Teacher professional development

Professional development (PD) was facilitated in three broad categories:

1. Training for facilitation of core programs

A full day at the Geelong Tech School to ensure teachers are fully supported and well prepared to run the core program.

2. Generic training in 'Technologies' 'Equipment' and 'Systems engineering'

A range of opportunities were available to teachers throughout The Gordon, including the rearranging of the instructional use of software for use and application of equipment.

3. Teacher Tech Taster programs

Teacher-only Tech Tasters for partner school teachers to increase confidence and the understanding of technologies as a vehicle to achieve learning outcomes. Invitations were extended to, and taken up by, teachers at the Gordon.

Special programs

The Geelong Tech School trialed a number of customised programs throughout 2019 which will be reviewed for 2020 including:

- A Systems Engineering support network for teachers.
- The Creative Changemakers entrepreneurial program in collaboration with UPSTART + CoGG.
- The 25m long F1 in schools track with support was available for use at partner schools.
- Customised Computer Aided Design (CAD) support in partner schools.
- VEX IQ grant and support available for school teams to enter competitions.

Events

Community, industry, teachers and students were invited into the Tech School for the following events in 2019:

- A Busy Intersection; Design and Education in Geelong during Design Week - 14th March
- Showcasing Tech School programs during Education Week - 21st May
- Women in STEM Event during Science Week - 14th August
- STEM powered, Women in STEM exhibition - 4 weeks during August
- Next level Digi Tech event during the Digital Innovation Festival - 28th August
- GTECH onsite during DATTA Design Week - 17th October
- VEX robotics competition - 4th November.

Tech school tours were conducted for members of industry, from the community, universities, representatives in education and Gordon staff as required.

Industry and community links

The Geelong Tech School has engaged with over 20 industry and community partners ranging from high levels of collaboration required in the co-design of core programs to guiding the strategic direction on the Geelong Tech School committee through to supporting special programs. All industry and community involvement is highly valued and brings programs facilitated in the Geelong Tech School to life. To date the highest levels of industry collaboration have occurred in the core programs including:

- Barwon Water through Michael Thomas co-developing 'Backed up to the Future' and 'Water Reality Check'
- Ford through Bob Tilbury and David Erjavic co-developing 'Back Seat Design' and 'The Last Mile'
- Austeng through Ross George co-developing 'Future Bricks'
- SES through Jake Johnson and Melanie Ingram co-developing 'Bot Rescue'.

Industry collaborating in 2020 core programs include:

- CSIRO - Bees with Back packs
- Life Saving Victoria - Drones
- ACMI Australian College Moving Images - Virtual Reality in Tilt Brush
- TAC and NDIA - Assistive Technologies
- Australian Wool
- Disaster resilience.

Collective Impact throughout 2019

- 5,710 students have participated in full day programs
- Of the 26 partner schools 92% have engaged with the Tech School in the first year of operation
- 103 Tech Tasters facilitated to 2,292 students
- 142 Core Programs facilitated to 3,091 students
- 20 full day Teacher Professional Development programs facilitated to 133 teachers
- Six program experience and information sessions including 92 teachers
- Seven events including 330 participants
- One exhibition with 1,100 visitors
- 28 tours of the Geelong Tech School included numerous participants from a range of stakeholder groups.

Snapshot of events

Design Week

Design Week, 'A busy intersection Design and Education in Geelong'. Along with presentations by The Gordon Design Centre of Excellence and the Geelong Tech School, five different partner schools showcased Geelong Tech School programs to the general public.

Showcasing 'Women in STEM' during Science Week

Over 60 girls from nine partner schools explored the world of drones, VR, electronics, robots, 2D design using the laser cutter and science in workshops followed by interaction with a panel of industry representatives. The event finished with the girls sharing the results of their workshops and engaging informally with the industry representatives.

Next Level Digi Tech schools event during the DigiTech festival

90 students and 14 teachers from nine different schools participated in a rotation of workshops including Electronics, Drones, Laser cutting (2D Design), Robotics, VR and Electronics

Vex Robotics

Geelong Tech School along with DATTA Vic sponsored eight schools in the Geelong region to experience and upskill in robotics using the VEX IQ with the aspiration of competing in the state championships. Three teams made it to the Nationals, two teams from Oberon High (inc. one girls' team) and one team from Geelong Baptist College. Through our industry connections the schools have accessed funding from Ford to attend the Nationals in Adelaide.

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 development of the Stakeholder Engagement Plan during 2019 provided the framework and direction for engaging with students, industry, community, government and education peak bodies as well as key stakeholders.

Industry advisory engagement

During 2019, The Gordon collaborated with industry to develop new course content, review the current curriculum and explore new ways of delivering learning. Working in partnership, this included developing the first course in Multidisciplinary Design to be piloted in January 2020 and utilising Virtual Reality in the delivery of course content in the health sector. Cyber Security and Agribusiness course development was explored with industry input, and The Gordon - with industry subject matter experts - reviewed content and the skill needs of the sector for courses transitioning to new training packages.

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 2019 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 the work activity across nine different sectors. From Health and Education to Retail and Warehousing, the panellists provided workforce knowledge to assist and inform career choice.

What's it like to be an Apprentice?

Adding to the suite of information sessions that The Gordon hold, the What's it like to be an Apprentice sessions held in a facilitated panel Q&A format, gives potential apprentices an insight into what they can really expect and what the opportunities are once apprenticeships are completed. Hearing from employers, an apprentice, a teacher and industry advocates, the sessions are open to parents, family members and carers who are part of the potential apprentice's decision making journey.

Industry Appreciation

During 2019, 90 Community Services organisations assisted 125 students to gain real work experience through practical placement. Approximately 25 students gained ongoing employment from this immersive activity. The Gordon highly values our industry partnerships. In recognition of the importance of industry support in vocational education, The Gordon held its first Industry Appreciation luncheon for businesses in the Community Services sector at the Davidson Restaurant in November. The afternoon included sharing the experiences of three community services students, and provided an ideal opportunity for the sector to network and create connections.

Sector-specific collaborations

Early years sector:

After establishing the Wyndham Early Childhood Educators Network in 2018, the Gordon collaborated with KU Children's Services in February this year to further grow the network. This partnership increased The Gordon's engagement with child care employers and staff and provided the Gordon students with valuable industry networking opportunities. The Gordon have collaborated in two industry events since forming the partnership, which were held at Werribee community locations.

University of Melbourne Veterinary and Agricultural Sciences, Werribee Campus:

The Gordon's Partnership with the University of Melbourne at the University's Veterinary and Agricultural Sciences Werribee Campus, continues to provide great support for our students undertaking Animal Studies and Veterinary Nursing in the region. 2019 has seen 80 adult students undertaking Certificate II and III in Animal Studies, as well as Certificate IV in Veterinary Nursing, with the University's Veterinary Hospital providing wonderful work placement experience for the students. In addition to this, The Gordon also offers VETDSS Certificate II in Animal Studies to Secondary School Students in the region.

Parks Victoria, Werribee Park:

The great partnership with Parks Victoria, at Werribee Park, continues to support the delivery of the Certificate III in Horticulture, the Certificate III in Conservation and Land Management, and, in 2019, the Certificate II in Horticulture to the Warringa Park Special School VETDSS Students.

Set in the picturesque grounds of Werribee Park, students develop a range of skills across a variety of horticultural mediums, gain real world experience and contribute to Park's Victoria's projects.

Sponsorship and scholarships:

In 2019, The Gordon injected \$137,750 into the Geelong and Wyndham communities through sponsorship of 14 local organisations, community projects, sporting clubs and charity initiatives.

Over \$119,000 was awarded to 75 recipients through The Gordon's scholarship program. There are 30 different named scholarships (each offering differing amounts and numbers of scholarships) over four categories; open, age specific, access/equity and course/industry specific. These scholarships are provided through generous contributions made by business, individual benefactors and charitable trusts.

Student Support Fund:

The Gordon is a proud supporter of the Student Support Fund, benefiting students since the close of International Harvester. As an independent charity, the Student Support Fund provides much needed financial support to students struggling to meet the pressures that can be associated with the cost of studying and living. The Gordon hosted the Student Support Fund annual dinner in the Davidson Restaurant, raising \$10,300 for the fund. With the food donated by The Gordon and prepared and served by Gordon students, this annual event is a highlight of the events calendar at The Gordon.

Fundraising and community engagement:

The Gordon staff and student body is an active participant in community development and is making a difference to the lives of the people in the key markets that we serviced.

The Gordon staff have participated in many not-for-profit fundraising initiatives and events throughout 2019. In particular, The Gordon Staff have donated \$10,429 to the Give Where You Live Workplace Giving program through fortnightly deductions from their salary therefore supporting many local community initiatives and charities. Staff have also supported Australia's Biggest Morning Tea, Jeans for Genes, Run for Geelong's Kids, September, HALT Breakfast, Sexual Assault and Family Violence Centre, RUOK? Day, The Gordon Student Support fund and the Australian Red Cross Blood Service.

A new staff fundraising activity during 2019 was participation in the SurfCoast Trek. Ten staff undertook a 40 kilometre walk raising in excess of \$4000 for Give Where you Live. Students provided activation at the 'finish line' providing much needed massage relief for weary walkers. As a sponsor The Gordon logo featured on the medallions received by every completing participant.

During 2019 the Gordon Rescue completed a back yard makeover for a family with an adult daughter whose outdoor enjoyment was limited due to the yard being inaccessible for her wheelchair. The culinary school came together to hold the Gordon Foodie Spectacular lunch, raising funds for Give Where You live. These large scale projects see staff from cross discipline areas come together to provide an onsite, simulated work environment, which is an invaluable learning experience for students.

VETDSS Scholarship:

The Gordon proudly continued its support for Vocational Education and Training Delivered to Secondary Students (VETDSS) through the Wynbay LLEN VETiS Youth Potential Scholarship Program. As one of 13 recipients across Years 11 and 12, awardee Hae Ku Htoo from the Grange P-12 College will be continuing his VCAL studies in 2020 and exploring the possibility of a School Based Apprenticeship.

