

the
Gordon

2021 ANNUAL REPORT

Acknowledgment of Country

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

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

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

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

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

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

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

The Annual Report 2021

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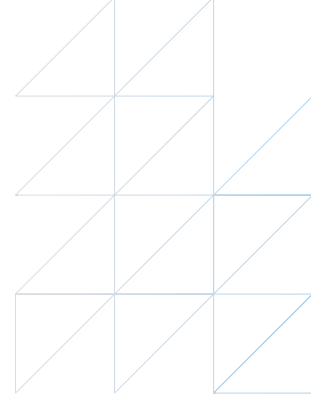
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The Gordon Annual Reports 2020 and 2019 are available online at thegordon.edu.au

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BOARD CHAIR'S WELCOME

The Gordon Annual Report 2021

It is with great pleasure that I submit the 2021 Annual Report of The Gordon Institute of TAFE. The report comprises commentary on the operations of the Institute, highlights areas of achievement and includes detailed, audited financial statements.

On behalf of The Gordon Board, I would like to acknowledge all Institute staff for their contribution to The Gordon over 2021. As we reflect on a year that demanded so much of us all, I look back and feel incredibly proud of what we have accomplished together. Of all the notable achievements of the Institute over the year, the ability to continue providing exceptional education and training in a period of adversity may be our most significant. 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. Education is critical to our community's social and economic wellbeing, and your efforts ensure that The Gordon is a vital contributor to a thriving community.

To our graduates and their families, I congratulate you on your achievement. The completion of your qualification is a great personal triumph - and it is a milestone shared by parents, siblings and friends who contributed to your success. I encourage you to address the new challenges that you and your community face and make a positive contribution. Seize these opportunities and help shape the future.

Throughout 2021, the Board worked closely with the Institute's Executive Leadership Team, the Minister for Training and Skills and Minister for Higher Education, and the Department of Education and Training to ensure that The Gordon could support our education community to flourish. Concurrent with the delivery of commitments and priorities detailed in the Institute's Strategic Plan (2018-2021), the Board worked with the Executive to develop a new strategic vision for The Gordon. Hundreds of our education community members - including representation from across the Institute, industry partners and community stakeholders - candidly shared their vision for The Gordon's future. Every voice was critical in shaping our 2022-2025 Strategic Plan. Through this new plan, we will build upon our successes - offering education that is innovative at heart, focused on emerging challenges and building skills, careers and community prosperity.

Along with developing our new Strategic Plan, achievements across 2021 included the implementation of The Gordon's Education Strategy, our Business-to-Business Commercial Strategy, and Customer Insights Strategy. These future-focused documents will carry The Gordon into 2022 and beyond - and support our commitment to delivering an exceptional experience for students which is centred on inspirational teaching and learning opportunities.

The Board is focused on additional investment in infrastructure, equipment and technology to meet new skills requirements brought about by a changing economy. I am thrilled that 2021 saw the commencement of the Trade Optimisation Project to upgrade both the carpentry and plumbing practical spaces at the East Geelong Campus. The expanded trade workshop facility will see both the carpentry and plumbing practical trade spaces double in size. This allows The Gordon to capitalise on significant enrolment growth in these trade areas. This infrastructure investment fulfils the needs of local industries with strong growth trajectories - and the needs of our community for strong pathways to employment.

In that same spirit of serving our community and strengthening the equity of our education system, I was incredibly proud to be with you at the opening of The Gordon's Kitjarra wurrun ngeen Centre in December. The opening of the Centre reaffirms our commitment to working with the wisdom of the Aboriginal and Torres Strait Islander people - their culture, spirituality, and history - and will demonstrate the power of education in achieving a united community.

I want to acknowledge Joe Ormeno and the Executive Leadership Team for their tireless work throughout the year. Their shared commitment to staff, students, and community ensures we continue to build on our exceptional reputation in the vocational education sector.

I acknowledge and thank the Hon. Gayle Tierney MP, the Minister for Training and Skills and the Minister for Higher Education, for her support in 2021. The commitment and ongoing support by the Minister and the Department of Education and Training during a challenging yet rewarding year for The Gordon is greatly appreciated.

I would also like to thank Board members for their commitment to leading and supporting The Gordon throughout this year. The Board shares a clear vision for vocational education and a commitment to improving educational outcomes. We are confident that The Gordon has the right people to deliver these outcomes.



David Bowen
Board Chair
March 2022

THE ORGANISATION

OVERVIEW

History

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

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

The Gordon today

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

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

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

As an essential service provider, The Gordon continued with remote learning for a large portion of 2021, as the global Covid-19 pandemic continued to impact teaching and learning methods. The Gordon offered more than 120 nationally accredited qualifications, 20 other accredited training products, a range of VCE and VCAL programs, and 80 accredited and non-accredited specialist short courses.

With more than 690 staff supporting students, The Gordon registered more than 16,000 enrolments, equating to more than 14,500 students studying via a range of modes, including on-campus, off-campus, full and part-time, online and industry-based. The Gordon also managed more than 4,000 apprenticeships and traineeships Australia-wide.

The investment of more than \$30 million in state-of-the-art infrastructure, including the Culinary School Development and the Trade Optimisation Project in 2021, significantly strengthens students' future training and development and further cements The Gordon as a leader in vocational training and education.

Throughout 2021 The Gordon continued to build its onshore and offshore international delivery. Locally 41 new international students commenced studies with The Gordon, while a further 58 continued their education at the Institute.

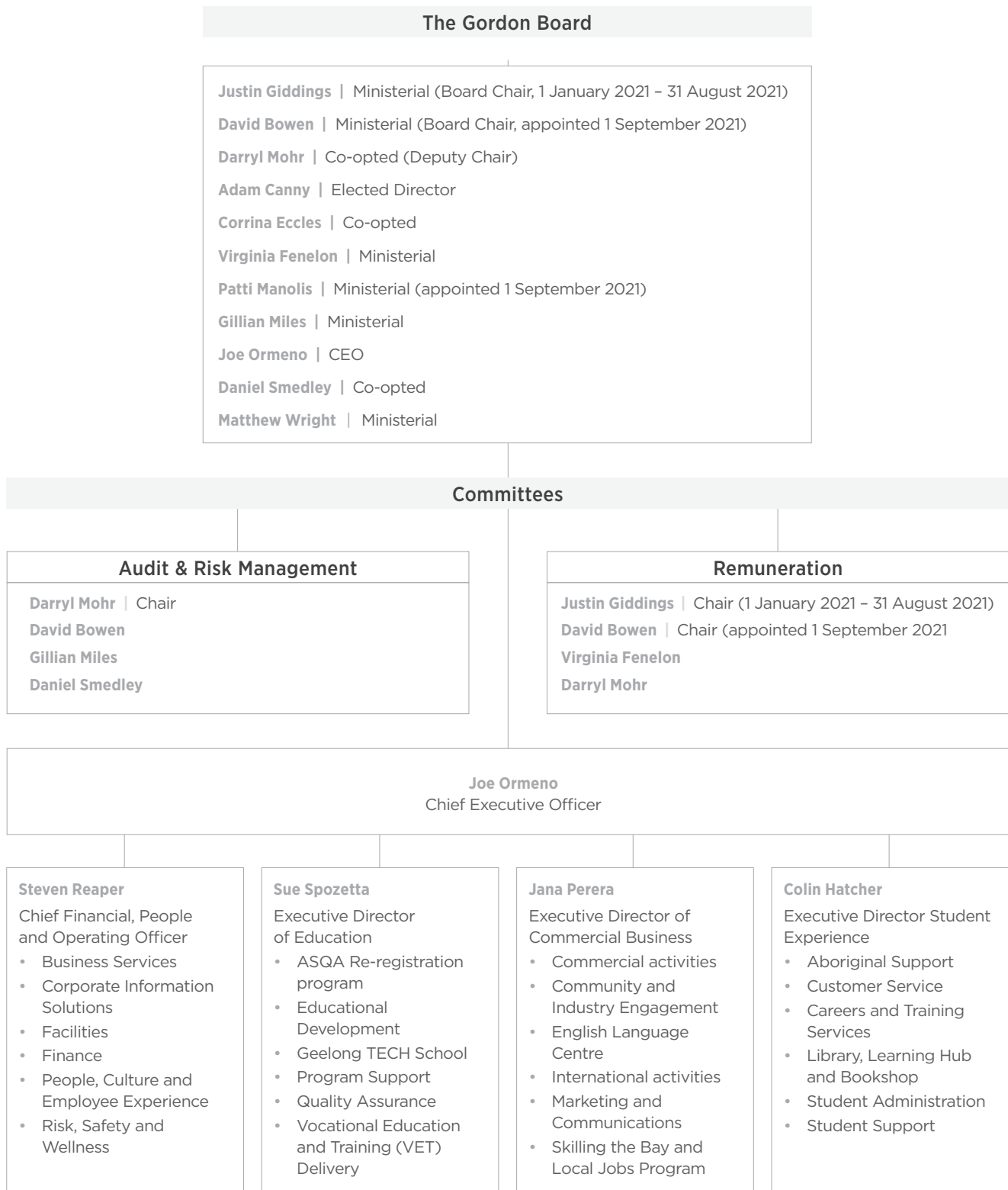
The perpetuation of tailored training programs for vocational education teachers in Chongqing led to the signing of an MoU between The Gordon and Chongqing Center for International Educational Exchange. The Institute also delivered the Diploma of Building Construction program to 80 students at Chongqing Jianzhu College in China through online mediums.

The Geelong Tech School, hosted by The Gordon at its Geelong City Campus, maintained engagement with secondary students, teachers, industry, and the community, utilising face-to-face and remote learning methods to deliver a growing range of STEM programs in 2021.

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



ORGANISATIONAL CHART



THE GORDON BOARD

Role and Responsibilities of the Board

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

Strategic Direction

- Provide strategic direction and assist management to develop and monitor strategic and performance objectives
- Oversee performance indicators and targets, and review The Gordon's performance against those targets
- Guide the preparation of the strategic plan and obtain approval of the plan from the responsible Minister
- Financial Management and Governance
- Ensure best practice financial management and governance policies and procedures (that comply with the legal requirements of Victorian public sector bodies) are established and maintained
- Develop and implement procurement policies and procedures for letting contracts or authorising expenditure on the supply of goods or services, or the carrying out of works for the Institute.

Risk Management

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

Powers of the Board

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

Reviewing and ratifying

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

Approving

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

Values of the Board

The values of the Board are reflected in the Board Code of Conduct which is consistent with The Gordon Code of Conduct. As a values-based organisation the Board has developed its own trademark behaviours which demonstrates its values. The 2018-2021 Strategic Plan sets out the Institute's strategic direction and strategic priorities.

Summary of training

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

Summary of performance and activities of the Board

Key priorities and major decisions during 2021 included:

- Approving the audited annual financial statement
- Meeting the required obligations of the Strategic Planning Guidelines and Commercial Guidelines
- Approving an annual budget
- Ensuring that Board membership complies with legislative requirements and that Board members comply with the Board Members' Code of Conduct'
- Ensuring all Governance obligations are met by the Board, including the review of all policies, procedures and Committee Charters to meet legislative, regulatory and organisational requirements
- Overseeing of the final year of 2018 – 2021 Strategic Plan
- Monitored the Culinary School Development project
- Overseeing of the performance indicators and targets, and reviewed The Gordon's performance against those targets
- Progressed the Institute's Wyndham Growth Strategy
- Oversight of the overall risk management framework the management of business risks by ensuring an effective framework is in place to identify, assess, monitor and manage the significant financial risks that The Gordon is exposed to in the course of its activities and responsibilities
- Monitoring the Institute's involvement in the Skilling the Bay Project
- Closely monitoring the financial performance, and in particular, the cash flow management of the Institute given the demand driven funding model
- Continuous improvement of the Institute's Occupational Health and Safety performance, with appropriate strategies
- Monitoring of staff agreements.
- Monitored the progress of the Institute's Reconciliation Action Plan (RAP)
- Approved The Gordon 2022 – 2025 Strategic Plan (pending Ministerial approval).

The Gordon Board Members

The Board comprises ten members:

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

In 2021 the following Directors served on The Gordon Board:

- Justin Giddings | Ministerial
(Board Chair 1 January 2021 – 31 August 2021)
- Darryl Mohr | Co-opted (Deputy Chair)
- Adam Canny | Elected Director
- David Bowen | Ministerial
(Board Chair appointed 1 September 2021)
- Corrina Eccles | Co-opted
- Virginia Fenelon | Ministerial
- Patti Manolis | Ministerial (appointed 1 September 2021)
- Gillian Miles | Ministerial
- Joe Ormeno | CEO
- Daniel Smedley | Co-opted
- Matthew Wright | Ministerial

Justin Giddings | Board Chair

(1 January 2021 – 31 August 2021)

Justin, a proud Gordon Alumni joined The Gordon Board in 2012. Justin was elected Deputy Chair from 2014 to 2016, and Board Chair from July 2016 to 31 August 2021. He is currently the CEO of Avalon Airport and was previously the Commercial and Operations Manager at Essendon Airport for seven years. He is also currently a board member of the Committee for Geelong and holds advisory roles on various boards and committees for both the Victorian Government and local education sector. Justin is also a fully qualified Aircraft Maintenance Engineer.

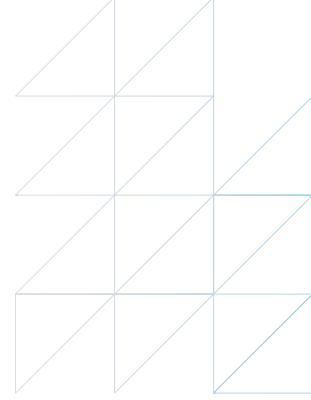
David Bowen | Board Chair (appointed 1 September 2021)

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

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

David has a long interest and involvement in professional education and continuous learning. As the architect of the Professional Standards Scheme, he worked with many professional associations in developing continuing education modules to meet the requirement of the scheme. He has also had long term involvement in several academic Institutes including as a Board member of the Injury Risk Management Research Centre (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 involved in the Sydney 2000 Paralympic Games. He continues to be involved in the Geelong area providing pro bono assistance to several organisations for people with disability and as a long term foster carer as Chair of the BCYF Carers Reference Group and as a co-chair of the Western Division Carers Advisory Group.



Darryl Mohr (Deputy Chair)

Darryl brings over 30 years of Banking and Finance experience to the Gordon Board and most recently has been responsible for Regional Business Banking at CBA for Victoria and Tasmania. Darryl is also a Committee member for Regional Development Australia (Barwon South West region) a joint Federal and State Government initiative to support economic sustainability across 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 Cranlana alumni. Additionally, Darryl has completed the Harvard Business School Global Agribusiness seminar in Boston USA and Shanghai China and in 2019 completed the Global Advanced Risk Management program at The Wharton Business School at Pennsylvania University in Philadelphia USA.

Adam Canny

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

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

Corrina Eccles

Wadawurrung Traditional Owner Corrina has 22 years of employment experience in Aboriginal organisations in the region. She brings knowledge and experience of community engagement, awareness of Education providers and sectors, advocacy for cultural values, support and connection. She is a board director on various boards in the region, both Government and community level, and a member of many advisory and committee groups.

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

Virginia Fenelon

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

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

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

Patti Manolis OAM (appointed 1 September 2021)

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

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

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

Gillian Miles

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

With over 30 years' experience at the national, state and local government level, Gillian has a strong record of achievement in public sector excellence and reform, with a particular focus on delivering a more efficient, safe and integrated transport system. After leading the reform of Victoria's transport agencies into a central and integrated department, Gillian moved to the NTC to improve the harmonisation of Australia's road, rail, and intermodal transport systems.

Preparing Australia for automated vehicles, improving productivity and safety of heavy vehicles and increasing the role of rail in a better-connected land transport system are among the reforms that Gillian leads at the NTC.

With strong interests in governance and risk management, Gillian is advancing the role of women in transport. She chairs the Diversity and Inclusion Committee as part of her Board duties at Roads Australia, and is a Member of Chief Executive Women, which influences and engages all levels of Australian business and government to achieve better gender balance.

Gillian was instrumental in establishing the national Women in Transport initiative – a partnership between the NTC, Infrastructure Australia, and the Department of Infrastructure, Transport, Regional Development and Communication and supported by ministers – to support increased participation by women in the transport sector.

As Head of Transport for Victoria, she designed and led the most significant reform of the Victorian transport system in decades, putting users' interests at the centre, integrating all transport services and minimising disruption through the transport infrastructure build.

At the NTC, Gillian has reshaped how the NTC delivers its work by placing a greater focus on engagement, collaboration and partnerships, and structuring the NTC's program of work to deliver high-value reform.

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

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

Joe Ormeno (CEO)

Joe was appointed Chief Executive Officer as of 3 October 2019, a role he had been acting in since 6 May 2019. Joe joined The Gordon in February 2009 as Chief Finance Officer, a role he continued in until December 2014. In July 2014 Joe was appointed to Chief Operating Officer whilst concurrently 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.