Strengthening our partnerships

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

Awards for Excellence

AUS-TAFE Culinary Competition

- Kyle Stanbridge - Second Place

Australian Employment Network Awards

- Heidi Rasmussen - School-based Apprentice/
Trainee of the Year - Winner

Australian Training Awards

- Heidi Rasmussen - School-based
Apprentice Award - Runner-up
- Josh Coulson - Inspiration Award:
Indigenous Student of the Year - Finalist

Australasian Young Designer Wool Awards

- Alice Stewart - Sports Streetwear
Category - Second Place

Belmont Rotary Club Bert Fagg Apprenticeship Award

- Aaron Clissold - Winner

Independent Cabinetmakers Geelong Apprentice Awards

- Zack Mongelli - Best First Year Apprentice
- Hayden Kent - Best Second Year Apprentice
- Claire O'Callaghan - Best Third Year Apprentice
- Zac Parker - Apprentice of the Year

The Gforce Awards

- Heidi Rasmussen - School Based
Trainee of the Year - Winner
- Kelsey Jordan - First Year Apprentice - Finalist

Victorian Training Awards

- Heidi Rasmussen - School-based Apprentice
or Trainee of the Year Award - Winner
- Jacob Champion - Vocational Student
of the Year Award - Finalist

WorldSkills Regional Competition

- Liam Mills and Lachie Noble,
Landscape Construction Competition - Winners

WorldSkills World Championships (Kazan, Russia)

- Tom Neave, Joinery - Medallion for Excellence



Skilling THE BAY



Throughout 2019 Skilling the Bay (STB) continued to play an effective role in delivering education, employment and skills initiatives that connect education, industry and the community to grow Geelong's future workforce.

As a unique Geelong region initiative, led by The Gordon Institute of TAFE and delivered in partnership with Deakin University and the Victorian Government, STB leads a collaborative effort that brings together education providers, community organisations and industry to deliver targeted initiatives which enable the community to prepare for work now and into the future.

STB is responsible for the delivery of a number of integrated projects to achieve education, employment and skills outcomes that have been recognised as priorities for the region. The critical priorities include raising education attainment levels, increasing workforce participation through training and re-skilling and growing existing and emerging industries through targeted skills development.

Project outcomes continue to be evident, and ongoing evaluating confirmed that the cumulative work of STB has made a positive impact on the Geelong region. There have been many adjunct projects and collaborations and the overall program success was attributed to factors such as strong governance, operational efficiency, effective partnerships and broad stakeholder engagement and consultation. Evidence of tangible outcomes included new pathways to further study or employment; new courses and non-accredited programs; increased course enrolments; increased employment; and increased STEM and digital technologies competence for students and teachers.

Collective program impact to date

- 10,516 secondary school participants
- 282 jobs created
- 300 plus industry partnerships
- 75% completion rates for education to employment programs (compared with 47% for all VET courses).

2019 Program highlights and outcomes

Careers in Community Services and Health Program

This program has been an outstanding collaboration between industry, schools, training organisations and the Geelong Local Learning and Employment Network (GRLLLEN) as the delivery partner. 215 Geelong region students enrolled in targeted VET in Schools and School-based Traineeships in the Community Services and Health sector, and a further 138 students participated in non-accredited programs. The program is building an early entry pipeline of talent for the region's fastest growing and most important sector, with over 80% of students who complete it, indicating their intentions to pursue a career in Health and Community Services.

Geelong Tertiary Futures Program

Approximately 460 Year 9 students, from four regional schools undertook a unique 10-week tertiary immersion program, combining vocational taster classes at The Gordon with two units from the Certificate I Employment Pathways. As a result of this introduction to tertiary environments and learning, approximately 40% of students will return to The Gordon for further study. Additionally, 88% of students reported a better understanding of the variety of tertiary options available to them, 74% feel better prepared to plan for a future career and 71% place a higher importance on completing a qualification after school.

Northern Futures

In 2019, 143 individuals experiencing long-term unemployment from Geelong's Northern suburbs were enrolled in a range of training programs, with an average 68% completion rate, exceeding national and state benchmarks. Through the comprehensive services provided in partnership between The Gordon and Northern Futures, participants are matched with employers and supported into sustainable employment. This approach has assisted 45% of participants to transition to employment (YTD).

Whittington Works

Whittington Works/Opportunity East supported 81 individuals in Eastern Geelong and surrounding communities who have experienced long-term unemployment to engage in education and training into work. A place-based response, delivered in partnership with the City of Greater Geelong, the program is successful in assisting local residents to reskill, retrain and build confidence for work. Over 70% of participants have completed the program and 45% achieved positive employment outcomes.

STEM and Digital Technologies Programs

Teacher capability building programs

Skilling the Bay supported the delivery of STEM and Digital Technologies Teacher Professional Development workshops through the Geelong Tech School. Workshops during 2019 were a mix of those relevant to the Tech School's core programs, while others (incl. 'tech tasters') were more generic in nature, having broader applicability to STEM and digital technology skills across the curriculum.

In 2019 a total of 5131 Students attended the Tech School and 375 students in the offsite programs. A total of 133 teachers from the Geelong region attended a Professional Development workshop at the Tech School.

Student capability and awareness raising programs

The digital technologies programs continued in 2019 with 46 Year 9 and 10 students completing a four week (1 day per week) at with The Gordon's ICT teaching team. Courses included Coding, Robotics and the Internet of Things (IoT), 'Gaming with Python', and the introduction of a new Cyber Security Challenge.

Performance measures indicate between 70% to 100% participants have a better understanding of the variety of digital technology pathways to employment and over half intend to enrol in VCE or VET courses with a STEM or Digital Technology focus.

D-Tech Skills Builder

This project is a collaboration between Newcomb Secondary College, The Gordon and Skilling the Bay. It combines the best of industry, school curricula and vocational digital technologies for students in years 7 to 10 with a focus on web design, coding, robotics, cyber security and the Internet of Things. New blended learning resources have been developed for each year level, providing skills for 21st century jobs and student choices regarding the digital tech skills they want to pursue. In 2019, 181 students and 7 teachers directly participated, including a whole of school staff professional development session. The program has undergone significant development in 2019 with the addition of digital badges, lesson sequencing, enhanced curriculum design and focus groups for staff and students.

Upstart Entrepreneurial Challenge

Inspiring the next generation of entrepreneurs and small business owners, this program is designed to encourage Year 7 to Year 12 students to think about small business and entrepreneurship as a viable career pathway, as well as developing transferable enterprise skills for the workplace. In 2019 the Upstart Entrepreneurial Challenge attracted 308 students from across the Geelong region, who submitted 73 'Big Idea' entries. Winners of the 'Big Idea' competition were invited to develop their ideas with industry mentors and showcase them to industry and community leaders across the region.

Regional Collaboration

In 2019 STB continued to contribute to a number of regional forums providing submissions to inform future policy on education and employment, to combat rising youth unemployment and address employment challenges for disadvantaged job seekers.

STB presented to Commissioners at the Public Hearing for the National Youth Commission (NYC) into Youth Employment and Transitions held in Geelong. Their presentation, 'Preparing young people with skills for the 21st Century workplace', and subsequent interview, detailed the diversity and breadth of programs that were delivered. This highlighted education pathways, STEM and digital Technologies programs in more detail. STB contributed to the G21 Geelong Region Alliance submission to the Parliamentary Inquiry into disadvantaged job seekers. This focused on programs making a positive difference for people with significant barriers to entering the workforce.

STB was invited to speak at the Inquiry hearing in Geelong which provided further evidence of the contribution to regional efforts to address this complex issue. Both presentations and interviews were positively received, noting the impressive level of collaboration and positive impact being demonstrated through STB program outcomes.

The diversity and breadth of the projects delivered to date have resulted in valuable learnings that have the capacity to inform and improve future program design and delivery. STB will continue to liaise with Government to share and utilise the learning systems and frameworks established to support other regions across Victoria to develop place-based approaches to growing the economy.

Geelong Education and Workforce Profile

Over its three stages of delivery since 2011, STB has delivered a number of integrated projects to improve education, employment and skills outcomes, bringing together education providers, community organisations and industry to provide tangible outcomes for participants and stakeholders. STB is entering a new chapter, with the conclusion of a number of initiatives having been funded under the original phase, and continuation of a revised set of initiatives to 2020.

In 2019 the STB Advisory Group commissioned a research project to prepare an independent report on the Education and Workforce profile of Geelong 2011-2021. The aim of the research is to provide an evidence-based, unified approach, in addressing current and emerging regional education, employment and skills challenges.

The report aims to capture the following:

- Develop a Geelong region past, present and emerging education and workforce profile.
- Tell the 'Geelong Story', developing the narrative of how Geelong's employment, education and skills landscape has changed since 2011, and the factors that have influenced this change.
- Explore the extent to which opportunities have been realised and the challenges that remain, to inform discussion regarding future opportunities and the direction of STB.
- Provision of an evidence based research report which examines the evolving social and economic landscape. Make recommendations as to future approaches to addressing education, employment and skills challenges in the regions.
- Investigate realistic potential future funding options or models to address emerging challenges.

In 2020 the report will be shared and we are excited to review and re-shape the story that has emerged alongside STB over the past years, and for the opportunities and insights that this work will afford for future planning in our region.

Marketing and Promotion

A year of growth

The Free TAFE for Priority Courses initiative generated huge interest in study across a wide demographic from school leavers to mature aged career changers. Engagement with our community grew; website traffic and course enquiries increased, as did as attendance at Information Nights and Open Day.

Digital billboard

With our Latrobe Terrace buildings works (almost) complete, our new digital billboard was installed in late June and went live in July. Positioned on the corner of Latrobe Terrace and Gordon Avenue, the billboard has huge impact. A daily rotation of digital slides promote key course dates, support services, community events, industry and community partnerships and Institute achievements.

Snapchat

We added Snapchat to our digital advertising mix in 2019 and watched the return on investment grow! We received over 1700 calls just from this medium during the year. Using the right content is key and it was hard to keep up with the need for fresh video footage of students, teachers and alumni. Content creation will be a big focus in 2020.

Alumni Program

In April 2019 we introduced our first ever structured Alumni Program.

The program aims to build:

- reputation by gathering authentic 3rd party endorsements
- connection to industry and local expertise
- opportunities for students to gain industry knowledge and experience.

More than 130 graduates have joined the program and we hope to deliver a range of benefits to our alumni including:

- Industry recognition via profiling and key speaking opportunities
- Career progression through connection and information sharing
- Employment and recruitment opportunities.

Community engagement

The Gordon Rescue

The Rescue continues to be The Gordon's largest community engagement project with over 20 local organisations involved including Bay 93.9 as media partner. This year's Rescue created a wheel-chair accessible backyard for the Mills family. It also provided our landscaping students with hands-on learning opportunities and project management skills.

All staff, students and sponsors involved in the project were passionate about creating a beautiful backyard for the Mills family and the result was a spectacular success.

Foodie Lunch Spectacular

A new event for The Gordon, the Foodie Lunch Spectacular was created to showcase our region's food, wine and chefs of the future. The four-course mezze style lunch was held in November in picturesque Johnstone Park, opposite our Geelong City Campus and 142 guests attended. The event provided a fantastic opportunity to strengthen relationships with local producers and highlight the calibre of talent in The Gordon Culinary School. Guests were delighted with the event and it has now been added to the annual calendar.



International Operations

Over 100 international students were enrolled at The Gordon. The introduction of the new role of Director of International Operations in September 2019 demonstrated commitment for the growth of International student enrolments and project opportunities offshore for The Gordon.

The first Building and Design offshore delivery commenced with Chongqing Jianzhu Vocational College, with 26 students enrolling in the course in September and six Chongqing Jianzhu Vocational College teachers completing a professional development program at The Gordon to assist with the delivery of the program in China.

International highlights

Joe Ormeno CEO, travelled to China to meet the first cohort of the Diploma of Building and Construction, students at our partner Institute Chongqing Jianzhu College and also took the opportunity to develop further partnership opportunities with potential clients in China.

The Gordon's Pearson Test Centre continued to grow in 2019. In addition to increased delivery of PTE Academic, The Gordon also delivered Pearson's corporate testing for CPA Australia and Fire Services Victoria. Comparing 2018 delivery to the same period in 2019, the Pearson Test Centre saw examination candidates numbers increase by 60.8%. Full calendar year delivery saw 4,097 test-takers attend The Gordon in 2019. The revenue from the centre has contributed to the expansion of Fee-for-Service international activities as well as providing excellent exposure for The Gordon to a broader range of prospective students.

The Gordon offered 31 award courses and 8 English Language (ELICOS) courses for international students. A review of ELICOS course offerings resulted in a redesign of delivery for 2020 to increase sustainability whilst continuing to provide pathways for international students to vocational training.

Risk management

- Quality agent representation is required to minimise the risk of visa refusals.
- Pathways to university are a central pillar in minimising the risk of visa refusal.

Risk mitigation strategies

- Updating The Gordon's agent management agreements and agent training at offices onshore to minimise the risk.
- Reengaging with Deakin University to offer pathway options for international students

In 2019, the number of international students were: onshore: 110; offshore: 26. Expanding our footprint in China through partnerships was a focus in 2019. During the year our staff visited China, South Africa, South Korea and Taiwan to support international student recruitment activities.



The Statistics

Summary of Operating Results

The reduction in net working capital in 2019 was largely due to the expenditure associated with the Gordon Rejuvenation capital project. Training revenue was \$3.9M greater than the prior year. Income associated with government funded delivery showed growth on the back of the Free TAFE for Priority Courses initiative, with a 10.4% increase in funded student contact hours (SCH). Project activity decreased in 2019 with funding being \$4.0M less than that recorded in 2018. Operating expenditure increased by \$5.1M on 2018. Employee Benefits costs were up \$3.6M with a key factor being a \$1.3M increase in Long Service Leave (LSL) provision. A focus on labour utilisation efficiency has seen overall Teaching EFT remain in line with prior year, despite increased delivery in 2019. Depreciation and amortisation has increased by \$1.3M on 2018. Under AASB 16 Lease Accounting, the operating lease expense previously disclosed in the Operating Statement has now been replaced with Interest and Depreciation in relation to applicable leases. Cost restraint also resulted in Supplies and Services expenses and Other Operating expenses remaining relatively unchanged from prior year. Continued government support along with a strong working capital position will enable The Gordon to continue to provide a high quality education and training that aligns with industry and community needs and provides students with pathways into employment.

Summary of Operating Results	\$'000 2019	\$'000 2018	\$'000 2017	\$'000 2016	\$'000 2015	\$'000 2014
Working Capital						
Current Assets	56,074	61,436	71,015	68,367	64,721	65,399
Less: Current Liabilities	16,935	15,077	14,253	11,730	10,308	12,340
Net Working Capital	39,139	46,359	56,762	56,637	54,413	53,059
Net Working Capital Ratio	3.31	4.07	4.98	5.83	6.28	5.50
Financial Results						
Operating Revenue *	68,194	71,480	70,666	67,567	58,896	79,313
Operating Expenditure **	75,489	70,398	67,640	66,477	59,863	79,786
Operating Surplus/(Deficit) ***	(7,295)	1,082	3,026	1,090	(967)	(14,650)
Operating Surplus/(Deficit) excluding Abnormal and Extraordinary Items ****	(7,295)	1,082	3,026	1,844	(967)	(349)
Contact Hours						
Total Funded SCH '000	2,849	2,581	2,614	2,472	2,539	6,319
Fee for Service \$'000	6,287	5,278	4,808	4,905	5,618	5,236

* 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.

Consultants

In 2019, seven consultants were used with fees payable to each of \$10,000 or more. The combined amount for these services was \$191,214 (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 \$12,577 (ex GST.)

Consultant	Purpose of consultancy	Total approved project fee \$ (exc. GST)	Expenditure 2019 \$ (exc. GST)	Future expenditure \$ (exc. GST)
Acil Allen Consulting	Project Evaluation	59,143	59,143	0
Grange Advisory	Business Advisory Services	12,927	12,927	0
KPMG	Business Advisory Services	10,000	10,000	0
Ludowyk Evaluation	Program Evaluation	29,765	29,765	0
Maddocks	Legal Services	16,379	16,379	0
Management Governance Australia	Industry Research and Scoping	48,000	48,000	0
Ronan Walsh Consulting	Advisory Services	15,000	15,000	0
7		191,214	191,214	0
< \$10K:				0
Michael Taylor Architecture & Heritage	Heritage Advice	\$6,577	\$6,577	0
Walbridge Gilbert Aztec	Fenwick Street Rejuvenation Feasibility Review	\$6,000	\$6,000	0
2		12,577	12,577	0

ICT Expenditure

For the 2019 reporting period, The Gordon had total ICT expenditure of \$6,891,846 made up of the following:

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 \$
5,219,821	1,672,025	1,063,724	608,302

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 31 December 2019:

Totals		
Enrolments	Students	SCH
15,487	14,010	3,641,139

Enrolments vs Students	Full-time	Part-time	Total
Students	3,948	10,062	14,010
Enrolments	4,729	10,758	15,487

Enrolments by Age & Status	Full-time	Part-time	Total
0 - 15		278	278
15 - 18	738	2,584	3,322
19 - 25	2,094	3,084	5,178
26 - 35	872	1,407	2,279
36+	1,025	3,405	4,430
Total	4,729	10,758	15,487

Enrolments by Gender & Status	Full-time	Part-time	Total
Male	2,171	6,630	8,801
Female	2,558	4,128	6,686
Total	4,729	10,758	15,487

Students by Gender & Status	Full-time	Part-time	Total
Male	1,809	6,123	7,932
Female	2,139	3,939	6,078
Total	3,948	10,062	14,010

Enrolments by Funding & AQF Level				
Sum of SCH Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	950	2,941	994	4,885
Trade Apprentices	1	3,529		3,530
Fee-for-Service and Other	4,769	1,643	195	6,607
Other Trainees	41	372	52	465
Total	5,761	8,485	1,241	15,487

Student Contact Hours by Funding & AQF Level				
Enrolments Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	337,086	1,044,519	639,824	2,021,429
Trade Apprentices	270	879,084		879,354
Fee-for-Service and Other	288,929	184,610	96,638	570,177
Other Trainees	16,142	121,224	32,813	170,179
Total	642,427	2,229,437	769,275	3,641,139

VCE and VCAL Outcomes

The Centre for Language and Further Education delivers VCE (Year 11 and 12) programs for 16 to 19-year-olds seeking to complete their secondary schooling in an alternative education setting, as well as adults wishing to return to study.

The Geelong Technical Education Centre (GTEC) delivers an integrated three-part 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 incorporating units from a Certificate III in Manufacturing Technology/CAD drafting.
- Certificate II or III level training in areas such as Building and Construction, Regulated and Mechanical Trades, Animal Studies, Community Services, Creative Design, Hair and Beauty, Events and Hospitality, and Information Technology.
- Regular on-the-job work skills training with employers through Structured Workplace Learning placements, School-based Apprenticeships or Traineeships.

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	59*	46** (8 part time)	80	48
Completion	38	26	24	27
Completion rate %	65%	63% (26/41)	30%	56%

* Includes 12 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.

** 5 part time Year 12 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	31	25	21	6
Achieved year level and employment	0	1	2	21
Achieved year level (pathway unknown)	0	0	1	1
Further study with non-completion	13*	7**	19	2
Employment with non-completion	3	3	2	5
Withdrawn in 2018	12	10	30***	13***
Other/Unknown	0	0	5	0
Total	59	46	80	48

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

** Includes 5 students who studied part-time in 2019 and will return to complete VCE Year 12 in 2020.

*** Includes 2 students who finished Year 11 achieving a Foundation outcome and 2 students who finished Year 12 achieving an Intermediate outcome. Withdrawn students includes 17 Intermediate and 7 Senior students early withdrawn to apprenticeship, employment and further education outcomes.

GTEC notes:

- GTEC now delivers VET 'in-house' to GTEC students undecided on a building trade pathway CPC2021 Certificate II in Construction Pathways. In this pilot year 2019 15 students participated, 4 withdrew (VCAL WD also) and 6 students successfully completed.
- GTEC also provides two mid-year programs for Year 10 and 11 students as a pathway to further study at GTEC, 17 students participated in Foundation (Year 10) VCAL with 15 (88%) returning to study Intermediate VCAL at GTEC in 2020, 9 students participated in mid-year Intermediate (Year 11) VCAL with 8 (88%) returning to study Senior VCAL at GTEC in 2020.
- 5 Intermediate VCAL students and 16 Senior VCAL students secured part time employment through a School Based Apprenticeship in 2019 included across completion and non-completion and further study and employment.
- 16 Senior VCAL students attained fulltime apprenticeships (which includes further study). These have been included in both completion and non-completion outcomes.
- 35 (88%) Intermediate students are returning to complete Senior VCAL in 2020. Included in further study completion and non-completion.

Workforce and Employment

The Gordon is focused to deliver on the Council of Australian Government's vision for vocational education and training (VET)*. This vision describes the VET sector as a responsive dynamic and trusted sector that delivers an excellent standard of education and training.

Underpinning this vision is an acknowledgment of continued economic change and transformation, along with rapid change in the adoption of technology and the growth in jobs requiring complex skills and knowledge. The Gordon is committed to ensuring that all individuals, regardless of background or circumstance, are able to access and use the right skills at the right time.