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

Daniel Smedley

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

Matthew Wright

Matthew is the Branch Manager of Strategic Engagement at the NDIA. He has over 20 years' experience in the disability sector. He was previously the Chief Executive Officer of the Australian Federation of Disability Organisations and Murray Human Services, and a senior manager with Oakleigh Centre and Able Australia. Matthew was an Adviser Diversity at National Australia Bank, developing the NAB's Disability Action Plan.

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

Matthew holds a Bachelor of Arts and Post-Graduate Diploma in HRM and IR from the University of Melbourne. He is a fellow of the Williamson Community Leadership Program with Leadership Victoria, has a severe hearing loss from birth and identifies as part of the deaf community.

BOARD COMMITTEES

Audit and Risk Management Committee

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

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

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

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

Membership

- Darryl Mohr | Chair
- David Bowen
- Gillian Miles
- Daniel Smedley

Remuneration Committee

The Remuneration Committee's purpose is to:

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

Membership

- Justin Giddings | Chair (1 January 2021 – 31 August 2021)
- David Bowen | Chair (appointed 1 September 2021)
- Virginia Fenelon
- Darryl Mohr

EXECUTIVE

Chief Executive Officer

Joe Ormeno

BCom (FinAcc), CPA

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

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

Chief Financial, People and Operating Officer

Steven Reaper

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

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

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

Executive Director of Education

Sue Spozetta

BHlthScNursing, GradDipEd (Adult VET)

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

Executive Director of Commercial Business

Jana Perera

BBus, MAdvtg

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

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

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

Executive Director Student Experience

Colin Hatcher

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

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

THE YEAR IN REVIEW

CEO'S MESSAGE

As I reflect on the past year, I am incredibly proud of our staff; their determined attitude and resourcefulness, and their commitment to supporting our education community. Like all education and training providers across Australia, The Gordon has faced unprecedented challenges to its operating model over the past two years. Through our staff's outstanding efforts, flexibility, and professionalism, the Institute has navigated complex challenges and emerged with solid enrolments and continued excellent outcomes for students.

Meeting students' education and training needs remains The Gordon's highest priority - and in 2021, The Gordon established a new Student Experience executive portfolio, reflecting our commitment to promote a student-centred mindset within the Institute. The portfolio will deliver innovative, valued services and continuously improve The Gordon's customer connection.

The Institute also increased communication and engagement with stakeholders during the year to better understand their needs. Consultation was undertaken to develop a new Strategic Plan (2022-2025), which will provide the roadmap for The Gordon to move powerfully into the future, serving its students, partners and communities as a leading education provider. Our vision to be the first choice for skills - learning, inspiring, transforming - is supported by a suite of initiatives, including implementing The Gordon's Education Strategy, our Business-to-Business Commercial Strategy, and Customer Insights Strategy. These future-focused initiatives will support our commitment to delivering an exceptional student experience centred on inspirational teaching and learning opportunities.

There have been many notable achievements throughout the year, none more critical than the Institute's leadership in enhancing accessibility and improving the educational experience of learners with disability. In 2021, the Institute continued to chair the TAFE Network Disability Inclusion Working Group. This group includes representation across all Victorian TAFEs and is tasked with leading our collective response to the continuing workforce needs and opportunities presented by the NDIS - and disability inclusion more broadly. In April, I was also delighted to appear with other TAFE sector colleagues before the Parliamentary Inquiry into access to TAFE for learners with disability. All learners with disability are entitled to access educational opportunities that match their aspirations, maximise their strengths and support them to achieve their goals. The Gordon is committed to enhancing the support individual learners receive and also in working with all TAFEs to improve the consistency in disability support across the network.

In 2021, Skilling the Bay received an additional investment of \$1.6 million over two years, continuing delivery of education and school-based programs that connect students to Geelong's changing economic landscape, including industries of high demand. We are grateful to the State Government for making the funding commitment to support this valuable work.

The Skilling the Bay team also successfully secured \$1.5 million in funding to deliver the Local Jobs Program for the Barwon region, funded by the Australian Government. The program runs to 30 June 2025 in 51 regions throughout Australia, bringing together expertise, resources and access to funding at the local level to focus on reskilling, upskilling and employment pathways. This work is strongly aligned with our development of a Regional Skills Strategy to support socio-economic recovery - and ongoing delivery of education, employment and skills initiatives.

With the growth of manufacturing, engineering and defence opportunities in the Geelong region, The Gordon is exploring industry needs and what is required to develop the skills of the future workforce. In May, the Institute announced a partnership with Hanwha Defense Australia. Hanwha Defense Australia will base major operations in Geelong after landing a \$1 billion defence contract to build new self-propelled artillery systems for the Australian Army. Through an analysis of training needs, The Gordon will determine the precise learning and development requirements to build and sustain a skilled local workforce that can manufacture and maintain various capabilities for the Australian Defence Force.

The Institute continued to invest in leading-edge infrastructure, equipment and technology to drive business growth. Across 2021, our community witnessed this ongoing rejuvenation with the substantial progress in the Culinary School Project, including upgrading the Fenwick Street entrance at the City Campus and the commencement of the Trade Optimisation Project to upgrade the carpentry and plumbing practical spaces at the East Geelong Campus.

As we look to 2022, I would like to acknowledge the strong 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. The commitment shown by the Minister and the Victorian Government to The Gordon and the region's community is greatly appreciated.

I thank the staff at The Gordon for all their efforts throughout 2021. Together, we are providing the training that our local communities need - equipping our students, our communities and our industry partners with the skills required for the jobs of the future. Because of you, our students graduate confident, capable and ready to help drive the success of their industry and communities.

I would also like to thank all Board members for their commitment and dedication. Justin Giddings retired as Chair of The Gordon Board at the end of his term in August 2021. During his tenure, Justin consistently demonstrated a clear vision for vocational education and a commitment to improving educational outcomes. I was pleased to announce the appointment of David Bowen to the position from September 2021. David sees a bold future for vocational education and strongly advocates for The Gordon as the first choice for skills.

Finally, I am incredibly proud of our students who worked so hard to achieve their education goals. I commend you for your dedication, resilience, adaptability and ingenuity. Education is about growth. You have adapted and grown in this most challenging time, which has undoubtedly enriched you and added to your success.



Joe Ormeno CEO
March 2022

RECONCILIATION ACTION PLAN

Our Reconciliation Action Plan (RAP) sets out how The Gordon can benefit from Aboriginal and Torres Strait Islander knowledge and ways of learning. As an education community, we believe that vocational education and training plays a vital role in achieving a united Australia. Education is a potent tool for reconciling histories; a pathway to personal and social growth that bridges misunderstanding; a bedrock for tangible and robust change; and a foundation for empowerment, engagement and transformation.

Our RAP reaffirms our commitment to working with the wisdom of the Aboriginal and Torres Strait Islander people, celebrates indigenous culture, promotes reconciliation and presents a vision where Aboriginal and Torres Strait Islander people participate equally in all aspects of our education community.

A central outcome of the RAP in 2021 was the opening of The Gordon's Kitjarra wurrun ngeen Centre. The Centre provides students with a culturally safe environment and develops literacy, numeracy, confidence, goal setting and vocational skills. The Centre's mission is to support indigenous students to achieve their full potential in education, training and employment.

Other key achievements across the year included our:

- NAIDOC week celebration, Heal Country, held at the Institute's Aboriginal Cultural Garden – including recognition of NAIDOC Staff Award recipients. These awards recognise the contribution and personal commitment of individuals and teams within The Gordon who strive to improve services and outcomes for Aboriginal and Torres Strait Islander peoples.
- Roll-out of a new program focused on cultural awareness across training delivery, ensuring that knowledge and perspectives of Aboriginal and Torres Strait Islander are embedded in teaching resources.
- Launch of a National Reconciliation Action Week education initiative – where staff shared their reconciliation experiences and learnings across the Institute through daily emails and videos.
- Commencement of Certificate I in Mumgu-dhal tyamatiyt. This course enables students to strengthen their personal connections and explore Aboriginal and/or Torres Strait Islander culture and community.
- Creation of a resource portal to support our commitment to deliver inclusive and culturally appropriate training across the region. The portal launched with newly commissioned Acknowledgement of Country videos and resources to support the realisation of the Reconciliation Action Plan goals.

The Gordon is committed to this long-term investment in reconciliation, healing, and respect – and these achievements are part of the journey toward an *Innovate* Reconciliation Action Plan.



HEAL
COUNTRY
PROTECT

STRONG TREE
PURE YARNING

CULTURAL
STRENGTH

NO SHAME
BE RESPECTFUL

SACRED
TURTLES
WITNESS OUR
ELDERLY
COUNTRY

TRADITIONAL
FAMILY
TURTLES
CLEAN WATER
HEALTHY

LET'S STAY
TOGETHER
AND BE ONE

2018 – 2021 STRATEGIC PLAN: YEAR FOUR

In 2021 the Institute continued to work on achieving financial sustainability in light of the continued impacts generated from the ongoing pandemic (COVID-19) and the resulting government and sector guidelines and directives implemented to address public safety.

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

Continuation of the pandemic throughout 2021 required ongoing review and reprioritisation of some initiatives to ensure the impacts to program delivery, staff and student safety, student contact and industry placement were minimised where possible

Industry and staff consultation was undertaken during 2021 to review the current strategic plan and Institute values program. A series of workshops was then successfully conducted with all stakeholders to identify, evaluate and finalise new themes and objectives, resulting in the development of the new Strategic Plan (2022-2025). The new plan will provide the roadmap for The Gordon to move strongly into the future, serving its students, partners and communities as a leading education provider.

Vision

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

Mission

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

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

Values

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

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

The Trademark Behaviours are:

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

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

The following is a summary of the Plan's four strategic priority areas, including an overview of major initiatives undertaken in 2021. A complete list of Key Performance Indicators (KPIs), targets and results are presented on page FIN 61.

Strategic Priority 1: Student, industry and community engagement

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

Objectives

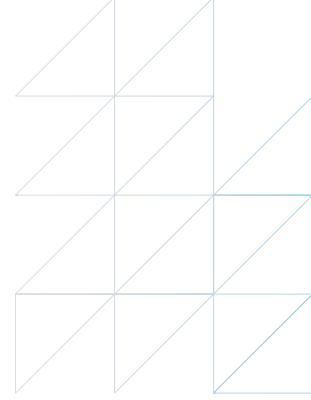
- 1.1 Enhance access to education and pathways for students.
- 1.2 Develop partnerships with industry to identify current and emerging skills needs.
- 1.3 Support community priorities through training and re-skilling.

Major initiatives in 2021

- Implementation and execution of The Gordon Education Strategy (2022-2025).



Strategic Plan | 2018 - 2021



Strategic Priority 2: Excellence in teaching and learning

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

The development of microcredentials and skill sets is a priority to ensure vocational education meets the emerging and flexible training needs of industry across key sectors.

Objectives

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

Major initiatives in 2021

- Review and update of quality systems, tools, templates and teaching methodologies to meet compliance with ASQA RTO Standards and ESOS Regulations for re-registration of The Gordon in 2022.

Strategic Priority 3: Business growth and financial sustainability

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

Objectives

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

Major initiatives in 2021

- Implementation and execution of The Gordon's Business to Business (B2B) Commercial Strategy.
- Consultation, review and development of The Gordon's Strategic Plan (2022-2025).
- Review expansion opportunities into the west of Melbourne.
- Implementation of the Trade Optimisation Project to upgrade both the carpentry and plumbing practical spaces at the East Geelong Campus.
- Deliver the Culinary School Capital Project, including rejuvenation of the Fenwick St entrance.

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 2021

- Update to The Gordon's Values Program.
- Develop and implement a Customer Insights Strategy.
- Develop a Customer Lifecycle Model.
- Develop Performance Standards and Supporting Capability Frameworks.
- Design a persuasive Digital Customer Experience.

TEACHING AND LEARNING HIGHLIGHTS

Resilience in a transitioning environment

The resilience and adaptability of our teaching teams have been demonstrated throughout 2021 as we have seen all areas rise to the ongoing challenge of adapting classes to an online or blended delivery structure. Priority areas such as trades, health and early childhood continued with practical skill work, enabling those cohorts to complete their qualifications and join the workforce with minimal interruption to their structured programs. On the back of this, The Gordon has had great success in securing placement opportunities for most students with a practical placement component in their course.

In 2021, significant work was undertaken, with many courses transitioning to updated versions as training packages changed. This work allows reflection and engagement of industry needs, informing course content and delivery options moving forward.

We have also seen the growth of traineeships in the health and community sector to address industry workforce shortages. This, combined with the relocation of some health programs from East Geelong to the City Campus, has created a Health Hub model incorporating specialist massage facilities.

Investing in our future

2021 has seen a significant investment into futureproofing The Gordon's ability to deliver world-class training in state-of-the-art facilities and with exceptional teaching staff. The Trade areas of our East Geelong Campus is seeing significant investment into an expanded trade workshop facility that will see both the carpentry and plumbing practical trade spaces double in size. This allows The Gordon to capitalise on significant growth in enrolments in the trade areas.

With support from the Department, TAE scholarship places were offered across a range of teaching areas. This program provides an opportunity to invest in the next generation of teachers with teacher training in the required TAE and employment positions available on completion of the program.

Strengthening industry collaborations

Despite the challenges of 2021, the strength of The Gordon's industry and community connections has deepened as we reinforce existing partnerships and build new relationships.

These industry connections provide invaluable networks that create collaborative approaches to course development and growth opportunities, skills gap analysis and formal support for funding applications. An example is condensing the HLT33115 Certificate III in Health Service Assistance to a 10-week program in partnership with Barwon Health to provide a faster labour pipeline due to COVID related industry employment needs.

We continue to pursue innovative course development and delivery avenues with applications for funding lodged in several key areas, including Business Skills for Trades, Clean Economy, and Agritourism.

A tangible demonstration of this collaborative approach has been the rollout of the Future Health Skills program, which began delivery of 25 micro-credentials, developed in conjunction with health service organisations, developing the skills of the healthcare workforce in the region. The micro-credentials have proved a successful training partnership model between The Gordon and industry in upskilling the workforce to meet current needs. In the community services area, the Diploma of Community Services students created a resource for Barwon Child, Youth and Family for foster children ready to move into independent living.

Education Strategy

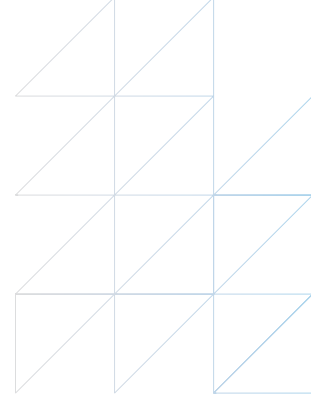
Underpinning the exceptional work of our teaching staff is the Educational Framework that provides a context for "how" we do the business of education and training. 2021 has seen the development of The Gordon's Education Strategy, which will articulate how The Gordon will develop and deliver best practice education, enhancing career and pathway opportunities for all our students over the next 3-5 years.

Samaritan House

This year saw the Landscaping and Horticultural teams collaborate on a community-led project for Samaritan House, a not-for-profit organisation providing a welcoming and safe home for homeless men experiencing crises. This opportunity allowed apprentices to be trained onsite and instructed in all aspects of working on a real-life project. The project consisted of designing a series of student projects that allowed apprentices to undertake voluntary work experience that contributed to the design and construction of landscaping works around a series of new housing for homeless men. This included landscape construction best practices and other important topics such as safety awareness, OHS, correct tool use and care, and site coordination and evaluation. It has been a wonderful opportunity to provide on the job training, community engagement, industry partnership and value-adding to teaching and learning.

Minister for Agriculture and Minister for Regional Development Mary-Anne Thomas was "blown away", stating that the "...students were truly wonderful in putting so much effort and hard work into the project. There would be no other project of this size that had so many landscapers on a site, working in harmony and achieving so much in so little time, whilst hampered by the roadblocks due to public health restrictions."

STRENGTHENING EDUCATION PATHWAYS



Vocational Education and Training Delivered to Secondary Students (VETDSS)

In 2021, The Gordon offered 28 VETDSS programs, each providing pathways into higher level Certificate and Diploma courses. More than 1,600 students took part in the programs conducted in partnership with 74 secondary schools.

VETDSS provides secondary school students with the opportunity to attain an accredited qualification or partial qualification, contributing to their Senior Certificate (VCE or VCAL). Some VETDSS programs can contribute directly to VCE ATAR scores. In 2021, 78 students undertook scored assessments in ten different programs, with results released on 16 December 2021.