In order to remain relevant The Gordon needs to be able to offer qualifications that respond not only to current, but also to emerging workforce and social needs. These need to be delivered in ways that meet learner's needs and circumstances, but also be trusted by employers and community generally.

Workplaces are becoming more diverse and inclusive, with more flexible employment in work practices. Effective, ethical leadership and governance essential to the success and reputation of organisations.

To ensure The Gordon is well-placed to lead a response to these emerging challenges, planning is underway for an inaugural Teacher Summit that will take place in January 2020. This Summit will focus on Learning, Professional Practice and Innovation and will provide teaching staff with the opportunity to share best practice and highlight key achievements whilst also hearing from acknowledged experts in education, applied research and wellbeing.

Employer of choice

The Gordon is utilising feedback from the 2019 People Matter Survey to strengthen engagement with staff. A range of initiatives are being developed and implemented that aim to elevate leadership and management, reconnect with our values, and continue to promote The Gordon's commitment to providing a safe, positive and inclusive work environment. Work has begun to develop and implement our Reflect, Reconciliation Action Plan (RAP) as well as an Employment Strategy consistent with the objectives of Barring Djinang, the Indigenous employment strategy for the Victorian public sector. These will be launched in early 2020.

The Gordon teaching scholarships

The Gordon is committed to best practice recruitment and selection processes that are founded on the principles of merit and equity. A new initiative, launched in 2019, was The Gordon Scholarships, aimed at supporting people considering a career in TAFE teaching. Over 100 members of the local community attended an information evening in September, resulting in over 60 scholarship applications.

Carers Recognition Act 2012

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

Protected Disclosure Act 2012

Guidance is available to staff on both the internal and external websites should they need to make a protected disclosure regarding improper conduct by its officers and employees. Policies and support are in place to ensure that staff are afforded the appropriate protection from adverse action or recrimination.

Victorian Public Service Travel Policy

The Gordon adheres to the Victorian Public Service Travel Policy.

Workforce data reporting by FTE*

2019	Full-time		Part-time		Casual	
	Ongoing	Fixed term	Ongoing	Fixed term	Teacher	Other
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
2018						
PACCT	101.50	23.60	30.50	17.70	N/A	29.10
Executive	0.00	5.00	0.00	0.00	N/A	0.00
Other	6.40	4.20	0.00	0.20	N/A	0.70
Teacher	129.70	24.10	26.90	24.50	105.30	0.00

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

Workforce Disclosures (December 2018 - December 2019)

		All employees		Ongoing			Fixed-term & Casuals	
2019		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)	557	314.8	134	92	173.8	331	141
	Men Executives	3	2.3	0	0	0	3	2.3
	Men (total staff)	342	225.1	143	25	147.9	174	77.2
	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
			All employees		Ongoing			Fixed-term & Casuals
2018		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Demographic dates	Gender							
	Women Executives	2	2	0	0	0	2	2
	Women (total staff)	592	285.95	108	79	146.86	405	139.09
	Men Executives	2	2	0	0	0	2	2
	Men (total staff)	368	239.49	140	23	148.14	205	91.35
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	16	2.59	0	0	0	16	2.59
	25-34	83	33.95	11	2	10.30	70	23.65
	35-44	173	91.03	33	25	46.23	115	44.8
	45-54	329	194.49	89	35	105.49	205	89
	55-64	295	175.85	101	32	114.58	162	61.27
	Over 64	68	31.53	14	8	18.4	46	13.13
	Total employees	964	529.4	248	102	295	614	234.4



Environmental Performance

As a leading community-focused organisation, The Gordon has a strong commitment to improving its environmental performance and to that end has employed a number of strategies in 2019 to support this goal.

Greener Government Buildings

Practical completion of the Greener Government Buildings program was issued at the end of June 2019. The program included the replacement of over 6,600 non-efficient lights with LED fittings and the installation of 99kWh solar arrays at both the East and City Campuses. Early indications show a positive trend, with an average 21% reduction in electricity consumption over the last half of the year (compared with the same months in 2018).

Fleet

The Gordon continues its commitment to decrease emissions and ensure a considered approach to mobile delivery via strategic revitalisation of the fleet and usage optimisation.

Renewable Energy

As part of a consortium of local government businesses, The Gordon has committed to the investigation phase of a regional power purchase agreement. The renewable energy project could see The Gordon committing to up to 100% renewable energy by 2023.



2019 Environmental data

Base performance		Measurement	Result
Geelong City Campus		Useable Floor Area (UFA)	23,790.11
East Geelong Campus		Useable Floor Area (UFA)	26,423.23
Werribee Campus		Useable Floor Area (UFA)	1106.00
Hoppers Crossing Trades Campus		Useable Floor Area (UFA)	837.90
Skills and Jobs Centre		Useable Floor Area (UFA)	192.00
Total UFA			52,349.24
Total FTE			545
Gas & Electricity			
E1	Total energy usage segmented by primary source (including Green Power).	Megajoules - Gas	8,222,766
		Megajoules - Electricity	11,114,645
E2	Greenhouse gas emissions associated with energy use, segmented by primary source and offsets.	Tonnes CO2-e - Gas	423
		Tonnes CO2-e - Electricity	3,489
E3	Units of energy per FTE.	Megajoules/FTE	35,481
E4	Units of energy per unit office space (UFA m2 used as base).	Megajoules/m2	369
Waste Production			
Ws1	Total units of office waste disposed of by destination.	Landfill (kg)	431,190
		Recycled (kg)	136,652
		Greenwaste (kg)	2,808
Ws2	Units of office waste disposed of per FTE by destination.	Landfill (kg/FTE)	791
		Recycled (kg/FTE)	141
Ws3	Recycling rate (% of total waste by weight).	%	26.73
Ws4	Greenhouse gas emissions associated with waste disposal.	Tonnes CO2-e	620
Water Consumption			
W1	Total units of metered water consumed by water source.	Potable (kL)	7,892
		Rainwater (kL)	1,536
W2	Units of metered water consumed in offices per FTE.	kL/FTE	17
W3	Units of metered water consumed in offices per unit of office space.	kL/m2	0.18
Transportation			
T1	Total energy consumption by operational vehicles segmented by vehicle type (MJ).	ULP	1,092
		Diesel	277
		Hybrid	311
T2	Total vehicle travel associated with entity operations segmented by vehicle type (km).	ULP	343,667
		Diesel	71,083
		Hybrid	162,443
T3	Greenhouse gas emissions associated with operational vehicle fleet by vehicle type (Tonnes CO2-e).	ULP	74
		Diesel	19
		Hybrid	21
T4	Greenhouse gas emissions from vehicle fleet per 1,000km segmented by vehicle type (Tonnes CO2-e/1,000km).	ULP	0.214
		Diesel	0.272
		Hybrid	0.129
T5	Total distance travelled by air.	Kilometres	96,564
T6	Percentage of employees regularly (>75% of work attendance days) using public transport, cycling, walking, or car pooling to and from work or working from home by locality type.	% of total employees	10
Greenhouse Gas Emissions			
G1	Total greenhouse gas emissions associated with energy use.	Tonnes CO2-e	3,920
G2	Total greenhouse gas emissions associated with vehicle fleet.	Tonnes CO2-e	114
G3	Total greenhouse gas emissions associated with air travel.	Tonnes CO2-e	15
G4	Total greenhouse gas emissions associated with waste production.	Tonnes CO2-e	620
G5	Total greenhouse gas emissions: energy, waste, vehicle.	Tonnes CO2-e	4,653

Occupational Health and Safety

The Gordon is committed to providing a safe and healthy environment for staff, students, contractors and visitors. The Gordon's OHS Strategy identifies three key areas for continuous improvement: 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 elected Health and Safety Representatives (HSRs) representing teaching and support areas and four management representatives. The Health and Safety Manager represents this Committee on the Institute's Risk and Compliance Committee.

In 2019, safety culture improvement and leadership improvement initiatives included:

- Commencing the implementation of a leadership group safety culture training initiative
- Program Manager and Health and Safety Representative training in Safety Culture by Design
- Partnering with WorkSafe Victoria to deliver on campus, student focused 2019 WorkSafe month initiatives
- The introduction of Deputy Health and Safety representatives in high risk areas
- The appointment of a Health and Safety Advisor to assist in providing a constant visual safety presence

OHS risk management

The Gordon is committed 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 2019 OHS risk management initiatives included:

- Training of all managers in emergency response procedures and warden duties
- Upgrade of automotive hoists
- Housekeeping programs in office and storage areas

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:

- Review of incident management process to provide a quick response and team inclusion to resolve issues and develop countermeasures
- Study of incident workflow for easy identification of issues in the workplace.

Key Performance Indicators	2019	2018	2017
Number of staff hazards/incidents per 100 FTE	8.1	7.2	4.9
Number of student hazards/incidents per 100 students	0.2	0.6	0.5
Number of staff lost time injury claims per 100 FTE	0.3	0.8	1.15
Number of student serious injury claims per 100 students	0.03	0.006	0.022
Average cost per staff lost time claim	*\$20,437	\$15,815.64	\$34,961

* 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 2019, 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 and other incidentals. This fee varied according to the course being undertaken.

Additional service charges

In addition to the general fees and student services 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 2019.



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
- Protected Disclosure 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 2019:

- 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 employs a Freedom of Information (FOI) Officer to ensure that the information it provides in relation to any request complies with the Act. In 2019, The Gordon received no applications for the release of information under freedom of information.

Protected Disclosure Act 2012

The Gordon has maintained its policy in relation to the Protected Disclosure 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 2019 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 2019, no activity has been reported.

Local Jobs First Policy Disclosures

No projects were undertaken in 2019 that required compliance with the Local Jobs First Policy.

Audit Committee review and recommendations

The financial statements were reviewed and recommended by the Audit and Risk Management Committee at the meeting held on 26 February 2020.

Ex-gratia payments

The Gordon did not make any ex-gratia payments during 2019.

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 2019 to 31 December 2019, The Gordon has complied with the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.