The Gordon continued its partnership with local secondary schools as the appointed training provider for delivering VETDSS programs at Trade Training Centres and schools in Wyndham, Hobsons Bay, Colac and St Joseph's College and four Gordon campuses. In total, The Gordon delivered VET at 17 sites with over 130 teachers involved.

Starting with eight schools in 2014, 2021 saw The Gordon deliver 12 courses to over 583 students from 22 schools across the Wyndham and Hobsons Bay region. This included courses to accommodate students with special learning needs; Certificate II in Automotive and Certificate II in Kitchen Operations. Consistent with The Gordon's commitment to inclusive education for all, a new Certificate I Transition Education program was successfully introduced at Warringa Park School. Positive feedback has prompted Armstrong Creek School to approach The Gordon to deliver the same program at their Geelong school in 2022.

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

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 Tertiary Futures Program

630 Year 9 students from four local Geelong secondary schools participated in a COVID-modified version of the Geelong Tertiary Futures Program. The program combined a half-day Gordon experience with Career Previews (Tasters) in 30 different program areas and a 'Work Skills' component - two accredited units focused on employability skills using a blended delivery model.

Students developed skills for entering the workforce, gaining valuable information on future career pathways and exploring careers of interest.

The GTFP will grow in 2022, with ten schools signing up their entire Year 9 cohort.

Indigenous opportunities and enrolments grow

A redeveloped Kitjarra wurrun ngeen Centre was officially opened in December 2021 by the Minister for Training and Skills in Higher Education, Gayle Tierney.

The Centre, an important part of the Victorian Government's Marrung: Aboriginal Education Plan 2016-2026, provides a gathering place for the community and staff to connect with current and potential students and will further assist growing numbers of Aboriginal and Torres Strait Islander students to transition to The Gordon.

In 2021, enrolments of Aboriginal and Torres Strait Islander students increased to 230 students, up from 190 the previous year. The Module Completion Rate increased from 73% to 80%, showing increased student engagement across multiple course programs, including nursing, education and community services. Engagement remains high in trade courses, with plumbing reporting the highest enrolments.

An Aboriginal Pathways to Employment program, Certificate I in Mumgu-Dhal tyama-tiyt, meaning 'message stick of knowledge', was developed and commenced delivery in July 2021. The course is designed to re-engage Aboriginal and Torres Strait Islander young people aged 15 to 17 years back into the education system in a program that builds trust, confidence and connection to culture, country and place. The course intention is to support young people to understand their identity and develop skills to pathway into further education training or employment opportunities. The new program, developed in conjunction with respected elders and people of the local Aboriginal and Torres Strait Islander community groups, saw the 12 commencing students complete the majority of the pilot program in 2021 and returning to complete the remainder of the units in 2022. The students will pathway onto the Certificate II in Mumgu-dahl tyama-tiyt in 2022.

The position of Koorie Liaison Officer was also elevated to Coordinator, Kitjarra Centre and Aboriginal Liaison in 2021. This role is responsible for student support and external community engagement, providing strong cultural safety and awareness around current students, and keeping community groups, families and leaders informed of application supports, enrolment numbers, engagement programs and new projects. This leadership position additionally acts as an advocate and advisor across The Gordon on initiatives such as the Reconciliation Action Plan and related events for students, including NAIDOC celebrations, Reconciliation Week and On Country tours with Traditional owners.

VCE AND VCAL

The Centre for Language and Further Education delivers

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

The Gordon's VCAL Program delivers an integrated VCAL program to a youth cohort of 16 to 19-year olds who have completed Year 10 and wish to undertake senior secondary studies alongside vocational/trade training in a chosen career field. The program comprises:

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

Significant upcoming changes and key initiatives

The Department of Education announced in 2020 the VCE/ VCAL certificates were to be combined to one Senior Secondary Certificate commencing 2023 with full implementation by 2025, to support the introduction of a new vocational specialist pathway for VCE. The combination of the two certificates, and taking the strengths of the VCAL program, offers both a vocational and applied learning pathway within the VCE Certificate.

Students will be better prepared for lifelong learning to transition through school, further education or training and work with the employability skills needed to meet industry needs.

2021 highlights

- Combined VCE and VCAL programs into The Gordon Senior Secondary
- Approval of \$24,000 in VCE/VCAL COVID support funds from DET
- VCAA approved application for Non-school Senior Secondary Education renewal for five years
- Gordon VCE student ATAR top score received was 97.25.
- Gordon VETDSS student ATAR top score received for Certificate III Community Services was 49 out of a possible 50, with an overall mark of A+
- Over 56% of students undertaking a VETDSS VCE scored assessment course received an ATAR score of 30 out of 50 or above
- Invitation by the VCAA to pilot the new Senior Secondary Certificate College
- Invitation to Senior Secondary Pathways Reform Vet Delivery Working Group
- Establishment of a state-wide TAFE VCE/VCAL network to discuss changes to the new curriculum and opportunities this will present
- Awarded a \$5,000 HEY Grant from Drummond Street Services and The Gordon TAFE. The partnership includes 2 hours/fortnight of wellbeing support from a LGTBQIA+ Child and Family Practitioner
- Secured a CET grant for 32 laptops to enhance students educational journey
- Donation of 15 iPads by local business for the Youth Access Program
- Inclusion in a unique research project, funded by the Costa foundation and researched by RMIT, to look at the education pathways of young people focusing especially on how they have dealt with the current COVID-19 pandemic and tracking their future aspirations.
- Continued development of an internal partnership between the GTEC/VCAL program area and The Gordon's Cert IV Youth Work program. With limited work placement opportunities across Victoria in Youth Work, the two areas collaborated and identified the needs of and benefits for the students in both areas - as a work placement opportunity for the Certificate IV Youth Work students and the additional support available for VCAL students. This project has seen fantastic benefits for both the Youth Work and VCAL students.
- Advanced planning and preparation for the new VCE/ VCAL combined curriculum in 2023, with several staff attending briefings outlining the new Curriculum. The Principal of the Senior College has become a key stakeholder in the VTA regional VCE/VCAL network. This has provided an opportunity for all TAFEs to have a voice in the implementation of the new Curriculum and discuss topics such as the current funding model which was raised as a barrier in the Firth review.

AWARDS FOR EXCELLENCE

Independent Cabinet Makers Geelong Apprenticeship Awards

- Hamish Renkin – Best First Year Apprentice
- Benjamin Caldicott – Best Second Year Apprentice
- Ebonie Innes – Best Third Year Apprentice
- Gerritt Maiai – Apprentice of the Year

Australian Sports Turf Managers Association Awards

- Thomas Lyon – Graduate of the Year

Lions club of Leopold Alan 'Jock' McCorkell Awards

- Bayley Wilson - Geoff Wiseman Encouragement Award
- Ethan Walker – Alan 'Jock' McCorkell Encouragement Award

Master Builders Association of Victoria South West Apprentice of the Year Awards

- Jaycob Marr-Andrew – Apprentice of the Year
- Aiden McGivern – Certificate of Merit

Victorian Training Awards

- Felicity Bennett – Apprentice of the Year Finalist
- Maria Kelly – Vocational Student of the Year Finalist

Zonta Moira Perillo Educational Encouragement Award for Women

- Jillian Lewis

WorldSkills Life Membership

- Gary Barnes

Histology Group of Victoria and Tasmania

- Hazel Spencer – Best Histology Student 2021

Construction Award

Outstanding performance, effort and skills in VET/VCAL studies and work placement

- Antoni Dunimagloski
- Dylan McNicol



Ethan Walker
Alan 'Jock' McCorkell Encouragement Award

GEELONG TECH SCHOOL

Within a few short years, the Geelong Tech School (GTS) has established a strong foundation of connections with schools and industry whilst providing a unique set of programs and activities for local students.

Programs developed extend the education and transferable skills of students through innovative learning programs, real-life applications, the latest technologies and state-of-the-art facilities.

Strategic planning

The Geelong Tech School 2022-2025 Strategic Plan developed in conjunction with industry, principals and teachers, secondary students, GTS staff, The Gordon and Deakin, highlights a strong appetite to extend impact and embark on a new phase of development.

In 2021 the GTS Director has been an active participant in developing The Gordon's 2022-2025 Strategic Plan and Education Strategy, investing in stronger links with and progressing the integration of GTS.

Programs

Tech Tasters

A one day applied learning experience addressing a brief designed to build confidence and inspire the use of technologies.

Along with the nine available workshops, three new Tech Tasters were developed.

- App App and Away - design, app development
- SpARK - design, augmented reality
- Real Life Animated - design, animation.

Core Programs

These programs provide one or two days onsite at GTS with fully supported pre and post-visit facilitation required by teachers in schools. In addition to the five original programs, four new programs were trialled and now form part of the program offerings for schools.

- Bees with Backpacks with CSIRO - data analysis, electronics, sustainability - onsite version
- Design for Humanity with Field Ready - design process, CAD, Prototyping
- Future Fashion with Australian Wool Industry - design, prototyping, entrepreneurial skills
- Virtual X with ACMI - VR, design, using software.

Trialling in 2021:

- Coasting Drones with Life Saving Victoria - drones, design, coding.

Design to Thrive

A new five-day program model including an immersive industry visit. Through the design process, students create a solution to a challenge identified during the industry interaction and use technology and equipment to prototype their solution.

- Conservation and Culture with Parks Victoria - design, creativity, collaboration, prototyping, entrepreneurial skills.

New Design to Thrive programs in early development to be progressed to trialling include:

- Human Centred Design - in partnership with NDIA, TAC and WorkSafe
- Future Farms - in partnership with Cobram Estate, Boomaroo Nurseries and STRUT
- Mobility - in partnership with Ford and the Geelong Industry Trade Training Centre.

Inclusive Education Programs

Programs created to accommodate a variety of learning needs include:

- Robotpet - design, coding
- Spheromaze - design, robotics
- BattleBots - design, building, coding
- VR Artist - VR challenges, VR review
- CAD Creator - 3D design, 3D printing
- Etch and Cut with Lasers - 2D design, 2D prototyping.

Teacher Professional Development (PD)

GTS worked closely with partner school teachers developing the skills and confidence to incorporate technologies and design thinking into learning programs and the broader curriculum.

Core program PD builds skills and knowledge for teachers to effectively facilitate the core program for their class.

Tech Skill PD develops skillsets for teachers, particularly in technologies and software.

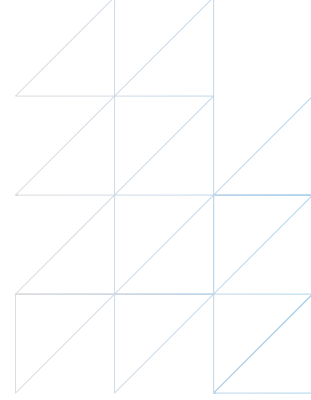
Design to Innovate, in partnership with the Science Gallery Melbourne and Enrusk, GTS facilitated a three-day professional development series that builds teacher capability in using the design process to create innovative learning programs.

STEMed Conference, scheduled over two days at GTS, was conducted online after two postponements. GTS facilitated six workshops/information sessions.

Collective impact throughout 2021

While GTS operations were impacted by COVID lockdowns and restrictions, students and teachers were welcomed at any opportunity, ensuring COVID compliance and alignment with directives.

- 6,095 recorded student program days with face-to-face delivery
- 900 recorded student program days for online programs, including student ambassadors, self-directed projects and challenges
- 2,951 cancellations due to COVID restrictions, with uncertainty causing a further reduction in bookings
- Of the 31 partner schools, 27 participated in programs
- PD was facilitated to 116 teachers
- GTS staff conducted numerous online information sessions, disseminating information ranging from available programs to facilitating online content



- In June, an Indigenous Camp for students, staff, and parents from the Western Koorie Academy of Excellence was conducted over three days
- Four Regional Camps over three days each were held for schools outside our local LGA
- Three Geelong Design week events took place, sharing GTS with the community
- Numerous tours for industry, community and interested stakeholders occurred.

Highlights

Communications and Branding

The new GTS website displays distinct branding and houses the teachers' portal, providing easy access to information required by schools to participate in programs, including program information, curriculum links and a fully customised booking system. The website also provides access to a range of information for industry, students and the general community.

In 2021, GTS also established a monthly electronic newsletter and commenced a social media presence with regular posts.

Geelong Design week

- Young Minds, Emerging Technologies, Future Focused - 73 community members participated in a self-guided tour of learning spaces with programs and technology on show, supported by partner school students and GTS facilitators. A series of presentations by partner school students followed, showcasing their achievements through participating in GTS programs
- Internet of Things (IOT) Kick Starter - A collaboration with City of Greater Geelong (CoGG), this workshop allowed 20 participants to build and use an Arduino to collect data with the view of contributing to the CoGG data platform
- Steve Sammartino - Preparing for the Unpredictable - Participants engaged in a self-guided tour of learning spaces with programs and technology presented by student ambassadors and GTS facilitators, followed by a keynote presentation by Steve Sammartino. Limited registrations saw 40 people partaking in the evening.

Geelong Tech School Committee

Bernadette Uzelac, the founding Chair of the committee, stepped down in 2021. Ross George (Austeng) accepted the position. We welcomed new members Matthew Young (Ford Motor Company), Brad Kemp (TAC), Fabio Oliveira (WorkSafe), Matthew Wright (NDIA) and Wayne Elliot (GRLEN). The main task addressed was the 2022-2025 GTS Strategic Plan.

Indigenous camp - Western Koorie Academy of Excellence

The Indigenous STEM Camp was held late June, linking culture with STEM, increasing awareness of technology applications and skills for Indigenous students. After planning and collaboration, KAE members were engaged for three days in a range of applied learning activities using technologies to develop transferable STEM skills with links to cultural learning.

Students designed and coded a Drone Dance and used the Motion Capture system to animate the drone using sensors and software.

- Conceptualised STEM and cultural connections and designed a STEM camp t-shirt design
- Employed CAD design software, using Adobe Illustrator and Photoshop, leading to production outputs using Laser Cutting and t-shirt printing technology
- Participated in 'Balloon Battle' with mBots, using block coding.

Day three was facilitated at the You Yangs with Indigenous rangers from Parks Victoria. Students engaged with a VR activity, drawing and designing in VR.

Regional camps

GTS conducted STEM camps with schools in Bannockburn and Colac. The aim was to create an understanding and develop skills that will be valuable in the future, inspire students to make informed choices about their future studies, and build STEM awareness and capacity by working onsite with the regional school communities. Collectively, 101 students and numerous teachers were engaged for three days in a range of applied learning activities developing skills using technologies, with teachers left asking for more opportunities.

Telstra Bushfire Resilience challenge

62 students from four schools worked in groups to create innovative ways to address challenges created by bushfires. Each group worked with a mentor from Telstra. Students presented their ideas to attendees, gaining feedback from industry representatives from Fire Rescue Victoria, Australian Institute for Disaster Resilience, Parks Victoria and the Minderoo Foundation.

UPSTART Express national challenge

The program launch attracted over 30 participants onsite at GTS. Three workshop sessions were facilitated online by the Upstart team during Science Week. However, the final event for sharing students' work was cancelled due to restrictions.

Regional Rail Revival state-wide challenge

GTS supported 121 students from two schools to participate in teams in our first year supporting the Regional Rail Revival challenge.

Unboxy

After several delays, two primary schools, an inclusive school and Year 7 students at Surf Coast Secondary College trialled the Unboxy Challenge.

Telstra visit

GTS enjoyed a visit from Telstra CEO Andy Penn and Telstra executives. Telstra expressed their commitment to GTS to support students to be skilled and work ready in an every changing technology driven world.

STUDENT ENGAGEMENT

Strengthening student experiences: Establishment of a new portfolio

The Gordon established a new Student Experience executive portfolio, signalling the rejuvenation of a longstanding commitment to promoting a student-centred mindset within the Institute. The portfolio aims to deliver innovative, valued services and continuously improve The Gordon's connection with customers.

Providing a broad range of student support services, Student Experience works collaboratively with teachers and staff to help students thrive and achieve their educational and employment goals.

Key establishment projects

Student Experience established four major projects with students, industry and staff the 'voices of experience' that effectively co-designed The Gordon's service innovation..

Customer insights

To improve the student experience, we capture, measure, understand, act and report on valuable customer insights to positively impact student acquisition, retention and loyalty. Achieved through building a shared understanding of key drivers and organisational interdependencies that impact business performance encourages stakeholder feedback and collaboration opportunities.

Student Journey service innovation

Conducting a deep dive into each of the critical stages of a student-centred journey, we are driving the introduction of a tiered service model that will:

- Improve customer satisfaction, retention, engagement and loyalty
- Create a more seamless, accessible, inclusive, flexible, consistent and operationally efficient set of experiences within and across each stage of the student journey
- Ensure ongoing adherence to ASQA and other compliance standards
- Better support vulnerable and at-risk cohorts
- Improve progression and pathways to further educational attainment and employment.

Standards and capabilities

Cultivating a student-centred culture, we take a strong focus on building student and staff capability and business process improvements that align to and compliment work undertaken across the Institute.