Justin Giddings
Board Chair
26 February, 2020

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, 13-27
3	FRD 22H	Nature and range of services provided including communities served.	3, 13-27
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.	4-12
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends.	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements.	FIN 49
7	FRD 10A	Disclosure Index.	40-41
8	FRD 17B	Long service leave and annual leave for employees.	28, FIN 18-19
9	FRD 22H - 5.11c	Operational and budgetary objectives, including performance against objectives and achievements.	6, 14-16, FIN 51
10	FRD 22H - 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	36
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.	31-32
12	FRD 22H - 5.11	Summary of the financial results, with comparative information for the preceding four reporting periods.	28
13	FRD 22H - 5.11	Summary of significant changes in financial position.	28
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.	14-25
15	FRD 22H - 5.11d	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	FIN 48-49
16	FRD 22H - 5.18	Summary of application and operation of the <i>Freedom of Information Act 1982</i> .	38
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	28
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.	38
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.	31
22	FRD 22H - 5.18c	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act.	31
23	FRD 22H - 5.18h and FRD 24D	Summary of Environmental Performance.	34-35
24	FRD 22H - 5.13	Consultants:	28
	- 5.14	Report of Operations must include a statement disclosing each of the following:	
	- 5.15	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.	
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.	39
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).	28
27	FRD 25D	Local Jobs First.	N/A
28	AASB 16	Leases.	FIN 9, FIN 23-24
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.	39
30	FRD 119A	Transfers through contributed capital.	FIN 34
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 7, FIN 12-13
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 52
33	CG 10 (clause 27)	Summary of Major Commercial Activities.	38
34	CG 10 (clause 33)	TAFE Institute Controlled Entities.	FIN 12, FIN 46-47

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 7
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 7
37	FRD 30D	Rounding of amounts.	FIN 12
38	SD 3.2.1(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. 	9, 38
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 45-47
41	FRD 102A	Inventories.	FIN 9
42	FRD 103H	Non-financial physical assets.	FIN 9, FIN 25-28
43	FRD 105B	Borrowing costs.	N/A
44	FRD 106B	Impairment of assets.	FIN 29-31, FIN 38, FIN 41, FIN 48
45	FRD 107B	Investment properties.	N/A
46	FRD 109A	Intangible assets.	FIN 9, FIN 29
47	FRD 110A	Cash flow statements.	FIN 11, FIN 33-34
48	FRD 112D	Defined benefit superannuation obligations.	FIN 18-19
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates.	FIN 12, FIN 46-47
50	FRD 114C	Financial instruments.	FIN 35-39
51	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period.	FIN 49
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>Protected Disclosure Act 2012</i> <i>Local Jobs First Act 2003</i>. 	38
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019.	37
54	Policy	Statement that the TAFE Institute complies with the Victorian Public Sector Travel Policy.	31
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 50-51
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. 	27

The Financial Report

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Report for the Year Ended 31 December 2019

Gordon Institute of TAFE ABN 27 241 053 246

Financial Report - 31 December 2019

How this report is structured

The Gordon TAFE has presented its audited general purpose financial statements for the financial year ended 31 December 2019 in the following structure to provide users with the information about the TAFE's stewardship of resources entrusted to it.

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1 *The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result. The net result is equivalent to profit or loss derived in accordance with Australian Accounting Standards (AAS).*

2 *Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.*

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

3 *The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.*

4 *Cash flows are classified according to whether or not they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.*

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 2019 • 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 2019 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>
Emphasis of Matter - subsequent events COVID-19 pandemic	<p>I draw attention to Note 9.3 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.</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 April 2020

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 2019, 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 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Financial Report for the Year Ended 31 December 2019

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

We certify that the attached financial statements for the Gordon Institute of TAFE have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012* 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 2019 and financial position of the Gordon Institute of TAFE as at 31 December 2019.

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 Gordon Institute of TAFE will be able to pay its debts as and when they become due and payable.

The Board Chair, Chief Executive Officer and Chief Finance 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
17/04/2020



Joe Ormeno
Chief Executive Officer

Geelong
17/04/2020



Nicholas Marin
Chief Finance Officer

Geelong
17/04/2020

**Gordon Institute of TAFE
Comprehensive Operating Statement
For the year ended 31 December 2019**

	Notes	2019 \$'000	2018 \$'000
Continuing operations			
Income from transactions			
Government contributions	2.1	52,058	55,891
Sales from contracts with customers	2.2	14,366	13,543
Interest income		758	1,009
Other income		964	920
Total income from transactions		68,146	71,363
Expenses from transactions			
Employee benefits	3.1.1	50,242	46,635
Depreciation and amortisation		5,678	4,295
Supplies and services	3.2	11,142	11,119
Other operating expenses	3.3	7,954	7,919
Finance costs		174	-
Total expenses from transactions		75,190	69,968
Net result from transactions		(7,044)	1,395
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets		48	117
Other gains/(losses) from other economic flows	9.1	(299)	(430)
Total other economic flows included in net result		(251)	(313)
Net result from continuing operations		(7,295)	1,082
Net result		(7,295)	1,082
Other economic flows - other comprehensive items that will not be reclassified to net result			
Comprehensive result		(7,295)	1,082

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 2019**

	Notes	2019 \$'000	2018 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	47,437	25,816
Receivables	5.1	7,227	5,506
Investments and other financial assets		-	28,968
Total financial assets		54,664	60,290
Non-financial assets			
Inventories		262	229
Prepayments		1,148	917
Property, plant and equipment	4.1	125,595	123,247
Right of use asset	3.4	4,295	-
Intangible assets		2,845	2,541
Total non-financial assets		134,145	126,934
Total assets		188,809	187,224
Liabilities			
Payables	5.2	4,494	4,474
Contract liabilities	2.2	4,033	1,253
Lease liabilities	3.4	4,524	-
Employee provisions	3.1.2	12,023	10,504
Other provisions		180	176
Total liabilities		25,254	16,407
Net assets		163,555	170,817
Equity			
Accumulated surplus		62,103	69,398
Reserves	9.2	73,723	73,690
Contributed capital	6.2	27,729	27,729
Net worth		163,555	170,817

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 2019

	Physical asset revaluation surplus \$'000	Special and general purpose reserves \$'000	Accumulated surplus \$'000	Contributed capital \$'000	Total \$'000
At 1 January 2018	72,348	1,323	68,316	27,729	169,716
Net result for the year	-	-	1,082	-	1,082
Other economic flows - other comprehensive income	-	19	-	-	19
Year ended 31 December 2018	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

Note: There was no impact from the change in accounting policy in 2019 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 2019

	2019	2018
Notes	\$'000	\$'000
Cash flow from operating activities		
Receipts		
Government contributions	56,010	60,434
User fees and charges received	16,038	12,965
Interest received	758	1,010
Other receipts	577	819
Total receipts	73,383	75,228
Payments		
Payments to suppliers and employees	(71,378)	(68,634)
Goods and services tax paid	(1,181)	(296)
Other payments	(118)	(85)
Total payments	(72,677)	(69,015)
Net cash flows provided by/(used in) operating activities	706	6,213
6.1.1		
Cash flows from investing activities		
Purchase of investments	-	(38,436)
Proceeds from sale of investments	28,969	9,468
Purchase of non-financial assets	(8,133)	(15,838)
Proceeds from sale of non-financial assets	79	170
Net cash provided by/(used in) investing activities	20,915	(44,636)
Cash flows from financing activities		
Repayment of finance leases	-	(27)
Net cash from/(used in) financing activities	-	(27)
Net increase/(decrease) in cash and cash equivalents		
	21,621	(38,450)
Cash and cash equivalents at the beginning of the financial year	25,816	64,266
Cash and cash equivalents at end of the financial year	47,437	25,816
6.1		

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, and have been prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in notes associated with the item measured on that different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

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

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

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

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

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

Goods and Services Tax (GST)

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

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

Basis of consolidation

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

Note 1 About this report (continued)

1.1 Basis of preparation (continued)

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.

Note 2 How we earned our funds

The Gordon has applied AASB 15 using the cumulative effect method - i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118 and AASB 111. There were no significant changes or quantitative impacts resulting from the implementation of AASB 15 and AASB 1058 on The Gordon's financial statements.

2.1 Government contributions

	2019	2018
	\$'000	\$'000
Grants and other transfers		
Government grant - contestable	34,817	30,579
Government grant - other contributions	14,319	20,562
Total Government contributions - operating	49,136	51,141
Government Grants State Capital	2,922	4,750
Total Government contributions	52,058	55,891

Note 2 How we earned our funds (continued)

2.1 Government contributions (continued)

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

Operating grants

The Gordon recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement. A liability may be recognised in the instance where an obligation exists to transfer goods or services to the customer for which consideration has already been received or in the instance where failure to provide a service is subject to a refund of payment.

Capital Grants

Where the entity receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the entity, the financial asset and the related amount is recognised on the balance sheet and any residual is recognised immediately as income. When the contractual obligations are satisfied, additional income is recognised.

2.2 Sales from contracts with customers

	2019 \$'000	2018 \$'000
Student fees and charges	5,519	5,989
Fee for service - government	2,781	2,262
Fee for service - international operations - onshore	1,533	1,355
Fee for service - international operations - offshore	384	72
Fee for service - other	1,589	1,589
Other non-course fees and charges		
Sale of goods	2,560	2,276
Total fees and charges	14,366	13,543
	2019	2018
	\$'000	\$'000
Revenue by timing of revenue recognition		
Revenue recognised over time	9,841	9,374
Revenue recognised at a point in time	4,525	4,169
Total Revenue	14,366	13,543

As outlined below, The Gordon has applied AASB 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Note 2 How we earned our funds (continued)

2.2 Sales from contracts with customers (continued)

Revenue arises mainly from the provision of education services.

To determine whether to recognise revenue, The Gordon follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Gordon often enters into transactions involving a range of its services, for example for the delivery of education. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) The Gordon satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. The Gordon recognises revenue when it transfers control over a good or service to a customer.

The Gordon recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Gordon satisfies a performance obligation before it receives the consideration, it recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Gordon has recognised the following liabilities related to contracts with customers:

	2019	2018
	\$'000	\$'000
Contract liabilities - Student fees	1,333	1,252
Contract liabilities - Capital grant	2,700	-
	4,033	1,252

Significant changes in contract assets and liabilities

Contract liabilities have increased over the period as The Gordon received \$2.7 million in December 2019 as a part of the construction of the culinary school, for which the grant will only be recognised when The Gordon satisfies its obligations under the grant.

The Gordon also recognised a loss allowance for contract assets following the adoption of AASB 9, see note 7.1 for further information.

Revenue recognised in relation to contract liabilities

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

Revenue recognised that is included in the contract liability balance at the beginning of the reporting period

	2019
	\$'000
Student fees and charges	1,252
Revenue recognised from performance obligations satisfied in previous periods	-

Note 2 How we earned our funds (continued)

2.2 Sales from contracts with customers (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	1,333	2,700	-

The Gordon applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15. Further the amounts disclosed above do not include variable consideration which has been constrained.