Digital and communication enablers

Reviewing and recommending scalable digital solutions that support the student experience, this project also improves how The Gordon communicates with students by developing a unified, student-centred communications strategy. The project involved a review of student services and communication channels, together with an overhaul of the Student Portal, located on The Gordon's website.

Learning support expansion

The Gordon significantly increased its Learning Support initiatives and resources to provide improved language, literacy, numeracy and digital literacy supports for students. This expansion was partly funded by an Education Levy fee introduced to support all students.

Learning Lounge

This online space sits within Gordon Online, The Gordon's Learning Management System, providing access to resources and study assistance for all Gordon students and staff. It consists of self-paced micro-activities that align with identified areas of difficulty in language, literacy, numeracy and digital literacy. The Learning Lounge provides an active feedback loop from students and staff to the Student Experience team. The team responds by creating additional activities 'just in time' to assist with specific learning needs of students.

Developing digital capability

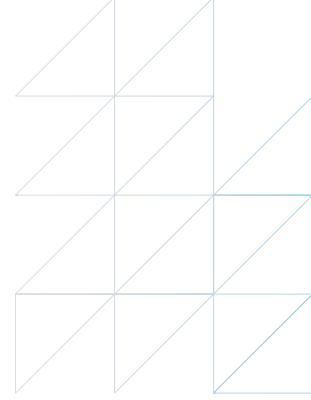
In collaboration with the Education delivery areas, the Library and Learning Support team developed a new Digital Literacy Framework designed to enhance students' digital capability and employability skills. Teaching staff can apply this framework across learning levels. It can also be applied by professional staff who deliver co-curricular programs that support student development at multiple stages in the student journey.

Disability inclusion

The Disability Inclusion Unit collaborated with teaching areas, Student Administration and the Skills and Jobs Centre to implement a range of business process improvements and worker role description changes to improve the accessibility and inclusiveness of support services. This includes a more student-centred approach to internal referrals during the pre-admission (course application) stage

TAFE Specialist Employment Partnership

The Gordon signed a Memorandum of Understanding with Gforce and the National Disability Coordination Officer for Western Victoria Region to provide the TAFE Specialist Employment Partnership (TSEP) program in 2021-2022. TSEP is a recruitment-style support program developed in response to the need to increase the employment rate of graduates with a disability. The program includes organisational cross-training and skills and knowledge sharing to assist people with disability.



Student Support Fund and scholarships

The Student Support Fund has operated as an independent charity since the 1990s. The Gordon continues to be a proud supporter of this fund, which provides much needed, year-round financial support to struggling students to meet study and living costs.

The Gordon also completed a major redesign of its Scholarships program. The new 'Celebrating and Enabling Possibility' program commences in 2022 and offers students increased access to scholarship opportunities across the whole year. Previously The Gordon only offered scholarships in February. The program features three new categories focused on student success: Jump Start, Empowerment and Inspire Your Future.

Careers and Training Services

Skills and Jobs Centre relocation

The Gordon's Skills and Jobs Centre moved from its long-term location at Geelong Westfield Shopping Centre to The Gordon. This relocation has improved the accessibility of careers services for community members and students across Geelong, East and Watton Street (Werribee) campuses.

Supporting vulnerable learners into training

The Gordon was successful in applying to the Department of Education and Training to deliver the Reconnect Program in the Geelong region. The program funds activities that respond to multiple barriers faced by vulnerable members of the community aged 17-64, who are at risk of remaining disengaged from both learning and employment. These activities include mentorship and additional wrap-around learner support to facilitate employment and education pathways.

Apprenticeship Victoria's 'Big Build' program

The Gordon Skills and Jobs Centre has completed seven rounds of pre-employment screening in support of Apprenticeship Victoria's Big Build Apprenticeships Program. Following each screening round, The Gordon has identified place-based solutions that improve wrap-around supports for Big Build candidates, including the rapid referral into training and employment readiness programs.

Collaboration with Jobs Victoria

The Gordon's Skills and Jobs Centre and Jobs Victoria co-led an initiative to facilitate a more efficient employment and training referral system that benefits community members in Geelong and Wyndham regions.

Admissions

During 2021 our Admissions team has built strong partnerships with the Student Support Services and the Skills and Job Centre to ensure the best admission outcome for our students and their goals. Students can indicate they require support when they apply. Through pre-training review discussions, our team can identify support needs that will trigger the referral process that ensures the student has access to all support and reasonable adjustments they require. This could be in the form of Learning Support; Disability Support, which may include a personalised success plan; Indigenous Support, which may consist of a learning pathway plan or Careers and Pathway advice from the Skills and Job Centre.

Aboriginal support

The Gordon experienced a 16% annual growth in the number of Aboriginal and Torres Strait Islander students attending the Institute. In support of this growth, The Gordon has continued to work closely with the Aboriginal and Torres Strait Islander community to improve students' services and opportunities.

The Department of Education and Training provided additional Wurreker Program funding to recruit two new full-time, ongoing Koorie Student Support Officers, who will work across all campuses. The Wurreker Program is a partnership agreement between the Victorian Government and the Victorian Aboriginal Education Association Incorporated to improve education and training delivery for Koorie students to enable them to achieve high-quality education, training and employment outcomes. These positions will support the valuable work of the existing Koorie Liaison Officer and collaborate with other services within the Institute to provide specialised support for applications, enrolments, study progression, retention, completion and employability skills of students.

In 2021, Skilling the Bay (STB) entered Stage Four with the additional investment of \$1.6 million over two years, continuing delivery of education and school-based programs that connect students to Geelong's changing economic landscape, including industries of high demand. Under the funding agreement, the STB pathways program suite has refocused on a small number of programs with expanded delivery to a greater number of schools to increase the scalability of the initiative and identify models for expanding beyond the Barwon Area.

2021 program highlights

- 1174 students participated in a STB program
- 24 secondary schools engaged with STB
- 459 students attended an on campus STB event
- 630 students participated in the Geelong Tertiary Futures Program
- 16 employers engaged in delivery of programs
- 45 individuals attended the first 'Geelong Health Experience' event

COVID-19 impact on program delivery

COVID restrictions and unanticipated lockdowns impacted program delivery for secondary students. The most common feedback regarding programming and activities was fatigue. Teachers, students, parents, and employers were all impacted, leading to increased difficulty with engagement as the year progressed. Fluctuating restrictions and changing advice for cohort attendance created challenges surrounding the continuance of modified delivery, postponement or cancellation. Where possible, programs were delivered in an online environment. Although not ideal, it did provide key learning experiences that led to positive participant outcomes.

Regional Skills Strategy

STB, The Gordon and Deakin University continued to collaborate to develop a Regional Skills Strategy to address education and skills priorities and support social and economic recovery in Geelong and the Barwon region. In May, more than 45 industry, community and education stakeholders attended an in-person forum to discuss the region's future skills needs. STB and Deakin developed the agenda and workshop themes with short presentations on the impact of COVID-19 provided by City of Greater Geelong, Barwon Health, Tourism Greater Geelong and The Bellarine and STB, with an update from Committee for Geelong. The workshop was a step towards creating a single and coordinated regional skills strategy and advocacy plan to collaboratively design pathways and develop skills needed for the future of work, as well as minimise underemployment and workforce shortages, to sustain and grow the region.

Programs delivery

The Gordon successfully submitted a tender to deliver the Local Jobs Program (LJP) for the Barwon region, funded by the Australian Government. The LJP runs to 30 June 2025 in 51 regions throughout Australia, bringing together expertise, resources, and access to funding at the local level to focus on reskilling, upskilling and employment pathways for people in each region. The Employment Facilitator (EF) and Support Services (SS) for the Barwon Region LJP 2021-2025 will be delivered by The Gordon and managed by STB, due to the strong alignment to work underway in the development of a Regional Skills Strategy to support socio-economic recovery and ongoing delivery of education, employment and skills initiatives. The \$1.5 million (\$276 million nationwide) funding will enable the new EF and Support Officer to develop a Local Jobs Plan and coordinate the Local Jobs and Skills Taskforce.

Geelong Tertiary Futures Program

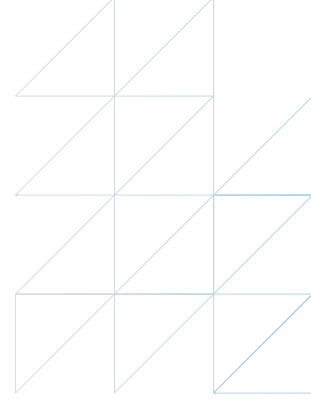
The Geelong Tertiary Futures Program (GTFFP) is a flagship program delivered to Year 9 students from five regional secondary schools that highlight the important role vocational Tasters play in student knowledge of pathways and career options. In 2021, the program experienced significant challenges in delivering the onsite vocational component due to lockdowns. Planning and re-planning for career previews with schools and The Gordon VETDSS team continued throughout the year. Despite timetabling pressures and reduced capacity to deliver previews, along with completing VETDSS, SBAT or VCAL, 72% of GTFFP students could still have at least one vocational experience day onsite.

STEM ED conference

STB worked with Deakin University to promote and facilitate teacher professional learning through the STEM ED Conference in STEM and Entrepreneurial thinking. Originally scheduled for 2020, the conference took place online in October 2021 and attracted 115 registrations, including 35 teachers from regional primary or secondary schools. STB provided funding for regional teachers to attend one or two conference days.

STEM Manufacturing Futures Program

The STEM Manufacturing Futures Program launched in April. It was reverted to remote sessions via WebEx due to ongoing restrictions for mixed school excursions and visitors to the workplace. Sessions ran for 1.5 hours from either school or home. Recordings of sessions were made available to participating schools, and some fantastic engagement from students saw government school participation at 50% for Geelong Future Leaders of Industry and 38% for Girls Leading Advanced Manufacturing.



Upstart Express

The Upstart Express program pilot was a success on many levels, providing valuable experience and expanding skills for both teachers and students. Teachers were upskilled in the theory of design thinking and introduced to a variety of simple and practical applications on bringing entrepreneurialism into the classroom and their pedagogies beyond the project's life. The program allowed students to expand their knowledge and experience in entrepreneurial skills and traits, including critical thinking, teamwork, communication and creativity. Changing learning environments and, in some settings, creating new project teams during the program, stretched resilience which presented a significant challenge to the number of school registrations received from four Geelong region schools, with a total of 120 students participating.

Geelong Health Experience

The Geelong Health Experience was delivered in October via Zoom by Barwon Health in collaboration with the GRLLLEN and Skilling the Bay. Presented by health professionals from Barwon Health, the program allowed students across the region to gain valuable insight into careers in Midwifery, Speech Therapy, Physiotherapy, Nursing, Podiatry, Mental Health and Aged Care work. The students listened to an expert panel and had the opportunity to attend several breakout rooms to ask questions about the options and pathways available

INDUSTRY AND COMMUNITY ENGAGEMENT

The Gordon's key foundation is in partnering with peak bodies, key stakeholder groups, and advocacy organisations in the endeavour to increase educational outcomes and ensure a basis of skills available for industry to grow and advance.

Manufacturing Industry Skills Development

In June, The Gordon held an Industry 4.0 Skills Development Discussion to understand the future of skilling the advanced manufacturing workforce in Geelong. The event was designed to bring local leaders together to discuss training needs and build a stronger, capable and highly skilled workforce.

Key note speakers included CEO Innovation Business Skills Australia (IBSA), Sharon Robertson, Department of Education and Training Industry Engagement Director, Warren Hill, Geelong Manufacturing Council Project Manager, Leanne Nelson, and The Gordon's Science and Technology Head of Centre, Yasmin Chalmers.

The Honorable Richard Marles MP made an appearance via video highlighting the skills challenges facing companies who are finding it hard to attract the right people.

Mr Marles said, "It's a problem here in Geelong, and one of the solutions that have been identified is that this issue can be tackled at a local level, but it means everyone in that locality getting around the table, which is why today's discussion is so important. It also means that the local TAFE college, for us - The Gordon - is so important in delivering this outcome...The Gordon is central to solving this at a local level." Mr Marles continued, identifying the required skills will help Geelong meet its economic future and move forward.

In recent years, The Gordon has moved into high-tech, advanced manufacturing education and employment pathways and commenced delivering Australia's first course dedicated to working with the emerging and revolutionary composite manufacturing industry. With the growth of manufacturing, engineering and defence opportunities in the Geelong region, The Gordon is currently exploring industry needs and what is required to develop the skills of the future Industry 4.0 workforce.

Agriculture Industry Skills Development

Agriculture is important for Victoria, supporting jobs in industries such as tourism and hospitality and supporting thriving regions such as Greater Geelong, which has a rapidly growing population and large visitor economy.

The Gordon invited industry partners to a workshop in June to share ideas and feedback on how best to build the AgTech skills capability of the region's agricultural workforce. Through a collaborative approach, the aim is to consult with key stakeholders to develop a plan that meets both employers and individuals' short and long-term skills requirements. The solution/s will close skills gaps and address other workforce challenges identified by the local sector.

Commercial Partnerships

G4S

The Gordon is now the official training provider of Melbourne based G4S Custodial Services, the Australian arm of the British multinational security giant. Integral to our nation's justice system, G4S is partnering with The Gordon to deliver correctional training to staff employed across its extensive network of custodial services. The Gordon will commence delivery of the 12-month training program in mid-2022. Up to 45 correctional officers will be trained by the Institute each year through a blended delivery mode comprising of online tutorials, face-to-face onsite training and self-paced learning.

Hanwha Defense Australia

Hanwha Defense Australia will base major operations in Geelong after landing a \$1 billion defence contract to build new self-propelled artillery systems for the Australian Army.

The Gordon has signed a Memorandum of Understanding with Hanwha Defense Australia. The two entities partner to undertake a thorough analysis of training needs to determine the precise learning and development requirements to build and sustain a skilled local workforce that can manufacture and maintain various capabilities for the Australian Defence Force.

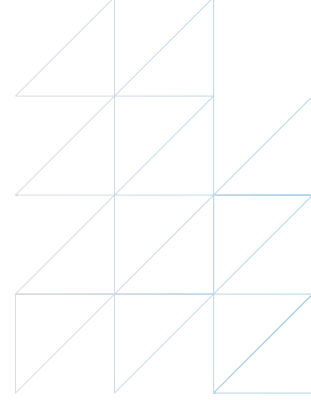
Sponsorship

Women in Manufacturing

The Gordon entered into a sponsorship partnership with the Geelong Manufacturing Council (GMC) that saw The Gordon as the major sponsor of their Women in Manufacturing Network (WIMN) for 2021. This partnership builds on our long term relationship with GMC, the programs we have collaboratively facilitated and our support for attracting and advancing women in non-traditional roles.

Geelong Business Excellence Awards

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



MARKETING AND PROMOTION

2021 – And so it goes on

While there was hope early in 2021 that the year would be business as usual, by May, virtual events were happening, students were learning remotely and staff were working from home – again.

The frequently changing restrictions resulted in an unprecedented number of student communications, often out of hours and sometimes on the weekend. Keeping students updated and managing a Tier 1 exposure site at our East Geelong Campus in August meant that communications became a significant part of the Marketing department's output.

Digital assets

The need for engaging digital content was a key focus in 2021. After months of preparation, a brand new website design was released at the end of March. We engaged external web designer, Levo, to conduct user experience research and deliver a design for the user interface. The result is a bright, modern website that is easy to navigate and has a renewed focus on our core offering; training.

We also focused on improving the quality of digital artwork. Unhappy with the look of digital assets created by an external agency, we took all artwork production back in-house in July. Having full control improved the finished product significantly, and a large suite of videos and animated digital assets were created. Where ever possible, we utilised user-generated content (UGC) featuring students or teachers. Past results have shown that UGC doubles our ads engagement in the 18 – 24 yr old market. Conversely, polished content resonates more with a mature market.

B2B Marketing Strategy

A stand-alone strategy for Business to Business (B2B) marketing was created and implemented in 2021 to support our commercial business objectives. An industry newsletter was produced with the first edition circulated in October, and our industry web pages were dramatically updated and given a fresh new look. A suite of B2B collateral has also been developed.

Disruptions – iOS14 and agency

Marketing had two major challenges to deal with in 2021; the introduction of Apply iOS 14 and the requirement to purchase all media through Government tendered agency, OMD.

Apple's change to how it approached user privacy reduced our ability to track and retarget advertising consumers and ultimately led to reduced digital advertising reach and web traffic, and a significant increase in cost per lead. This, combined with the need to work with a new agency from July onwards, significantly impacted our digital campaign results – our primary method of lead generation. While performance improved as the year went on, the ground lost in August and September may not be made up in time to fill 2022, Term 1 intakes.

Campaigns

We ran ten brand campaigns and 49 program-specific campaigns in 2021. This targeted approach meant advertising expenditure did not exceed \$100,000 for any single campaign.

INTERNATIONAL OPERATIONS

Onshore

In 2021, The Gordon continued to strengthen its international engagement in education and teacher training with 41 new students joining The Gordon and 58 students continuing their studies. New students from offshore were unable to join The Gordon due to border closures resulting from the COVID-19 pandemic. The most popular programs were Commercial Cookery - Hospitality Package, Diploma of Nursing and Advanced Diploma of Building Design (Architectural).

Offshore

The Diploma of Building and Construction program at Chongqing Jianzhu College in China continued its delivery through an online medium in 80 students in 2021 due to border closures. The first cohort graduated in July.

Chongqing Center for International Educational Exchange and The Gordon signed a MoU to set up Chongqing Vocational Teacher Training Centre in Chongqing.

The Gordon will provide training to vocational education teachers from the Chongqing vocational colleges and schools. Both parties will develop project opportunities in vocational education, including English trainer programs, professional teachers training programs, international exchange activities, study tours and vocational education forums.

Pearson Test Centre

The Pearson Test Centre exam delivery began the year in line with expectations with additional seating to accommodate 12 per test. In July, the test centre closed due to the impacts of health and travel restrictions. In November and December, the centre was at near-maximum capacity, with additional exam sessions delivered to meet the lockdown backlog and new demand.

100 years of international education

The Institute continued to celebrate 100 years of International Education. This campaign celebrates a century of achievements for the Institute and assists in recruiting new onshore and offshore students. The campaign will demonstrate The Gordon is an experienced market leader, providing quality education to international students for 100 years.

Risk management and risk mitigation strategies

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



Alvaro Gil
Advanced Diploma of Building Design (Architectural)
on placement at Linear Studio

THE
CULINARY
ACADEMY



THE STATISTICS

SUMMARY OF OPERATING RESULTS

The primary factor influencing the Institute's working capital ratio has been the decline in cash reserves. This was heavily influenced by the works relating to the Culinary School development and other scheduled capital works in 2021. These works are an important investment for student-facing outcomes and are anticipated to provide future revenue streams given the ability to offer modern spaces for students to learn.

Whilst the COVID-19 pandemic continued to impact in 2021, we were not reliant upon Government business continuity support to operate. The Institute's operating revenue exceeded budget, with delivery unable to be undertaken in the prior year flowing over into this year. Whilst staff adapted to a mix of working from home and on site, and with a requirement for teaching delivery to continue to be flexible, our non-salary expenses saw savings in consumables, training conferences/seminars and travel-related costs.

This year allowed student placements to be finally undertaken, with those unable to complete this component in 2020 free to partake. This year's savings were offset by the impact of wage increases for both teaching and non-teaching staff, combined with the costs of professional services where items placed on hold during the pandemic were able to be completed.

The effects of COVID-19 also impacted the Student Contact Hours (SCH) delivered and funded, with delivery unable to be undertaken in 2020, moving into the 2021 year. We saw an increase of 17% compared to 2020, influenced by the ability for teacher delivery on site to occur more regularly. Fee for Service revenue was ahead of budget and prior year primarily due to positive results derived from the VET Delivered to Secondary Schools program.

Summary of Operating Results	\$'000 2021	\$'000 2020 [^]	\$'000 2019	\$'000 2018	\$'000 2017
Working Capital					
Current Assets	31,702	55,061	56,074	61,436	71,015
Less: Current Liabilities	24,368	22,456	16,935	15,077	14,253
Net Working Capital	7,334	32,605	39,139	46,359	56,762
Net Working Capital Ratio	1.30	2.45	3.31	4.07	4.98
Financial Results					
Operating Revenue *	77,262	67,774	68,194	71,480	70,666
Operating Expenditure **	82,521	79,706	75,489	70,398	67,640
Operating Surplus/(Deficit) ***	(5,259)	(11,932)	(7,295)	1,082	3,026
Operating Surplus/(Deficit) excluding Abnormal and Extraordinary Items ****	(5,259)	(11,932)	(7,295)	1,082	3,026
Contact Hours					
Total Funded SCH '000	2,916	2,483	2,849	2,581	2,614
Fee for Service \$'000	6,635	6,663	6,287	5,278	4,808

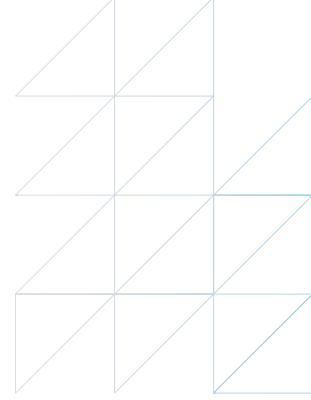
* Operating Revenue includes net gain/(loss) on disposal of non-financial assets.

** 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.

[^] Prior year has been adjusted for reclassification.



Consultants

In 2021, nine consultants were used with fees payable to each of \$10,000 or more. The combined amount for these services was \$461,891 (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 \$25,074 (ex GST).

Consultant	Purpose of consultancy	Total approved project fee \$ (exc. GST)	Expenditure 2021 \$ (exc. GST)	Future expenditure \$ (exc. GST)
Playmakers Consulting	Support service	172,151	172,151	0
Redd Consulting	Business advisory services	21,600	21,600	0
FG Advisory	Business advisory services	39,425	39,425	0
Galaxy 42	Support services	36,225	36,225	0
Management Governance Australia	Program evaluation	36,350	36,350	0
McDuling Consulting	Business advisory services	10,000	10,000	0
Kongo Group	Support services	36,140	36,140	0
Datcom Connect	Support services	60,000	60,000	0
Gray Puksand	Project evaluation	50,000	50,000	0
9		461,891	461,891	0
< \$10K:				0
Autommotion Robotics	Program evaluation	9,649	9,649	0
Ludowyk Evaluation	Program evaluation	8,925	8,925	0
Vincent Chrisp Architects	Program evaluation	6,500	6,500	0
3		25,074	25,074	0

ICT Expenditure

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

Business As Usual (BAU) ICT expenditure (Total \$)	Non-Business As Usual (non-BAU) ICT expenditure (Total \$ = Operational expenditure and Capital Expenditure)	Operational Expenditure \$	Capital Expenditure \$
6,301,590	259,545	181,834	77,710

ENROLMENT STATISTICS

As at 30 December 2021:

Totals		
Enrolments	Students	SCH
16,065	14,537	3,658,836

Enrolments vs Students	Full-time	Part-time	Total
Students	3,600	10,937	14,537
Enrolments	4,306	11,759	16,065

Enrolments by Age & Status	Full-time	Part-time	Total
0 - 15		235	235
15 - 18	579	2,867	3,446
19 - 25	1,836	3,572	5,408
26 - 35	927	1,674	2,601
36+	964	3,411	4,375
Total	4,306	11,759	16,065

Enrolments by Gender & Status	Full-time	Part-time	Total
Male	1,906	7,147	9,053
Female	2,400	4,612	7,012
Total	4,306	11,759	16,065

Students by Gender & Status	Full-time	Part-time	Total
Male	1,603	6,570	8,173
Female	1,997	4,367	6,364
Total	3,600	10,937	14,537

Enrolments by Funding & AQF Level				
Sum of SCH Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	1,219	2,956	1,155	5,330
Trade Apprentices		3,898	4	3,902
Fee-for-Service and Other	5,006	1,250	189	6,445
Other Trainees	22	308	58	388
Total	6,247	8,412	1,406	16,065

Student Contact Hours by Funding & AQF Level				
Enrolments Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	314,391	1,024,191	664,773	2,003,355
Trade Apprentices		938,910	1,337	940,247
Fee-for-Service and Other	286,119	154,254	157,739	598,112
Other Trainees	10,011	73,260	33,851	117,122
Total	610,521	2,190,615	857,700	3,658,836

VCE AND VCAL OUTCOMES

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	41	45	89*	43
Completion	30	26	73	30
Completion rate %	73%	62%	82%	69%**

* Includes 23 VCAL Foundation students. VCAL Foundation is a program designed for students who intend to transition into VCAL Intermediate (Year 11). Students undertake a program aligned with VCAL in semester 2 and transition into full Year 11 VCAL in the subsequent year.

** 35% increase from 2020.

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	29	24	61*	8
Achieved Year level and employment	1	2	12	22
Achieved Year level (pathway unknown)	0	0	0	0
Further study with non-completion	4	5	3	3
Employment with non-completion	3	4	11	6
Withdrawn in 2021	3	10	2	4
Other/Unknown	1	0	0	0
TOTAL	41	45	89	43

* 21 from VCAL Foundation returning to complete VCAL Year 11.

GTEC notes:

- a GTEC delivered 'in-house' VETDSS course 22338VIC Certificate II in Building and Construction (Carpentry)
- b GTEC also provides mid-year Programs for Year 10 and 11 students as a pathway to VCAL study at GTEC the following year. 23 students participated in Foundation (Year 10) VCAL with 22 completing (95%) and 21 (91%) returning to study Intermediate VCAL at GTEC in 2022.

WORKFORCE AND EMPLOYMENT

Teacher Summit 2021

2021 saw The Gordon take the Teacher Summit online due to COVID restrictions. Once again, this was an overwhelming success. It gave us the ability to access both international and national speakers, with representatives from London, New Zealand and Sydney presenting. The uptake for the summit was very high, with over 400 teachers attending the event, and the feedback was fantastic. Overall, teachers felt that it helped them set up for a challenging year ahead.

Recognition and Reward

This year our people were recognised under the implemented Reward and Recognition strategy. The Gordon values and recognises the contribution of its people through identifying extraordinary performance in leadership, relations, performance, innovation and service.

We also recognised our employees' contributions to the Reconciliation Action Plan that was launched in 2021.

People Matters Survey

In response to the Gender Equality Act reporting requirements, the 2021 People Matter Survey focused primarily on Gender Equality. The survey was open to all employees with an improved campaign of awareness to increase participation. Post-survey focus groups have been conducted across the organisation to ensure employees are involved and informed.

Careers Recognition Act 2012

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

Public Interest Disclosures Act 2012

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

Conduct and Employment Principles

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

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

The Gordon is a defined entity under the Gender Equality Act 2020. The Gordon conducted a workplace gender audit to assess the state and nature of gender inequality in our workplace as of 30 June 2021. Workforce data and employee experience data was collected, and The Gordon has been able to identify critical gaps and areas for improvement through our Gender Equality Action Plan (GEAP).

The Gordon's vision for Gender Equality is "We are a safe, respectful and inclusive space where all difference is understood, acknowledged and celebrated for the beauty of diversity in lived experiences."

Victorian Public Sector Travel Policy

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

Workforce data reporting by FTE*

2021	Full-time		Part-time		Casual	
	Ongoing	Fixed term	Ongoing	Fixed term	Teacher	Other
PACCT	151.7	45.8	41.5	17.9	0.0	11
Executive	0.0	5	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Teacher	137	49.8	35.8	62.4	20.5	0.0
2020						
PACCT	132.4	35.5	37.7	20.1	N/A	14.7
Executive	0.0	10.0	0.0	0.0	N/A	0.0
Other	0.0	0.0	0.0	0.0	N/A	0.3
Teacher	144.6	37.1	34.7	48.5	41.4	N/A

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

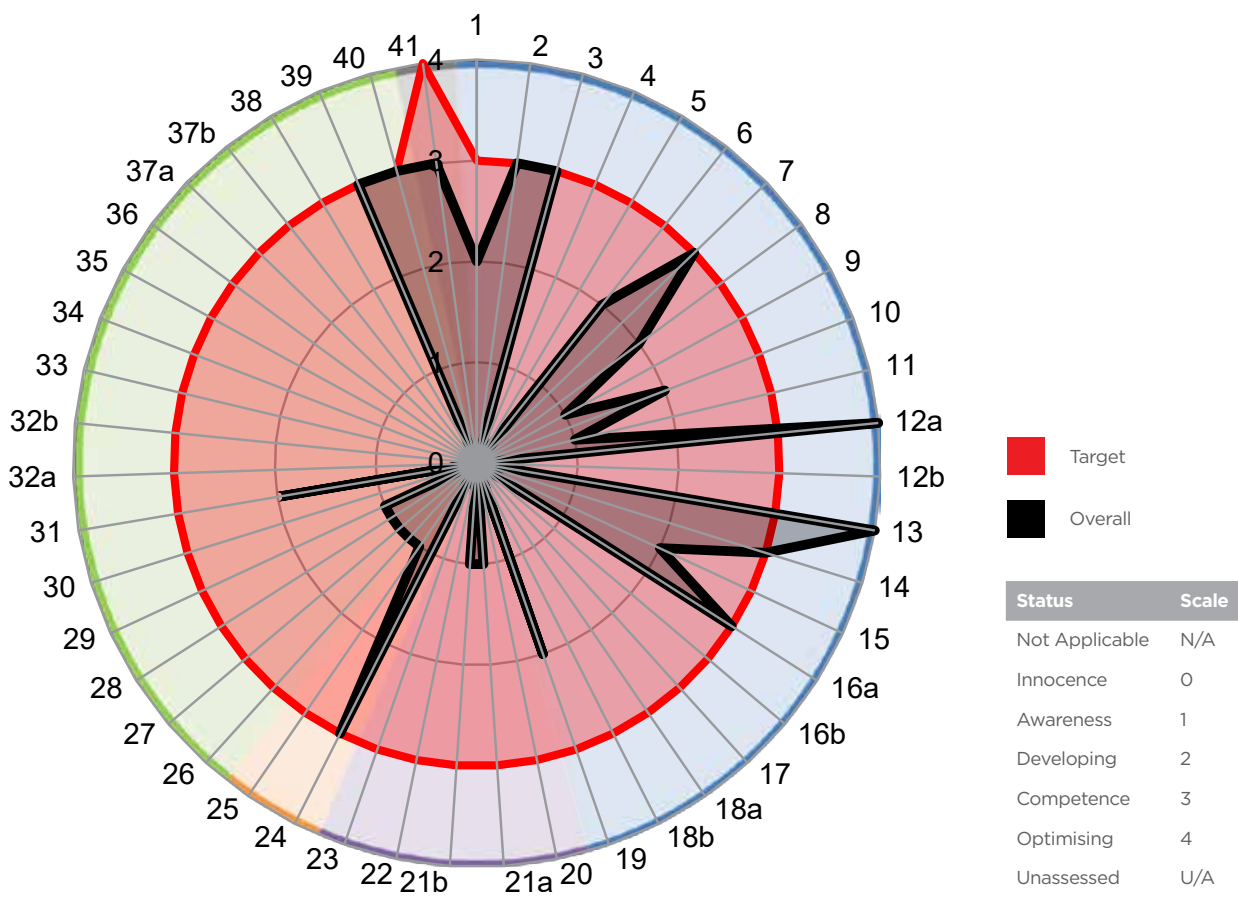
Workforce Disclosures (December 2020 - December 2021)

		All employees		Ongoing			Fixed-term & Casuals	
		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
2021								
Demographic dates	Gender							
	Women Executives	2	2	0	0	0	2	2
	Women (total staff)	548	332	136	102	188	310	144
	Men Executives	3	3	0	0	0	3	3
	Men (total staff)	328	246	168	25	178	135	68
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	11	4	2	0	1	9	3
	25-34	74	40	26	3	21	45	19
	35-44	199	127	59	27	76	113	51
	45-54	269	196	99	38	119	132	77
	55-64	263	182	103	49	131	111	51
	Over 64	60	29	15	10	18	35	11
	Total employees	876	578	304	127	366	445	212
2020								
Demographic dates	Gender							
	Women Executives	4	4	0	0	0	4	4
	Women (total staff)	507	319	132	91	182	284	137
	Men Executives	2	2	0	0	0	2	2
	Men (total staff)	316	238	164	26	168	126	70
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	7	3	1	0	1	6	2
	25-34	62	40	15	1	16	46	24
	35-44	174	115	49	29	61	96	54
	45-54	267	195	112	41	132	114	63
	55-64	256	178	102	34	119	120	59
	Over 64	57	26	17	12	21	28	5
	Total employees	823	557	296	117	350	410	207

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The following summarises The Gordon's assessment of maturity against the Asset Management Accountability Framework (AMAF) requirements. The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework.

The Gordon's target maturity rating is 'competence', meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



The centre of the circle (0) represents innocence, the organisation is unaware of the requirement. The inner-most ring (1) represents that an organisation is aware of the requirement. The second ring from the centre (2) represents that an organisation is developing its competency to the requirement. The third ring from the centre (3) represents that an organisation is competent to the requirement and the outside circle (4) represents that an organisation is optimising their approach to the requirement. Following the above self-assessment of our maturity to these requirements it was found that for all of the 41 requirements we were developing and moving towards competent, which is represented by the black plot on the spider graph.

The Gordon has taken a conservative approach to its assessment, taking an approach of improvement and development. Whilst compliance has been achieved in areas, we have assessed many areas as having awareness or developing.