Student fees and charges

Revenue is recognised over time as the services are provided with the stage of completion determined with reference to the training hours provided as a percentage of total expected training hours.

Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, such amounts are disclosed as contract liability.

The payment terms for the student fees are determined by the course the student enrolls in, the fees are applied to their account and are payable by set dates. Students can apply for a payment plan to spread the payments over the duration of the course.

A Student will be entitled to a refund of tuition fees where the course has not commenced or by withdrawing within 30 days of the course commencement.

Significant judgement

The Gordon uses the percentage of completion method to recognise revenue over time and as and when the course progresses, the revenue is disbursed in line with the services delivered.

Fee for service

The Gordon provides training and educational services. The fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. This is determined by the costs incurred as a part of the delivery as a percentage of the expected costs.

Revenue is recognised to the extent that it is highly probable a reversal will not occur. Where fee for service revenue has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as contract liability.

The Gordon recognises the satisfaction of performance obligations as the delivery of training is provided.

The payment terms for student fees are 30 days from the date of invoicing.

Revenue from sale of goods

The Gordon receives revenue from the sale of goods which includes the sales of books and other class materials, hair and beauty supplies and services, print media and hospitality services.

Note 2 How we earned our funds (continued)

2.2 Sales from contracts with customers (continued)

Revenue from the sale of goods and services is recognised by The Gordon when the goods are delivered and have been accepted by customer. Sales are recognised based on the contractual price, net of any discounts (If there are discounts). Payment of transaction price is due immediately when the customer purchases the good or service.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Policy applicable prior to 1 January 2019

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date.

Student fees and charges

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

Fee for service

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

Revenue from sale of goods

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

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

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

Expense	2019 \$'000	2018 \$'000
Salaries, wages, overtime and allowances	43,453	40,952
Superannuation	4,129	3,792
Payroll tax	1,042	1,309
Long service leave	1,261	(90)
Annual leave	(41)	416
Other	398	256
Total employee benefits	50,242	46,635

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.

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.

3.1.2 Employee benefits in the balance sheet

Leave obligations	2019 \$'000	2018 \$'000
Current	10,236	9,350
Non-current	1,787	1,154
	12,023	10,504

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$10,236 (2018 - \$9,350) 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. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Current leave obligations expected to be settled after 12 months	6,817	6,124
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Note 3 How we expended our funds (continued)

3.1 Employee benefits (continued)

3.1.2 Employee benefits in the balance sheet (continued)

Wages, salaries and annual leave

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

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

- undiscounted value - if The Gordon expects to wholly settle within 12 months; or
- present value - if The Gordon does not expect to wholly settle within 12 months.

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

The components of the current LSL liability are measured at:

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

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

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

3.2 Supplies and services

	2019	2018
	\$'000	\$'000
Purchases of supplies and consumables	2,517	2,320
Contract and other services	3,512	2,596
Cost of goods sold/distributed (ancillary trading)	1,549	1,578
Building repairs and maintenance	1,782	1,796
Operating lease payments	-	948
Professional fees and charges	659	528
Computer software and hardware expenses	1,123	1,353
Total supplies and services	11,142	11,119

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Note 3 How we expended our funds (continued)

3.2 Supplies and services (continued)

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

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

	2019 \$'000	2018 \$'000
Payable:		
Within one year	94	92
Later than one year but not later than five years	-	-
Operating lease commitments	94	92

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

Other expenditure commitments

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

	2019 \$'000	2018 \$'000
Payable:		
Within one year	569	1,118
Later than one year but not later than five years	-	-
Total other expenditure commitments	569	1,118
GST reclaimable on the above	52	102
Net expenditure commitments	517	1,016

3.3 Other operating expenses

	2019 \$'000	2018 \$'000
General expenses	2,424	2,509
Marketing and promotional expenses	1,368	1,594
Utilities	1,296	1,408
Audit fees and services	118	128
Staff development	378	328
Bad debts from transactions	411	314
Travel and motor vehicle expenses	648	790
Equipment below capitalisation threshold	1,220	848
Expenses relating to short-term leases	85	-
Expenses relating to low-value leases	6	-
Total other operating expenses	7,954	7,919

Note 3 How we expended our funds (continued)

3.3 Other operating expenses (continued)

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

Audit fees and services relate to remuneration to the Victorian Auditor General's office for the audit of the financial statements.

3.4 Leases

Leases

The Gordon has applied AASB 16 using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 January 2019, with no restatement of comparative information.

Policy applicable before 1 January 2019

As a lessee, The Gordon classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to The Gordon.

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

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

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 January 2019

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.

On transition to AASB 16, the Gordon elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases.

Note 3 How we expended our funds (continued)

3.4 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 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 3 How we expended our funds (continued)

3.4 Leases (continued)

Lease liabilities

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

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

	2019 \$'000
Current	872
Non-current	3,652
Total lease liabilities	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.

Leases classified as operating leases under AASB 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at The Gordon's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment. The Gordon applied this approach to all other leases.

The Gordon used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Note 3 How we expended our funds (continued)

3.4 Leases (continued)

Impact on financial statements

On transition to AASB 16, The Gordon recognised an additional \$5,061,000 of right-of-use assets and \$5,061,000 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, The Gordon discounted lease payments using its incremental borrowing rate at 1 January 2019. The respective incremental borrowing rates were applied to each lease with an average rate of 3.56%.

	2019 \$'000
Operating lease commitment at 31 December 2018 as disclosed in The Gordon's consolidated financial statements	1,758
Omission from 2018 commitments listing	<u>544</u>
- Recognition exemption for:	
short-term leases	-
leases of low-value assets	-
- Extension and termination options reasonably certain to be exercised	3,093
- Variable lease payments based on an index or a rate	-
- Residual value guarantees	-
- Impact of discounting	<u>(334)</u>
Lease liabilities recognised as at 1 January 2019	<u><u>5,061</u></u>

Note 4 The assets we invested in

4.1 Property, plant and equipment

The Gordon has made the judgement that certain depreciation expense of plant and equipment used during construction of a new building is recognised in the comprehensive operating statement.

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, 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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Land	23,780	23,780	-	-	23,780	23,780
Buildings	99,466	87,946	(5,670)	(2,814)	93,796	85,132
Construction in progress	673	8,937	-	-	673	8,937
Plant and equipment	19,403	16,734	(14,214)	(13,400)	5,189	3,334
Plant and equipment in progress	258	107	-	-	258	107
Motor vehicles	1,509	1,411	(739)	(634)	770	777
Leasehold improvements	1,626	1,567	(822)	(713)	804	854
Library	3,500	3,467	(3,352)	(3,322)	148	145
Works of art	184	185	(7)	(4)	177	181
Net carrying amount	150,399	144,134	(24,804)	(20,887)	125,595	123,247

Initial recognition

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

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

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

Note 4 The assets we invested in (continued)

4.1 Property, plant and equipment (continued)

Subsequent measurement

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

Non-specialised land, 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.

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.

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Notes to the Financial Statements
31 December 2019
(continued)

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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cost or fair value	23,780	23,780	85,132	77,929	8,937	4,970	3,334	2,909	107	26	777	611	854	1,081	145	142	181	185	123,247	111,633
Additions	-	-	216	93	3,745	15,292	2,391	331	258	727	253	344	-	-	33	37	-	-	6,896	16,824
Disposals	-	-	-	-	-	-	-	-	-	-	(31)	(53)	-	-	-	-	-	-	(31)	(53)
Reclassification of WIP as expenditure	-	-	-	-	(339)	(1,276)	-	-	-	-	-	-	-	-	-	-	-	-	(339)	(1,276)
Transfers into/(out of) assets under construction	-	-	11,362	9,752	(11,670)	(10,049)	415	881	(107)	(646)	-	62	-	-	-	-	-	-	-	-
Depreciation	-	-	(2,914)	(2,642)	-	-	(951)	(787)	-	-	(229)	(187)	(50)	(227)	(30)	(34)	(4)	(4)	(4,178)	(3,881)
Closing balance	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

Note 4 The assets we invested in (continued)

4.1 Property, plant and equipment (continued)

4.1.2 Capital commitments

	2019 \$'000	2018 \$'000
Payable:		
Within one year	526	4,013
Later than one year but not later than five years	-	-
Total capital expenditure commitments	526	4,013

4.2 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment and freehold buildings.

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 (2018: 50 years)
Plant & equipment	4 - 12.5 years (2018: 4 - 12.5 years)
Motor vehicles	5 years (2018: 5 years)
Library collections	4 - 10 years (2018: 4 - 10 years)
Works of Art	50 years (2017: 50 years)
Leasehold improvements	10 - 12.5 years (2018: 10 - 12.5 years)
Software	2.5 - 10 years (2018: 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 4 The assets we invested in (continued)

4.3 Intangible assets

	2019 \$'000	2018 \$'000
Software		
Gross carrying amount		
Opening balance	6,701	6,409
Additions	751	292
Disposal	-	-
Closing balance	7,452	6,701
Accumulated amortisation and impairment		
Opening balance	(4,160)	(3,746)
Amortisation charge	(447)	(414)
Impairment	-	-
Disposal	-	-
Closing balance	(4,607)	(4,160)
Net carrying amount at end of the year	2,845	2,541

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 is 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.

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.

Impairment of intangible assets

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

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

Significant intangible assets

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

Note 5 Balances from operations

5.1 Receivables

	2019	2018
	\$'000	\$'000
Current receivables		
Contractual		
Trade receivables	2,521	3,248
Allowance for credit losses	(773)	(872)
Other receivables	542	484
Total contractual	2,290	2,860
Statutory		
Accounts owing from Victorian Government	4,937	2,646
Total receivables	7,227	5,506

Receivables

Receivables consist of:

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

Receivables 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 impairment.

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 was as follows.