Areas of the review included the following:

- Leadership and Accountability (requirements 1-19)
- Planning (requirements 20-23)
- Acquisition (requirements 24 and 25)
- Operation (requirements 26-40)
- Disposal (requirement 41)

The Gordon is developing a plan for improvement to establish processes to proactively identify potential asset performance failures and identify options for preventive action.



ENVIRONMENTAL PERFORMANCE

As a leading community focused organisation, The Gordon has a strong commitment to improving its environmental performance and has employed a number of strategies in 2021 to support this goal.

My eEquals

During the COVID-19 pandemic and associated lockdowns, printing and posting awards and statements to students was problematic, and this process was not environmentally friendly and very resource intensive. My eEquals enabled The Gordon to issue all awards and statements in a digital format and offer students, graduates and alumni an easy and secure environment to view and share their certified tertiary credentials online, anywhere, anytime. By moving to a digital platform, we have saved up to 20,000 sheets of paper, print jobs, envelopes and 'do not bend' stamps and approximately 15,000 plastic certificate holders per annum. In monetary terms, this implementation has been resource neutral, with the licence cost covered by the savings in purchasing items that we no longer require.

Carpark lighting

Renovation of our Latrobe Tce car park saw the installation of eight solar light towers, further reducing The Gordon's reliance on electrical lighting and supporting the program to improve lighting efficiency throughout the campuses.

Sustainable fleet

The Gordon continues its commitment to increase the number of hybrid and fuel efficient vehicles in its fleet. This, together with refining utilisation optimisation techniques and investigating new technologies, keeps The Gordon on track to reducing greenhouse gas emissions associated with business-related travel.



2021 Environmental data

Base performance		Measurement	Result
Geelong City Campus		m2 UFA*	23,790
East Geelong Campus		m2 UFA*	26,423
Werribee Campus (Watton Street)		m2 UFA*	1,106
Hoppers Crossing Trades Campus		m2 UFA*	838
Werribee Campus (Princes Highway)		m2 UFA*	765
Total UFA		m2	52,922
Total FTE			579
Energy use			
E1	Total energy usage segmented by primary source (including Green Power)	MJ - Electricity	8,966,391
		MJ - Gas	7,840,652
E2	Greenhouse gas emissions associated with energy use, segmented by primary source and offsets	t CO2-e - Electricity	2,814
		t CO2-e - Gas	403
E3	Percentage of electricity purchased as Green Power	%	0
E4	Units of energy used per full time employee	MJ/FTE	29,048
E5	Units of office energy used per unit of office area	MJ/m2	318
Optional*	Total renewable energy generation installed	kW	218
Optional*	Total renewable energy generated	MJ	872,230
Waste Production			
Ws1	Total units of office waste disposed of by destination	kg - Landfill	412,842
		kg - Recycled paper	43,300
		kg - Recycled comingle	6,689
		kg - Greenwaste	4,353
		kg - Organics	4,092
		kg - Recycled hardwaste	84,810
Ws2	Units of office waste disposed of per FTE by destination	kg - Landfill	714
		kg - Recycled paper	75
		kg - Recycled comingle	12
		kg - Greenwaste	8
		kg - Organics	7
		kg - Recycled hardwaste	147
Ws3	Recycling rate (% of total waste by weight)	%	26
Ws4	Greenhouse gas emissions associated with waste disposal	t CO2-e	537
Optional*	Paper towel recycled	kg	54
Water Consumption			
W1	Total units of metered water consumed by water source	kL - Potable	6388.00
		kL - Rainwater	1384.00
W2	Units of metered water consumed in offices per FTE	kL - Potable	11.04
		kL - Rainwater	2.39
W3	Units of metered water consumed in offices per unit of office space	kL/m2	0.15
Transportation			
T1	Total energy consumption by operational vehicles segmented by vehicle type (MJ)	MJ - ULP	759,494
		MJ - Diesel	199,230
		MJ - Hybrid	137,768
T2	Total vehicle travel associated with entity operations segmented by vehicle type (km)	km - ULP	245,588
		km - Diesel	64,817
		km - Hybrid	81,720
T3	Greenhouse gas emissions associated with operational vehicle fleet by vehicle type (Tonnes CO2-e)	t CO2-e - ULP	51.19
		t CO2-e - Diesel	13.93
		t CO2-e - Hybrid	9.29
	Greenhouse gas emissions from vehicle fleet per 1,000km segmented by vehicle type (Tonnes CO2-e/1,000km)	t CO2-e - ULP	0.21
		t CO2-e - Diesel	0.21
		t CO2-e - Hybrid	0.11
T4	Total distance travelled by air	km	0
T5	Percentage of employees using sustainable transport (public transport, cycling, walking or car pooling) to get to and from work, by locality type	%	NA
Optional*	Number of petrol hybrid, electric and plug-in hybrid electric vehicles in fleet	Number	11
Greenhouse Gas Emissions			
G1	Total greenhouse gas emissions associated with energy use	t CO2-e	3,217
G2	Total greenhouse gas emissions associated with vehicle fleet	t CO2-e	74
G3	Total greenhouse gas emissions associated with air travel	t CO2-e	NA
G4	Total greenhouse gas emissions associated with waste disposal	t CO2-e	680
G5	Greenhouse gas emissions offsets purchased	t CO2-e	0

OCCUPATIONAL HEALTH AND SAFETY

The Gordon fosters a safety first culture for all staff, students, contractors and visitors who attend our campuses, through minimising the risk of injury while ensuring compliance and promoting a healthy and safe working/learning environment, to meet its obligations under the Occupational Health and Safety Act.

Risk, Safety and Wellbeing

The Risk, Safety and Wellness (RSW) office was established in early 2021 as part of the People, Safety and Culture restructure. The RSW team comprises Risk Management, Injury Management, Wellness and Health, Safety and Environmental Officers. It provides services to more than 800 staff across the City, East Geelong, Wyndham and satellite campuses. The RSW team has actively supported management in the COVID-19 response and responded to and supported programs and managers by providing advice and aid to ensure legislative compliance. The Health and Safety Committee met regularly, implementing policies to ensure proper due diligence in managing workplace health, safety, risk and wellness through events that included a minor earthquake.

This year The Gordon committed to a new safety management system, MyOSH, which enables staff to have access to information for high risk areas through the online management system, such as Chemical Management, Asbestos Management and reporting of incidents, near misses and hazards..

COVID-19

With the significant disruption to business and program offerings due to COVID-19, RSW pivoted quickly to manage the safety of staff, students, contractor and visitors by implementing numerous changes to advice provided by Government departments, revise COVIDSafe Plans and manage COVID exposures on site.

The COVID response covered many aspects, including:

- Response to positive COVID-19 case at East Campus and City Campus
- Video development and distribution; for hand hygiene, social distancing, and mask wearing, shown in every class
- Over 60 All-Staff emails issued
- 530 Authorised Permits were issued as a Government directive allowing students and employees to travel to and from Melbourne to study or work.
- 1500 QR Codes mounted across all campuses
- 600 posters developed and distributed throughout our campuses with social distancing posters and PPE messaging.

Risk, Safety and Wellness

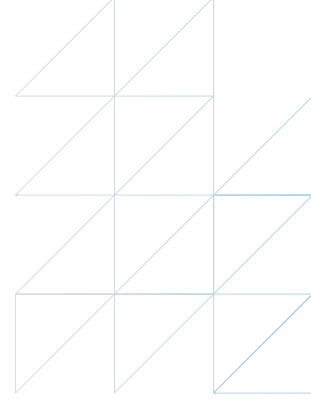
Regular risk assessments, Health and Safety Committee meetings and incident investigations were undertaken to meet critical targets and address key risk areas.

2021 RSW initiatives included:

- VMIA Risk Maturity Benchmark: an annual self-reporting tool that assists Government agencies to measure risk management effectiveness of their products and services, benchmarked against the Victorian Government Risk Management Framework (VGRMF). This showed high-scoring outcomes in our risk frameworks, culture and risk management processes.
- RSW webpages: improved information about Risk Management, Wellness topics within RSW and how we can assist the Institute.
- Health, Body and Mind Hub: launch of this new hub provided wellness resources and topics for all staff.
- Legal register: located on the RSW webpage, this is used to guide all staff in quoting legislation, standards, frameworks, guides, industrial agreements, bulletins, codes and government policies.
- RSW Newsletter: development of monthly newsletter to assist staff to understand important aspects of risk, safety issues and wellness.
- Child Safe Standards: development of policy/procedure and webpages regarding The Gordon's obligations to student safety. This is ongoing, with future changes embedded by 1 July 2022.
- Risk Assessment / Profiling: have commenced to assist risk profiling for specific risk programs. This activity will continue in 2022 with actions plans developed and implemented by the various program areas.
- MyOSH: the introduction of an online safety management system where key elements such as Health Monitoring, Chemical Management, Asbestos Management and Risk and Injury Management continue to be integrated into the new system. An Organisational wide go-live date will occur in 2022.

Key Performance Indicators	2021	2020	2019
Number of staff hazards/incidents per 100 FTE	4.8	3.5	8.1
Number of student hazards/incidents per 100 students	0.2	0.3	0.2
Number of staff lost time injury claims per 100 FTE	0.1	0.4	0.3
Number of student serious injury claims per 100 students	0.01	0.02	0.03
Average cost per staff lost time claim	\$28,550	\$24,410*	\$ 20,437

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



FEES AND CHARGES

In 2021, fees payable by enrolling students were made up of three components:

1. Tuition contributions

Tuition contributions were charged at an hourly rate which varied from course to course. A large portion of the tuition was subsidised by the Victorian Government, as part of the Victorian Skills First Program. The fees were calculated based on the number of hours of enrolment, at a rate that varied depending on the course. All hourly rates were set and approved by The Gordon as part of the budget process. Those students enrolling into a Certificate I to IV course, and were eligible for concession fees, paid 20% of the published standard hourly rate. All eligible students who self-declared as Aboriginal or Torres Strait Islanders, paid 20% of the published standard hourly rate for all courses. Those eligible for the Free TAFE program paid zero tuition fees. Students who did not meet the eligibility criteria for the Skills First Program were charged a fee-for-service rate.

2. Resource or materials fees

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

3. Education Levy

The Education Levy funds learner support services that assist students to succeed in their studies. It is a compulsory fee charged at \$0.15 cents per nominal hour. This was charged to all students enrolling in units with a start date on or after 1 July 2021, excluding Short Course students, VET Delivered to Secondary School students and International students.

Additional service charges

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

• Student ID card replacement	\$10
• Fee receipt replacement	FREE
• Official Statement of Results	FREE
• Archive result search	\$50
• Replacement Statement of Attainment, Participation or Completion	\$40
• Replacement certificate	\$50
• Archive result search and replacement certificate	\$100

Compulsory fees

There were no compulsory non-academic fees charged in 2021.

VET Student Loans and Payment Plans

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

FURTHER COMPLIANCE INFORMATION

Relevant legislation

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

TAFE and Public Sector Governance (Victoria)

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

Education (Commonwealth)

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

Staff and Student Wellbeing and Inclusion (Victoria)

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

Other (Victoria)

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

External reviews

The following external reviews/audits of The Gordon were completed in 2021:

- Victorian Auditor General audit of financial statements
- Continuous audit program by BDO
- Department of Education and Training – Skills First Program, Business Process and Transactional Compliance Audit
- Victorian Registration and Qualifications Authority (VRQA) - non-school senior secondary education provider registration
- Victorian Curriculum and Assessment Authority (VCAA) - delivery of the VCE and VCAL curriculum
- Victorian Curriculum & Assessment Authority (VCAA) - VCE VET Coursework Audit (Engineering Studies and Health Programs).

Freedom of Information Act 1982

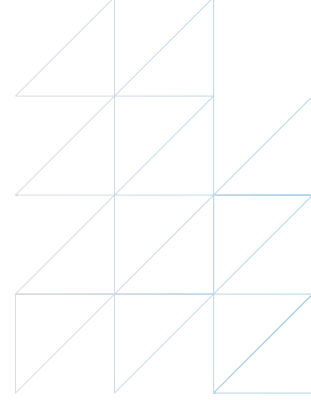
The Gordon is subject to the provisions of the Freedom of Information Act 1982 and delegates responsibilities under the Act to a Freedom of Information (FOI) Officer to ensure that the information it provides in relation to any request complies with the Act. In 2021, The Gordon received one application for the release of information under freedom of information.

Public Interest Disclosures Act 2012

The Gordon has maintained its policy in relation to the *Public Interest Disclosures Act 2012*, which covered the procedures staff may access to disclose any concerns in relation to the Act. No disclosures were made under the Act during the 2021 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 2021, no activity has been reported.

Local Jobs First Policy Disclosures

The *Local Jobs First Act 2003* requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2021, The Gordon had two applicable projects. The total value of Local Jobs First projects within the 2021 reporting period is \$36.3 million.

Audit Committee review and recommendations

The financial statements were reviewed and recommended by the Audit and Risk Management Committee at the meeting held on 24 February 2022.

Ex-gratia payments

The Gordon did not make any ex-gratia payments during 2021.

Information available on request

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

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

Finance attestation statement

I, David Bowen, on behalf of the Responsible Body, certify that for the period 1 January 2021 to 31 December 2021, The Gordon has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.

David Bowen
Board Chair
24 February, 2022

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 221	Manner of establishment and the relevant Minister.	3
2	FRD 221	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	3, 11-28
3	FRD 221	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	14-28
4	FRD 221	Nature and range of services provided, including communities served.	3, 11-28
MANAGEMENT AND STRUCTURE			
5	FRD 221	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities.	4-10
FINANCIAL AND OTHER INFORMATION			
6	FRD 10A	Disclosure index	44-45
7	FRD 221	Employment and conduct principles, including a statement on the appointment and selection process and correct classification of employees in workforce data collections.	34
8	FRD 221	Workforce data disclosures for current and previous reporting period.	34-35
9	FRD 221	Occupational health and safety policy including performance indicators and performance against those indicators.	40
10	FRD 221	Summary of financial results for the year including comparative information for the preceding four reporting periods.	30
11	FRD 221	Significant changes in financial position during the year.	30
12	FRD 221	Summary of operational and budgetary objectives including performance against objectives and achievements.	14-15, FIN 61-62
13	FRD 221	Major changes or factors affecting performance.	5, FIN 14-15
14	FRD 221	Subsequent events.	FIN 59, FIN 88
15	FRD 221	Application and operation of the <i>Freedom of Information Act 1982</i> .	42
16	FRD 221	Compliance with building and maintenance provisions of <i>Building Act 1993</i> .	43
17	FRD 221	Statement on National Competition Policy including compliance with requirements of the policy statement 'Competitive Neutrality Policy Victoria' and subsequent reforms.	42
18	FRD 221	Application and operation of the <i>Public Interest Disclosures Act 2012</i> .	42
19	FRD 221	Application and operation of the <i>Carers Recognition Act 2012 (Carers Act)</i> .	34
20	FRD 221	Details of consultancies over \$10,000 including: <ol style="list-style-type: none"> Total number of consultancies valued at \$10,000 or greater (excluding GST). Location (e.g. website) of where details of these consultancies over \$10,000 have been made publicly available. <ul style="list-style-type: none"> Consultant engaged Brief summary of project Total project fees approved (excluding GST) Expenditure for reporting period (excluding GST) Any future expenditure committed to the consultant for the project. 	31
21	FRD 221	Details of consultancies under \$10,000 including total number of consultancies individually valued at less than \$10,000 and the total expenditure (excluding GST) for the reporting period.	31
22	FRD 221	Details of government advertising expenditure for each government advertising campaign of \$100,000 or greater.	N/A
23	FRD 221	Disclosure of ICT expenditure including total entity ICT Business As Usual (BAU) expenditure and ICT Non-BAU expenditure for: <ol style="list-style-type: none"> Operational expenditure (OPEX); and Capital expenditure (CAPEX). 	31
24	FRD 221	Asset Management Accountability Framework (AMAF) maturity assessment.	36
25	FRD 221	Summary of Environmental Performance.	38
26	FRD 221	Statement of availability of other information.	43
27	FRD 25D	Local Jobs First	43
28	SD 5.2	Specific requirements under Standing Direction 5.2.	FIN 7, FIN 74
29	CG10 Clause 27	Summary of Major Commercial Activities involving transactions with a total estimated cost greater than 5 per cent of annual revenues, but does not include: <ol style="list-style-type: none"> supply of vocational training and higher education consistent with the strategic plan; and the supply of vocation training and higher education that is supplied pursuant to a competitive tender process. 	43
30	CG12 Clause 33	TAFE Institute Controlled Entities.	FIN 12, FIN 56-57, FIN 87-88
COMPLIANCE ATTESTATION AND DECLARATION			
31	SD 5.1.4	Financial Management Compliance Attestation Statement. The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	43
32	SD 5.2.3	Declaration in report of operations, signed and dated by a member of the Responsible Body.	FIN 63

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT	
FINANCIAL STATEMENTS			
DECLARATION			
33	SD 5.2.2	Declaration in financial statements: a) An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> the Accountable Officer subject to Direction 5.2.2(c), the CFO; and for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 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; and the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	FIN 7
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2			
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35	SD 5.2.1(a)	Compliance with Standing Directions.	FIN 7, FIN 74
OTHER DISCLOSURES AS REQUIRED BY FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
36	FRD 11A	Disclosure of ex-gratia payments.	43
37	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report.	FIN 55
38	FRD 103I	Non-physical assets.	FIN 9, FIN 29-31
39	FRD 110A	Cash flow statements.	FIN 11
40	FRD 112D	Defined benefit superannuation obligations.	FIN 23-24
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
41	Legislation	The TAFE Institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> <i>Education and Training Reform Act 2006 (ETRA)</i> TAFE Institute Constitution Directions of the Minister for Training and Skills (or predecessors) TAFE Institute Commercial Guidelines TAFE Institute Strategic Planning Guidelines <i>Public Administration Act 2004</i> <i>Financial Management Act 1994</i> <i>Freedom of Information Act 1982</i> <i>Building Act 1993</i> <i>Public Interest Disclosures Act 2012</i> <i>Carers Recognition Act 2012</i> <i>Local Jobs First Act 2003</i>. 	42
42	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2021.	41
43	Policy	Statement of compliance with the Victorian Public Sector Travel Policy.	34
44	Key Performance Indicators	Key performance indicators: <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 61
45	PAEC and VAGO (June 2003 Special Review Recommendation 11)	Overseas operations: <ul style="list-style-type: none"> Financial and other information on initiatives taken or strategies relating to the Institute's overseas operations. Nature of strategic and operational risks for overseas operations. Strategies established to manage such risks of overseas operations. Performance measures and targets formulated for overseas operations. The extent to which expected outcomes for overseas operations have been achieved. 	28

THE FINANCIAL REPORT

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Statements

For the Year Ended 31 December 2021

Gordon Institute of TAFE

ABN 27 241 053 246

For the Year Ended 31 December 2021

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The Gordon has presented its audited-general purpose financial statements for the financial year ended 31 December 2021 in the following structure to provide users with the information about The Gordon's stewardship of resources entrusted to it.

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Independent Auditor's Report

To the Board of the Gordon Institute of Tafe

Opinion	<p>I have audited the financial report of the Gordon Institute of Tafe (the institute) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the Board Chair, Chief Executive and Chief Financial, People and Operating Officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the institute as at 31 December 2021 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board, Gordon Institute of Tafe

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

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

Independence Declaration

As auditor for Gordon Institute of Tafe for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
22 March 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Report For the Year Ended 31 December 2021

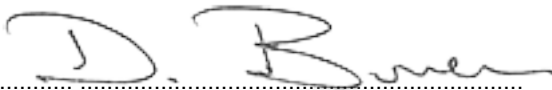
Declaration by Board Chair, Chief Executive and Chief Financial, People and Operating Officer

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

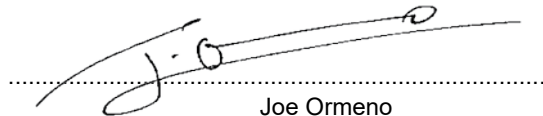
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2021 and financial position of the Gordon Institute of TAFE as at 31 December 2021.

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

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



David Bowen
Board Chair



Joe Ormeno
Chief Executive



Steven Reaper
Chief Financial, People and Operating Officer

Dated 17 March 2022
Geelong

Comprehensive Operating Statement

For the Year Ended 31 December 2021

	2021	2020
Note	\$'000	\$'000
Continuing operations		
Revenue and income from transactions		
Revenue from government contributions	2.1.1 55,538	51,858
Income from government contributions	2.1.2 6,220	1,646
Revenue from fees, charges and sales	2.2 13,912	13,244
Other income	2.3 1,454	998
Total revenue and income from transactions	77,124	67,746
Expenses from transactions		
Employee benefits	3.1.1 (59,178)	(56,597)
Depreciation and amortisation expense	3.6 (5,764)	(6,113)
Supplies and services	3.3 (11,135)	(10,518)
Finance costs	3.5 (101)	(141)
Other operating expenses	3.4 (6,761)	(6,806)
Total expenses from transactions	(82,939)	(80,175)
Net result from transactions	(5,815)	(12,429)
Other economic flows included in net result		
Net gain/(loss) on disposal of non-financial assets	4.1.3 138	28
Net gain/(loss) on financial instruments	9.1 107	-
Other gains/(losses) from other economic flows	9.1 311	468
Total other economic flows included in net result	556	496
Net result from continuing operations	(5,259)	(11,933)
Net result	(5,259)	(11,933)
Other economic flows - other comprehensive income		
Items that will not be reclassified to net result		
Gain/(loss) on revaluation of physical assets	9.2 11,125	-
Other comprehensive income for the year, net of tax	11,125	-
Comprehensive result	5,866	(11,933)

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

Gordon Institute of TAFE

ABN 27 241 053 246

Balance Sheet

As At 31 December 2021

	Note	2021 \$'000	2020 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6.1	26,441	48,349
Receivables	5.1	3,857	5,273
TOTAL FINANCIAL ASSETS		30,298	53,622
NON-FINANCIAL ASSETS			
Property, plant and equipment	4.1	150,442	125,122
Right-of-use assets	6.3	2,438	3,501
Intangible assets	4.2	2,027	2,407
Other non-financial assets	5.2	1,404	1,439
TOTAL NON-FINANCIAL ASSETS		156,311	132,469
TOTAL ASSETS		186,609	186,091
LIABILITIES			
Payables	5.3	4,824	5,912
Contract liabilities	5.4	833	985
Other liabilities	5.4	6,976	10,119
Employee provisions	5.5	13,658	13,484
Other provisions	5.6	115	112
Lease liabilities	6.3	2,750	3,892
TOTAL LIABILITIES		29,156	34,504
NET ASSETS		157,453	151,587
EQUITY			
Accumulated surplus		44,923	50,170
Contributed capital	6.2	27,729	27,729
Reserves	9.2	84,801	73,688
NET WORTH		157,453	151,587

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

Statement of Changes in Equity

For the Year Ended 31 December 2021

2020

	Physical Asset Revaluation Surplus \$'000	Special and General Purpose Reserves \$'000	Accumulated Surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 January 2020	72,348	1,375	62,103	27,729	163,555
Net result for the year	-	-	(11,933)	-	(11,933)
Transfers (to)/from reserve	-	(35)	-	-	(35)
Balance at 31 December 2020	72,348	1,340	50,170	27,729	151,587

2021

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

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

Gordon Institute of TAFE

ABN 27 241 053 246

Cash Flow Statement For the Year Ended 31 December 2021

	2021	2020
Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts		
Government contributions	64,495	65,910
Receipts from customers - fees, charges and sales	14,341	12,822
Goods and services tax recovered from the ATO	3,700	2,230
Interest received	113	283
Other receipts	842	889
Total receipts from operating activities	83,491	82,134
Payments		
Payments to employees	(58,319)	(53,916)
Payments to suppliers	(22,707)	(18,516)
Goods and services tax paid to the ATO	(4,933)	(3,777)
Total payments from operating activities	(85,959)	(76,209)
Net cash provided by/(used in) operating activities	6.1.1 (2,468)	5,925
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(19,039)	(4,256)
Proceeds from sale of non-financial assets	184	28
Net cash provided by/(used in) investing activities	(18,855)	(4,228)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(585)	(785)
Net cash provided by/(used in) financing activities	(585)	(785)
Net increase/(decrease) in cash and cash equivalents held	(21,908)	912
Cash and cash equivalents at the beginning of the financial year	48,349	47,437
Cash and cash equivalents at the end of the financial year	6.1 26,441	48,349

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

Notes to the Financial Statements For the Year Ended 31 December 2021

1 About This Report

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

Its registered office and principal address is:

Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

1.1 Basis of preparation

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.5);
- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring The Gordon's satisfaction of a performance obligation (refer to Note 2.2); and
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.3).

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 About This Report (continued)

1.1 Basis of preparation (continued)

Goods and Services Tax (GST)

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

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

Basis of consolidation

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

Funding risk

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

The Gordon has substantial economic dependency on Government operating and capital contributions.

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

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

1.2 Compliance information

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

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

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

Notes to the Financial Statements For the Year Ended 31 December 2021

1 About This Report (continued)

1.3 Impact of COVID-19

The coronavirus (COVID-19), which was declared a global pandemic in March 2020, continues to evolve in 2021.

Various restrictions such as lockdowns and closure of the State's borders continue to be enforced and implemented by the government as required to contain the spread of the virus and to prioritise the health and safety of our communities. These actions have in turn, continued to impact the manner in which businesses operate, including The Gordon.

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

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

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

The key impacts on the performance is summarised as follows:

Basis of Preparation

The Gordon has a strong financial position, with net asset position of \$157,453,000 (2020: net asset position of \$151,587,000), a net current asset position of \$7,334,000 (2020: \$32,605,000), net loss of \$5,259,000 (2020: net loss of \$11,933,000) and negative operating cash flows of \$2,468,000 (2020: positive operating cash flows of \$5,925,000). Considering The Gordon's financial position, together with the impacts of COVID-19 on the business as discussed below, The Gordon has concluded it is appropriate to prepare the financial statements on a going concern basis, based on the factors outlined in Note 1.4.

Revenue and other income

The Gordon's response to the pandemic included a shift to online learning. The Department of Education and Training provided Business Continuity Grants until 31 March 2021 to assist The Gordon with its immediate response to the pandemic, provide support to retain staff, assist with The Gordon's continued transition to online and remote learning and to maintain government funding at pre-pandemic levels. This is further discussed in Note 2.1.

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

- Beauty Therapy;
- Hairdressing; and
- Floristry

Notes to the Financial Statements For the Year Ended 31 December 2021

1 About This Report (continued)

1.3 Impact of COVID-19 (continued)

The financial implication of the fall in student enrolment was \$346,000 (2020: \$790,000).

Expenses

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

The financial implication of the additional expenditure was \$371,000 (2020: \$633,000).

Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$175,000 (2020: \$1,200,000). This is further discussion in Note 5.5.

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

Allowance for expected credit losses

Although both local and international students have been impacted by the pandemic, The Gordon has not experienced a decline in the collectability of its trade receivables. Where students are experiencing financial difficulty, The Gordon has allowed for payments to be made in accordance with a payment plan. The number of students on payment plans remain consistent on prior year. The Gordon monitors payments made under the plan and noted that for the majority of students on a plan, payments continue to be made in line with schedule. These factors, including the continued impact of the pandemic on students' payment history has been considered in determining the expected credit loss for the 2021 financial year.

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

Fair value of non-financial physical assets

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

1.4 Economic dependency

The Gordon is dependent on the continued financial support of the State Government and in particular, the Department of Education and Training.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 How We Earned Our Funds

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

2.1 Government Contributions

2.1.1 Revenue from government contributions

	2021 \$'000	2020 \$'000
Grants and other transfers		
Government contributions - operating		
State government - contestable	42,911	37,319
State government - other contributions	12,627	14,539
Total government contributions - operating	55,538	51,858

Impact of COVID-19

In 2020, The Gordon received \$2.8 million in crisis support funding to assist them with its immediate response to the pandemic, and \$6 million in business continuity grants to support the retention of staff, transition to online and remote learning, and to maintain government funding at pre-pandemic levels. The impact of COVID-19 is further discussed in Note 1.3.

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

Where grants or contracts are recognised over time, the input method of costs incurred-to-date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date mainly comprise salaries accordingly, costs incurred-to-date is the best measure of the transfer of control over the service or product. Where government contributions has been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.4).

Revenue is measured at the amount of consideration to which The Gordon expects to be entitled in exchange for transferring promised goods or services to a customer. Specific revenue recognition criteria are set out below.

Revenue Type	Nature	Performance Obligation	Timing of Satisfaction
State government – contestable	Refers to contributions received from a limited pool of government funding for which The Gordon must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.	Provision of education services	Over time, as the student receives and consumes the educational services

Notes to the Financial Statements
For the Year Ended 31 December 2021

2 How We Earned Our Funds (continued)

2.1 Government Contributions (continued)

2.1.1 Revenue from government contributions (continued)

Revenue Type	Nature	Performance Obligation	Timing of Satisfaction
State government – other contributions	Refers to funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts.	These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised as income on receipt or when the right to receive payment is established.	
		Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.	At the point-in-time when the final product is delivered.
			Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided.
		Provision of a specific number of internships with an industry partner.	Over time as each internship is being completed. Transaction price is the amount agreed with the customer for each internship.

2.1.2 Income from government contributions

	2021 \$'000	2020 \$'000
Government contributions - capital		
State government - capital	6,220	1,646
Total government contributions - capital	6,220	1,646
Total government contributions	61,758	53,504

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 How We Earned Our Funds (continued)

2.1 Government Contributions (continued)

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

2.2 Revenue from fees, charges and sales

	2021 \$'000	2020 \$'000
Student fees and charges	4,520	4,224
Fee for service - government	3,795	3,266
Fee for service - international operations - onshore	1,077	1,364
Fee for service - international operations - offshore	215	322
Fee for service - other	1,548	1,711
Other non-course fees and charges		
Sale of goods	2,757	2,357
Total revenue from fees, charges and sales	13,912	13,244

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

Revenue recognised over time	9,089	8,757
Revenue recognised at a point in time	4,823	4,487
Total revenue from fees, charges and sales	13,912	13,244

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

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

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

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

The Gordon uses actual student contact hours and performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

Revenue Type	Nature	Performance Obligation	Timing of Satisfaction
Student fees and charges	The Gordon provides educational services to the general public, both nationally and internationally.	Provision of education services	Course fees and charges revenue is recognised over time as the course is delivered to the student and is measured as the amount the The Gordon expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – government, international operations	Fee for service relates to course fees funded by government or students.	Provision of services	Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to non-course fees and charges.	Provision of services	Other non-course fees and charges are recognised either over time or at a point in time as or when the service is delivered to the student or the public. For example, rent is recognised over time as The Gordon provides the use of space to the public.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

Revenue Type	Nature	Performance Obligation	Timing of Satisfaction
Revenue from sale of goods		Delivery of goods	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

Revenue recognised in relation to contract liabilities

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

	2021 \$'000	2020 \$'000
Student fees and charges	833	985
Revenue recognised from performance obligations satisfied in previous periods	<u>6,976</u>	<u>10,119</u>
Total	<u>7,809</u>	<u>11,104</u>

Transaction price allocated to remaining performance obligations

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

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

	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Revenue expected to be recognised				
2021	7,809	-	-	-
2020	11,104	-	-	-

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- federal government assistance (VET Student Loan); and/or

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

- invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 30 days).

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

2.3 Other income

	2021 \$'000	2020 \$'000
Interest income	113	283
Rental income	133	203
Donations, bequests and scholarships contributions	572	104
Other income	636	408
Total other income	1,454	998

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 How We Earned Our Funds (continued)

2.3 Other income (continued)

Other Income Type	Nature	Performance Obligation	Timing of Satisfaction
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
Other income		Other income is recognised when The Gordon's right to receive payment is established.	