Movement in loss allowance for contractual receivables	2019 '000	2018 '000
Balance at the beginning of the year under AASB 139	-	-
Adjustment on initial application of AASB 9	-	664
Balance at the beginning of the year under AASB 9	872	664
Amounts written off	(489)	
Net remeasurement of loss allowance	390	308
Reversal of loss allowance for uncollected receivables written off during the year	-	(100)
Balance at the end of the year	773	872

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
2019							
Receivables:							
Trade receivables	1,748	139	184	232	1,193	-	-
Other receivables	542	542	-	-	-	-	-
Total	2,290	681	184	232	1,193	-	-
2018							
Trade receivables	2,376	118	593	513	1,152	-	-
Other receivables	484	484	-	-	-	-	-
Total	2,860	602	593	513	1,152	-	-

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. 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

	2019 \$'000	2018 \$'000
Current		
Contractual		
Supplies and services	4,274	4,349
Statutory		
GST payable	193	108
FBT payable	27	17
	220	125
Total payables	4,494	4,474

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)

Maturity Analysis of contractual payables

2019 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	4,274	4,274	4,199	52	23	-	-
Total 2019 financial liabilities	4,274	4,274	4,199	52	23	-	-

2018 Financial liabilities

Payables:							
Supplies and services	4,349	4,349	4,235	90	24	-	-
Total 2018 financial liabilities	4,349	4,349	4,235	90	24	-	-

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

Notes: The average credit period is 30 days. No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency. The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 6 How we financed our operations

6.1 Cash and deposits

	2019 \$'000	2018 \$'000
Cash at bank and in hand	2,434	14,398
Australian currency deposits at call	45,003	1,861
Deposits - at call with TCV	-	9,557
Total cash and deposits	47,437	25,816

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

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

Note 6 How we financed our operations (continued)

6.1 Cash and deposits (continued)

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

	2019 \$'000	2018 \$'000
Net result for the year	(7,295)	1,082
Non cash movements:		
(Gain)/loss on sale or disposal of non current assets	(48)	(117)
Depreciation and amortisation of non current assets	5,678	4,295
Transfers (to)/from equity	33	18
Movements in assets and liabilities		
Decrease / (increase) in trade receivables	(1,721)	(211)
Decrease / (increase) in inventories	(33)	(8)
Decrease / (increase) in other assets	(231)	241
Increase / (decrease) in payables	2,800	212
Increase / (decrease) in provisions	1,519	701
Increase / (decrease) in current liabilities	4	-
Net cash flows from/(used in) operating activities	706	6,213

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

6.2 Contributed equity

	2019 \$'000	2018 \$'000
Contributed capital		
Balance as at 1st January	27,729	27,729
Issued for cash	-	-
Balance as at 31st December	27,729	27,729

Contributed capital

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

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

	2019	2018
	Carrying	Carrying
	Amount	amount
	\$'000	\$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	47,437	25,816
Trade receivables	1,748	2,376
Other receivables	542	484
Investments and other financial assets	-	28,968
	49,727	57,644
Contractual financial liabilities		
Loans and payables and cash		
Supplies and services	4,274	4,349
Contract liabilities	4,033	1,253
Total contractual financial liabilities	8,307	5,602

Categories of financial instruments

Classification of financial assets at amortised cost

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

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 Audit and Risk Management Committee of The Gordon with oversight by 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 counter party on their contractual obligations resulting in financial loss to The Gordon.

The trade receivables balance at 31 December 2019 and 31 December 2018 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
2019				
Cash and deposits	47,437	-	-	47,437
Trade receivables	-	-	2,290	2,290
Term deposits	-	-	-	-
Total contractual financial assets 2019	47,437	-	2,290	49,727
2018				
Cash and deposits	16,259	9,557	-	25,816
Trade receivables	-	-	2,860	2,860
Term deposits	-	28,968	-	28,968
Total contractual financial assets 2018	16,259	38,525	2,860	57,644

Notes:

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

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

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

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

In measuring the expected credit losses, the 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 and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past three years before 31 December 2019 and 1 January 2019 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Gordon has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 31 days from the invoice date and failure to engage with the Gordon on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Note 7 Managing risks and uncertainties (continued)

7.1 Financial instruments (continued)

	Estimated gross carrying amount \$	Weighted average loss rate %	Estimated loss allowance \$	Credit impaired
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>	
1 January 2019				
Current (not past due)	127	7	9	No
1–30 days past due	662	10	69	No
31–60 days past due	562	23	132	No
61–90 days past due	199	58	116	No
90–120 days past due	178	40	70	No
More than 120 days past due	1,520	29	476	No
Total	<u>3,248</u>		<u>872</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.

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 the face of the balance sheet.

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.

7.2 Contingent assets and contingent liabilities

An internal review conducted this year identified that The Gordon's adopted method of calculating the long service leave provision needed to be revised to better reflect and account for the period of service rendered by its casual employees, which it did so for existing casual employees, in preparing the 31 December 2019 leave liability. The Gordon is continuing to assess its exposure (if any) in respect of this matter and the information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets has not been disclosed on the grounds that it can be expected to prejudice The Gordon's position pending the outcome of the yet to be commissioned legal review.

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination

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 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 Inputs \$'000
Land at fair value:				
Non specialised land	12,229	-	12,229	-
Specialised land	12,355	-	-	12,355
Total 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

There were no transfers between Levels during the year.

Note 7 Managing risks and uncertainties (continued)

7.3 Fair value determination (continued)

Fair value measurement hierarchy for assets as at 31 December 2018	Carrying amount as at 31 Dec 2018 \$'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	12,279	-	12,279	-
Specialised land	12,355	-	-	12,355
Total of land at fair value	24,634	-	12,279	12,355
Buildings at fair value:				
Specialised buildings	80,143	-	-	80,143
Heritage buildings	13,926	-	-	13,926
Total of buildings at fair value	94,069	-	-	94,069
Plant, equipment and vehicles at fair value:				
Vehicles	777	-	-	777
Plant and equipment	3,334	-	-	3,334
Library collection	145	-	-	145
Total of plant, equipment and vehicles at fair value	4,256	-	-	4,256
Cultural assets at fair value:				
Artwork	181	-	181	-
Total of cultural assets at fair value	181	-	181	-
Total of assets	123,140	-	12,460	110,680

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)

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

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

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

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.

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 2019.

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.

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 either Level 2 or 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 either Level 2 or Level 3 in the fair value hierarchy.

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.

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.

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 2019.

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

2019 and 2018	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
Construction in progress	Depreciated replacement cost	Useful life of the asset once it's ready for use
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

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 of Training and Skills	The Hon. Gayle Tierney MP	1 January to 31 December 2019
Board Chair	Justin Giddings	1 January to 31 December 2019
Deputy Chair	Virginia Fenelon	1 January to 31 December 2019
Chief Executive Officer	Lisa Line	1 January to 10 June 2019
Acting Chief Executive Officer	Joe Ormeno	6 May to 6 October 2019
Chief Executive Officer	Joe Ormeno	7 October to 31 December 2019
Board Director	Darryl Mohr	1 January to 31 December 2019
Board Director	Kelly Grigsby	1 January to 14 December 2019
Board Director	Janet Matthews	1 January to 31 December 2019
Board Director	Kelvin Spiller	1 January to 30 June 2019
Board Director	Daniel Smedley	1 January to 31 December 2019
Board Director	Matthew Wright	1 January to 31 December 2019
Board Director	David Bowen	1 July to 31 December 2019
Board Director	Katrina Hassett	1 January to 30 June 2019
Board Director	Adam Canny	1 July to 31 December 2019

8.1.1 Remuneration

Remuneration received or receivable by the Chief Executive Officer in connection with the management of the Gordon during the reporting period was in the range: \$500 000 - \$549 999 [2018: \$340 000 - \$349 999].

Total remuneration payable to executive officers during 2019 has been impacted by the resignation of the CEO and the subsequent payment of leave entitlements upon termination.

	2019 \$'000	2018 \$'000
Remuneration		
Short-term benefits	581	537
Post-employment benefits	49	45
Other long-term benefits	10	9
Termination benefits	151	-
Total remuneration	791	591
Total number of executive officers	13	11
Total annualised employee equivalent (AEE)	10	9

Note 8 Governance (continued)

8.2 Remuneration of executives

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

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

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

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

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

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

Several factors affected total remuneration payable to executives over the 2019 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	
	2019	2018
	\$'000	\$'000
Remuneration		
Short-term employee benefits	760	902
Post-employment benefits	67	82
Other long-term benefits	14	22
Termination benefits	76	-
Total remuneration	917	1,006
Total number of executives	9	5
Total annualised employee equivalents	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 entities have not been consolidated into The Gordon's financial statements in accordance with AASB 10 as previously stated:

- Gotec Ltd

Note 8 Governance (continued)

8.3 Related parties (continued)

Key management personnel of The Gordon include the Minister of Training and Skills, the members of the Board, Chief Executive Officer, and members of the Executive Committee. The compensation detailed below excludes the salary and benefits received by the Minister for Training and Skills. The Minister's remuneration and allowances is reported within the Department of Parliamentary Services' Financial Report.

Compensation of Key management personnel

	Total Remuneration	
	2019	2018
	\$'000	\$'000
Remuneration		
Short-term employee benefits	1,341	1,280
Post-employment benefits	116	113
Other long-term benefits	24	27
Termination benefits	227	-
Total remuneration	1,708	1,420

Transactions and balances with key management personnel and other related parties

There were no significant transactions entered into with related parties during the current financial year (2018: \$55 000 Sale of goods and services City of Greater Geelong and 2018: \$52 000 Purchases of goods and services). Other related transactions requiring disclosure under the directions of the Assistant Treasurer have been considered and there are no matters to report.

Gotec Ltd, 100% owned and controlled subsidiary of The Gordon, maintains a non-current receivable of \$41 000 (2018: \$41 000). Other related transactions and loan requiring disclosure under the Directions of the Assistant Treasurer have been considered and there are no other matters to report.

8.4 Auditors remuneration

	2019	2018
	\$'000	\$'000
Remuneration of Victorian Auditor General's Office for:		
Audit of the financial statements	85	92
Total remuneration of Victoria Auditor General's Office	85	92
Remuneration of internal auditors		
BDO	33	36
Total remuneration of other auditors	33	36
Total remuneration for audit and other assurance services	118	128

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

	2019 \$'000	2018 \$'000
Net gain/(loss) arising from revaluation of long service leave liability	(299)	(430)
Total other gains/(losses) from other economic flows	(299)	(430)

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

	2019 \$'000	2018 \$'000
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	1,342	1,323
Transfers from accumulated surplus	33	19
Balance at 31 December	1,375	1,342
Total reserves	73,723	73,690

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

9.3 Events after reporting date

In March 2020, a State of Emergency was declared in the State of Victoria to combat and contain the spread of COVID-19. Following this declaration, a number of public health measures have since been imposed, including mandatory quarantine measures, including limiting the number of people that are able to attend non-essential mass gatherings and restrictions on overseas travellers entering Australia.

Note 9 Other disclosures (continued)

9.3 Events after reporting date (continued)

At the time of signing the 2019 financial statements, there were local and international students that were impacted by the public health measures associated with COVID-19. The Gordon has introduced measures to assist those affected, including ongoing advice and support, as the situation continues to evolve. The Gordon continues to monitor the non-financial and financial impacts of COVID-19 on its operations and cashflow however, due to the significant amount of material uncertainty, it is not possible to quantify the full economic outflow at present. To mitigate against this risk, the Department of Education and Training has provided a letter of comfort to The Gordon to provide a level of assurance that financial assistance will be made available for The Gordon to continue as a going concern.

The Gordon is working closely with the Department of Education and Training to ensure that an appropriate funding model is developed to minimise the loss in training revenue in the event that this should occur.

Apart from the items noted above, there are no matters or circumstances that have arisen since the end of the financial year that have affected the financial position of The Gordon.

9.4 Application of accounting standards issued but not yet effective

Standard/Interpretation	Nature of change	Effective date
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	AASB 2018-6 amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.	1-Jan-20
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	1-Jan-20
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	AASB 2019-1 amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the revised Conceptual Framework for Financial Reporting (Conceptual Framework).	1-Jan-20

KEY PERFORMANCE INDICATORS

TAFE Sector Standard Key Performance Indicators

Indicator title	Description and methodology	Metric	2019 Target	2019 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	75.2% 13.7% 11.1%	75.3% 13.1% 11.7%	Current year training revenue diversity is consistent with budgetary expectations and also prior year.	74.1% 12.1% 13.8%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue.	Percentage	105.4%	106.8%	Improving labour utilisation efficiency was a focus for the TAFE in 2019 with savings obtained throughout the year. However, these gains were partially eroded by the movement in the LSL provision. The LSL provision movement was impacted by a number of factors: increased salaries due to MEA and EBA increments, review of casual staff period of service and subsequent adjustment to LSL provisions and the effect of bond rates on the valuation of the nominal LSL balances.	107.1%
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	\$151,930	\$152,117	2019 result is consistent with budget. The prior year variance is attributed to the increased delivery in 2019 largely driven by the Free TAFE initiative and the labour utilisation efficiency gains obtained.	\$140,177
Operating margin	Operating margin % <i>EBIT (excluding Capital Contributions) / Total Revenue (excl Capital Contributions)</i>	Percentage	(22.60%)	(15.7%)	The 2019 result is a favourable variance to budget. Total revenue was \$4.2M greater than budget. Training revenue and government support/transition funding exceeded budget by \$1.8M and \$2.2M respectively. Whilst Salaries, Wages and Oncosts exceeded budget by \$1.9M this was offset by savings in non-salary expenditure of \$2.2M. Variance to prior year is largely explained by a significant reduction of \$6.2M in government support/transition funding in 2019.	(5.0%)

**Gordon Institute of TAFE
Statement of Performance Directors' Declaration
31 December 2019**

In our opinion, the accompanying Statement of Performance of Gordon Institute of TAFE in respect of the Financial Year is presented in accordance with the *Financial Management Act 1994*.

The Statement outlines the performance indicators that form part of the Institute's Statement of Corporate Intent, pre-determined targets and the actual results for the year against these indicators, and an explanation of any significant variance between the actual results and performance targets in accordance with ministerial directions.

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.

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



Justin Giddings
Board Chair

Geelong
17/04/2020



Joe Ormeno
Chief Executive Officer

Geelong
17/04/2020



Nicholas Marin
Chief Finance Officer

Geelong
17/04/2020

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 2019 • the management certification. <p>In my opinion, the performance statement of the Gordon Institute of TAFE in respect of the year ended 31 December 2019 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 April 2020



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 2019

GOTEC Limited ABN 49 006 410 671
Financial Report - 31 December 2019

How this report is structured

Gotec Limited has presented its audited general purpose financial statements for the financial year ended 31 December 2019 in the following structure to provide users with the information about the Company's stewardship of resources entrusted to it.

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1 The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result. The net result is equivalent to profit or loss derived in accordance with AASs.

2 Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

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

3 The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

4 Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

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 2019 • 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 2019 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 2019, 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.

MELBOURNE
22 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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 2019, 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
22 April 2020

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Directors' Report for the Year Ended 31 December 2019

The directors of Gotec Limited present the following report together with the financial statements of Gotec Limited for the year ended 31 December 2019 and the auditor's report thereon.

Principal activities

The principal activities of the company were to conduct educational activities on behalf of the Gordon TAFE. 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 Ms Lisa Line (resigned 5 May 2019), Mr Joe Ormeno (appointed 10 June 2019), 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. As 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 \$403 (2018: \$347).

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
05/03/2020

Financial Report for the Year Ended 31 December 2019

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 *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 2019 and financial position of Gotec as at 31 December 2019.

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
05/03/2020



Justin Giddings
Director

Geelong
05/03/2020

GOTEC Limited
Comprehensive Operating Statement
For the year ended 31 December 2019

	2019	2018
Notes	\$	\$
Continuing operations		
Income from transactions		
Interest income	453	451
Total income from transactions	<u>453</u>	<u>451</u>
Expenses from transactions		
Other operating expenses	50	104
Total expenses from transactions	<u>50</u>	<u>104</u>
Net result from transactions	<u>403</u>	<u>347</u>
Other economic flows included in net result	-	-
Net result from continuing operations	<u>403</u>	<u>347</u>
Net result	<u>403</u>	<u>347</u>
Other economic flows - other comprehensive income	-	-
Comprehensive result	<u>403</u>	<u>347</u>

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 2019

	Notes	2019 \$	2018 \$
Assets			
Financial assets			
Cash and deposits ¹	4.1	<u>45,505</u>	45,102
Total financial assets		<u>45,505</u>	<u>45,102</u>
Total assets		<u>45,505</u>	<u>45,102</u>
Liabilities			
Payables	3.1	<u>41,345</u>	41,345
Total current liabilities		<u>41,345</u>	<u>41,345</u>
Total liabilities		<u>41,345</u>	<u>41,345</u>
Net assets		<u>4,160</u>	<u>3,757</u>
Equity			
Accumulated surplus		<u>4,160</u>	<u>3,757</u>
Net worth		<u>4,160</u>	<u>3,757</u>

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 2019

	Accumulated surplus \$	Total \$
At 1 January 2018	3,410	3,410
Net result for the year	347	347
Year ended 31 December 2018	3,757	3,757
Net result for the year	403	403
Year ended 31 December 2019	4,160	4,160

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 2019

	2019	2018
Notes	\$	\$
Cash flow from operating activities		
Receipts		
Interest received	453	451
Total receipts	453	451
Payments		
Other payments	(50)	(104)
Total payments	(50)	(104)
Net cash flows from operating activities	403	347
Net increase in cash and cash equivalents	403	347
Cash and cash equivalents at the beginning of the financial year	45,102	44,755
Cash and cash equivalents at end of the financial year	45,505	45,102

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.

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

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

Note 2 About this report (continued)

2.1 Basis of preparation (continued)

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.

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 company limited by guarantee and 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.

Note 3 Balances from operations

3.1 Payables

	2019	2018
	\$	\$
Current		
Contractual		
Loan GIT Gotec	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

	2019	2018
	\$	\$
Cash at bank and on hand	45,505	45,102
Total cash and deposits	45,505	45,102

Cash and deposits comprises cash at bank.

Reconciliation of operating result to net cash flows from operating activities

	2019	2018
	\$	\$
Net result for the year	403	347
Net cash flows from operating activities	403	347

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

Gotec Limited's principal financial instruments comprise cash assets and payables.

Gotec Limited's financial risk management program seeks to manage these risks on the associated volatility of its financial performance. Its overall management program focuses on the unpredictability of financial markets and seeks to minimise potential effects on financial performance of Gotec Limited. The company 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. Primary responsibility for the identification and management of financial risks rests with the Board.

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

Note 5 Managing risks and uncertainties (continued)

5.1 Financial instruments (continued)

The carrying amounts of the Company's contractual financial assets and financial liabilities by category are disclosed below:

	Notes	2019 \$	2018 \$
Financial assets measured at amortised cost			
Cash and deposits	4.1	45,505	45,102
Total financial assets		45,505	45,102
Financial liabilities:			
Payables¹:			
Related party payable	3.1	41,345	41,345
Total financial liabilities		41,345	41,345

Note

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

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.

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 affect 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.

Note 5 Managing risks and uncertainties (continued)

Market risk (continued)

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% (2018: 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. The Company's fund managers cannot be expected to predict movements in market rates and prices. 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 (2018: 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.

	Carrying amount	Interest rate risk			
		- 100 basis points Result	Equity	+ 100 basis points Result	Equity
31 December 2019	\$	\$	\$	\$	\$
Contractual financial assets					
Receivables ¹	45,505	(455)	(455)	455	455
Total increase/(decrease) in financial assets		(455)	(455)	455	455

	Carrying amount	Interest rate risk			
		- 100 basis points Result	Equity	+ 100 basis points Result	Equity
31 December 2018	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and deposits	45,102	(451)	(451)	451	451
Total increase/(decrease) in financial assets		(451)	(451)	451	451

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 of Training and Skills	The Hon. Gayle Tierney MP	9 November 2016
Director	Lisa Line	20 December 2013 to 5 May 2019
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 2019 (2018: 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.

6.2 Related parties

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

Related party transactions

	2019	2018
	\$	\$
Current payables (loans)		
The Gordon Institute of TAFE	41,345	41,345
Total current payables	41,345	41,345

6.3 Auditors Remuneration

Gotec Ltd is reliant upon the parent entity for financial support for payment of its annual audit fees. In 2019, \$7,100 (2018: \$6,900) 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

Standard/Interpretation	Summary	Application date of standard	Impact on entity financial statements
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	AASB 2018-6 amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.	1-Jan-20	As the company does not trade there will be no significant impact.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	1-Jan-20	As the company does not trade there will be no significant impact.
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	AASB 2019-1 amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the revised Conceptual Framework for Financial Reporting (Conceptual Framework).	1-Jan-20	As the company does not trade there will be no significant impact.

Geelong City Campus

2 Fenwick St, Geelong
Victoria, Australia 3220

East Geelong Campus

Boundary Road, East Geelong
Victoria, Australia 3219

Werribee Campus

24 Watton St, Werribee
Victoria, Australia 3030

Hoppers Crossing Trades Campus

195 Old Geelong Road, Hoppers Crossing
Victoria, Australia 3029

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