3 How We Expended Our Funds

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2021 \$'000	2020 \$'000
Salaries, wages, overtime and allowances	52,234	48,617
Superannuation	4,862	4,452
Payroll tax	838	1,177
Workers compensation	633	348
Annual leave	404	1,119
Long service leave	125	786
Other	82	98
Total employee benefits	59,178	56,597

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 How We Expended Our Funds (continued)

3.1 Employee benefits (continued)

3.1.1 Employee benefits in the comprehensive operating statement (continued)

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

3.2 Superannuation

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

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

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

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

	2021 \$'000	2020 \$'000
Paid Contribution for the Year		
Defined benefits plans:		
State Superannuation Fund - revised and new	132	166
Total defined benefit plans	132	166
Accumulation contribution plans:		
VicSuper	2,277	2,110
Other	2,420	2,046
Total accumulation contribution plans	4,697	4,156
Total paid contribution for the year	4,829	4,322
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	303	271
Other	334	275
Total accumulation contribution plans	637	546
Total contribution outstanding at year end	637	546

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 How We Expended Our Funds (continued)

3.2 Superannuation (continued)

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

	2021 \$'000	2020 \$'000
Purchases of supplies and consumables	3,034	2,220
Building repairs and maintenance	1,701	1,975
Contract and other services	2,270	2,849
Cost of goods sold / distributed (ancillary trading)	1,387	1,474
Professional fees and charges	1,526	684
Operating lease payments	66	57
Computer software and hardware expenses	1,151	1,259
Total supplies and services	11,135	10,518

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

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

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

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

Payable		
Within one year	111	105
Later than one year but not later than five years	-	-
Later than five years	-	-
Total short-term and low value lease commitments	111	105
GST claimable on the above	10	10
Net short-term and low-value lease commitments	101	95

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 How We Expended Our Funds (continued)

3.3 Supplies and services (continued)

3.3.2 Other expenditure commitments

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

	Note	2021 \$'000	2020 \$'000
Payable			
Within one year		970	867
Later than one year but not later than five years		984	1,734
Later than five years		-	-
Total other expenditure commitments		1,954	2,601
GST reclaimable on the above		(178)	(236)
Net other expenditure commitments		1,776	2,365
3.4 Other operating expenses			
Audit fees and services	8.4	161	126
Equipment below capitalisation threshold		584	763
Marketing and promotional expenses		1,358	1,396
Staff development		406	350
Travel and motor vehicle expenses		336	261
Utilities		1,116	1,195
General expenses		2,111	2,044
Impairment loss allowance		588	576
Expenses relating to short-term leases		94	88
Expenses relating to low-value leases		7	7
Total other operating expenses		6,761	6,806

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

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

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

3.5 Finance costs

Finance costs		101	141
Total finance costs		101	141

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 How We Expended Our Funds (continued)

3.6 Depreciation and amortisation

	2021 \$'000	2020 \$'000
Depreciation of non-financial assets		
Leasehold improvements	105	106
Buildings	3,102	3,065
Plant and equipment	1,154	1,156
Motor vehicles	225	249
Library collections	25	25
Works of art	5	5
Right-of-use assets	586	947
Total depreciation of non-financial assets	5,202	5,553
Amortisation of non-financial assets		
Amortisation - computer software, other	562	560
Total amortisation of non-financial assets	562	560
Total depreciation and amortisation	5,764	6,113

4 The Assets We Invested In

4.1 Property, plant and equipment

Fair value measurement

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

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

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Land	23,780	23,780	-	-	23,780	23,780
Buildings	100,462	100,875	(22)	(8,736)	100,440	92,139
Construction in progress	17,646	1,886	-	-	17,646	1,886
Plant and equipment	20,617	20,158	(15,738)	(14,818)	4,879	5,340
Plant and equipment in progress	2,501	437	-	-	2,501	437
Motor vehicles	1,287	1,512	(1,017)	(978)	270	534
Leasehold improvements	1,174	1,173	(600)	(494)	574	679
Library collection	3,573	3,528	(3,402)	(3,377)	171	151
Works of art	197	188	(16)	(12)	181	176
Net carrying amount	171,237	153,537	(20,795)	(28,415)	150,442	125,122

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

Initial recognition

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

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

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

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

Subsequent measurement

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

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2021, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation of land was required as a result of this assessment. However, buildings were required to be revalued. Refer to Note 7.3 for additional information related to this revaluation.

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.

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements For the Year Ended 31 December 2021

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

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

	Land \$'000	Buildings \$'000	Construction in Progress \$'000	Plant and Equipment \$'000	Plant and Equipment in Progress \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Library Collection \$'000	Works of Art \$'000	Total \$'000
2021										
Opening net book amount	23,780	92,139	1,886	5,340	437	534	679	151	176	125,122
Additions	-	273	15,824	387	2,318	-	-	45	10	18,857
Revaluations	-	11,125	-	-	-	-	-	-	-	11,125
Disposals	-	-	-	(7)	-	(39)	-	-	-	(46)
Reclassification	-	(59)	-	59	-	-	-	-	-	-
Transfers	-	64	(64)	254	(254)	-	-	-	-	-
Depreciation	-	(3,102)	-	(1,154)	-	(225)	(105)	(25)	(5)	(4,616)
Net carrying amount	23,780	100,440	17,646	4,879	2,501	270	574	171	181	150,442
2020										
Opening net book amount	23,780	93,796	673	5,189	258	770	804	148	177	125,595
Additions	-	1,392	2,250	1,304	1,883	13	-	28	4	6,874
Transfers	-	16	(1,037)	3	(1,704)	-	(19)	-	-	(2,741)
Depreciation	-	(3,065)	-	(1,156)	-	(249)	(106)	(25)	(5)	(4,606)
Net carrying amount	23,780	92,139	1,886	5,340	437	534	679	151	176	125,122

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

4.1.2 Capital commitments

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

	2021 \$'000	2020 \$'000
Payable		
Within one year	18,370	22,491
Later than one year but not later than five years	-	10,168
Total capital expenditure commitments	18,370	32,659
GST payable on the above	1,670	2,969
Net capital expenditure commitments	16,700	29,690

4.1.3 Gain / loss on property, plant and equipment

Net gain/(loss) on disposal of property plant and equipment	138	28
Net gain/(loss) on disposal of property plant and equipment	138	28

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

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

4.2 Intangible assets

Software

Gross carrying amount

Opening balance	7,574	7,452
Additions	182	122
Closing balance	7,756	7,574

Accumulated amortisation and impairment

Opening balance	(5,167)	(4,607)
Amortisation charge	(562)	(560)
Closing balance	(5,729)	(5,167)
Net carrying amount at end of the year	2,027	2,407

Notes to the Financial Statements For the Year Ended 31 December 2021

4 The Assets We Invested In (continued)

4.2 Intangible assets (continued)

Initial recognition

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

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

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

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

Subsequent measurement

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

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

Impairment of intangible assets

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 The Assets We Invested In (continued)

4.3 Depreciation and amortisation

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

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

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

Class of Assets	Useful Life
Buildings	50 years (2020: 50 years)
Plant & equipment	4 - 12.5 years (2020: 4 - 12.5 years)
Motor vehicles	5 years (2020: 5 years)
Library collections	4 - 10 years (2020: 4 - 10 years)
Works of art	50 years (2020: 50 years)
Leasehold improvements	10 - 12.5 years (2020: 10 - 12.5 years)
Software	2.5 - 10 years (2020: 2.5 - 10 years)
Right-of-use assets	Lease term

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

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

5 Balances from Operations

5.1 Receivables

	2021	2020
	\$'000	\$'000
Current		
Contractual receivables		
Trade receivables	2,708	2,123
Loss allowance on trade receivables	(1,181)	(794)
Other receivables	879	380
Total contractual receivables	2,406	1,709
Statutory receivables		
GST input tax credit recoverable	317	-
Accounts owing from the Victorian Government	1,134	3,564
Total statutory receivables	1,451	3,564
Total current receivables	3,857	5,273

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Balances from Operations (continued)

5.1 Receivables (continued)

Receivables consist of:

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

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

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

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

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

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

	2021 \$'000	2020 \$'000
Balance at the beginning of the year	794	773
Amounts written off	(166)	(576)
Net remeasurement of loss allowance	553	597
Balance at the end of the year	1,181	794

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Balances from Operations (continued)

5.1 Receivables (continued)

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2021						
Trade receivables	1,527	42	376	110	730	269
Other receivables	879	879	-	-	-	-
Total	2,406	921	376	110	730	269
2020						
Trade receivables	1,329	42	63	368	856	-
Other receivables	380	380	-	-	-	-
Total	1,709	422	63	368	856	-

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

The average credit period on commercial sales of goods is 21 days (2020: 31 days). No interest is charged on receivables.

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

5.2 Other non-financial assets

	2021 \$'000	2020 \$'000
Current		
Prepayments	1,242	1,209
Inventories	162	230
Total current other non-financial assets	1,404	1,439

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

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

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

Notes to the Financial Statements For the Year Ended 31 December 2021

5 Balances from Operations (continued)

5.2 Other non-financial assets (continued)

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

5.3 Payables

	2021 \$'000	2020 \$'000
Current		
Contractual payables		
Supplies and services	4,801	5,786
Total contractual payables	<u>4,801</u>	<u>5,786</u>
Statutory payables		
GST payable	-	100
FBT payable	23	26
Total statutory payables	<u>23</u>	<u>126</u>
Total current payables	<u><u>4,824</u></u>	<u><u>5,912</u></u>

Payables consist of:

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Balances from Operations (continued)

5.3 Payables (continued)

Ageing analysis of contractual payables

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

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2021						
Supplies and services	4,801	4,801	2,349	825	748	879
Total	4,801	4,801	2,349	825	748	879
2020						
Supplies and services	5,786	5,786	4,073	79	602	1,032
Total	5,786	5,786	4,073	79	602	1,032

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

The average credit period is 30 days (2020: 30 days), with the exception of the agreement for the program Greener Government Buildings, which has an agreed payment schedule over 5 years to 2025. No interest is charged on the other payables.

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

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

5.4 Contract and other liabilities

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

	2021 \$'000	2020 \$'000
Contract liabilities		
Student fees and charges	833	985
Total contract liabilities	833	985

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Balances from Operations (continued)

5.4 Contract and other liabilities (continued)

	2021 \$'000	2020 \$'000
Other liabilities		
Deferred capital grants	6,976	10,119
Total other liabilities	<u>6,976</u>	<u>10,119</u>

Deferred capital grants

Grant consideration was received from the Victorian Government to support the construction of the Culinary Precinct. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are most closely reflect the stage of completion of the Culinary Precinct. As such, The Gordon has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Contractual

Deferred capital grants at beginning of the year	10,119	2,700
Grant consideration for capital works received during the year	3,077	9,065
Grant consideration recognised as income under AASB 1058	(6,220)	(1,646)
Closing balance of deferred capital grants	<u>6,976</u>	<u>10,119</u>

5.5 Employee benefits in the balance sheet

Short-term benefits

Annual leave	4,121	3,728
Long service leave	7,995	8,176
Total short-term benefits	<u>12,116</u>	<u>11,904</u>

Long-term benefits

Long service leave	1,542	1,580
Total long-term benefits	<u>1,542</u>	<u>1,580</u>
Total employee provisions	<u>13,658</u>	<u>13,484</u>

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$12.1m (2020: \$11.9m) is presented as current, since The Gordon does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, The Gordon does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Balances from Operations (continued)

5.5 Employee benefits in the balance sheet (continued)

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdowns. As a result, the leave provisions have increased by \$175,000 (2020: \$1,200,000). The impact of COVID-19 is further discussed in Note 1.3.

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

	2021 \$'000	2020 \$'000
Unconditional and expected to settle within 12 months	5,100	4,713
Unconditional and expected to settle after 12 months	7,016	7,191
Total current employee provisions	12,116	11,904

5.6 Other provisions

Make good provision	115	112
Total other provisions	115	112

Make good provision

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

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

Reconciliation of other provisions

Opening balance	112	180
Adjustments resulting from re-measurement or settlement without cost	3	(68)
Closing balance	115	112

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 How We Financed Our Operations

6.1 Cash and deposits

	2021 \$'000	2020 \$'000
Cash at bank and on hand	2,270	12,619
Deposits at call	24,171	35,730
Total cash and deposits	26,441	48,349

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

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

Net result for the year	(5,259)	(11,933)
Non-cash movements		
Depreciation / amortisation of non-financial assets	5,764	6,113
Net (gain) / loss on sale of non-financial assets	(138)	(28)
Transfers (to) / from equity	12	35
Movements in assets and liabilities		
Decrease / (increase) in receivables	1,416	1,954
Decrease / (increase) in inventories	68	32
Decrease / (increase) in other assets	(33)	(61)
(Decrease) / increase in payables	(1,180)	1,349
(Decrease) / increase in provisions	177	1,393
(Decrease) / increase in contract liabilities	(3,295)	7,071
Net cash flows from / (used in) operating activities	(2,468)	5,925
Per cash flow statement	(2,468)	5,925

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

6.1.2 Changes in liabilities arising from financing activities

	Lease Liability \$'000	Total \$'000
Balance at 1 January 2020	4,524	4,524
Net cash from/(used in) financing activities	(785)	(785)
Acquisition of leases	153	153
Balance at 31 December 2020	3,892	3,892
Net cash from/(used in) financing activities	(665)	(665)
Acquisition of leases	97	97
Lease modification	(574)	(574)
Balance at 31 December 2021	2,750	2,750

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 How We Financed Our Operations (continued)

6.2 Contributed capital

	2021 \$'000	2020 \$'000
Balance at 1 January	27,729	27,729
Issued for cash	-	-
Balance at 31 December	27,729	27,729

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

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

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

6.3 Leases

Policy

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

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

As a lessee

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

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

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 How We Financed Our Operations (continued)

6.3 Leases (continued)

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 \$'000	Vehicles and Equipment \$'000	Total \$'000
2021			
Balance as at 1 January 2021	3,395	106	3,501
Additions to right-of-use assets	-	97	97
Reductions in right-of-use assets due to changes in lease liability	(574)	-	(574)
Amortisation	(469)	(117)	(586)
Balance as at 31 December 2021	2,352	86	2,438
2020			
Balance as at 1 January 2020	3,974	321	4,295
Additions to right-of-use assets	153	-	153
Amortisation	(732)	(215)	(947)
Balance as at 31 December 2020	3,395	106	3,501

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 How We Financed Our Operations (continued)

6.3 Leases (continued)

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

	2021 \$'000	2020 \$'000
Within one year	646	912
Later than one year but not later than five years	1,828	2,754
Later than five years	551	714
Total undiscounted lease liabilities as at 31 December	3,025	4,380
Future finance charges	(275)	(488)
Total discounted lease liabilities as at 31 December	2,750	3,892
Lease liabilities included in the balance sheet at 31 December		
Current	562	788
Non-current	2,188	3,104
Total lease liabilities	2,750	3,892

Short-term and low value leases

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties

7.1 Financial instruments

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

Categories of financial instruments

	Note	2021 \$'000	2020 \$'000
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	6.1	26,441	48,349
Trade receivables	5.1	1,527	1,329
Other receivables	5.1	879	380
Total contractual financial assets		28,847	50,058
Contractual financial liabilities			
Loans and payables			
Supplies and services	5.3	4,801	5,786
At amortised cost			
Lease liabilities	6.3	2,750	3,892
Total contractual financial liabilities		7,551	9,678

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

Categories of financial instruments

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

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

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

The Gordon recognises the following assets in this category:

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

Notes to the Financial Statements For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

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

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

7.1.1 Financial risk management objectives and policies

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

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

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

7.1.2 Credit risk

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

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

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

The trade receivables balances at 31 December 2021 and 31 December 2020 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

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

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

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

	Financial Institutions (AA-rating) \$'000	Government Agencies (AAA-rating) \$'000	Other Counterparty \$'000	Total \$'000
2021				
Cash and deposits	26,441	-	-	26,441
Receivables	-	-	2,406	2,406
Total contractual financial assets	26,441	-	2,406	28,847
2020				
Cash and deposits	48,349	-	-	48,349
Receivables	-	-	1,709	1,709
Total contractual financial assets	48,349	-	1,709	50,058

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2021 and the past 48 months before 31 December 2020, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Gordon has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2021 and 2020:

	Estimated gross carrying amount \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired? Yes/No
31 December 2021				
Current (not past due)	45	9	4	No
1 - 30 days past due	72	39	28	No
31 – 60 days past due	332	60	199	No
61 – 90 days past due	339	54	183	No
91 - 120 days past due	154	89	137	No
More than 120 days past due	<u>1,766</u>	36	<u>630</u>	No
Total	<u><u>2,708</u></u>		<u><u>1,181</u></u>	
31 December 2020				
Current (not past due)	47	10	5	No
1 - 30 days past due	92	31	29	No
31 – 60 days past due	473	27	127	No
61 – 90 days past due	105	79	83	No
91 - 120 days past due	114	79	91	No
More than 120 days past due	<u>1,292</u>	36	<u>459</u>	No
Total	<u><u>2,123</u></u>		<u><u>794</u></u>	

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

Notes to the Financial Statements For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

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

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

7.1.3 Liquidity risk

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

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

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

The Gordon manages liquidity risk by:

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

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

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

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

Notes to the Financial Statements For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.2 Contingent assets and contingent liabilities

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

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

There were no contingent assets or contingent liabilities as at 31 December 2021 (31 December 2020: None) that may have a material effect on the financial operations of The Gordon.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

There were no transfers between levels during the year.

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

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2021 and 2020.

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

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

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

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

	Fair Value Hierarchy			
	Carrying amount at 31 December \$'000	Level 1 Quoted Prices \$'000	Level 2 Observable Price Inputs \$'000	Level 3 Unobservable Inputs \$'000
2021				
Land at fair value				
Non-specialised land	11,425	-	11,425	-
Specialised land	12,355	-	-	12,355
Total land at fair value	23,780	-	11,425	12,355
Buildings at fair value				
Specialised buildings	86,176	-	-	86,176
Heritage buildings	14,264	-	-	14,264
Total buildings at fair value	100,440	-	-	100,440
Cultural assets at fair value				
Works of art	181	-	181	-
Total cultural assets at fair value	181	-	181	-

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

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

	Carrying amount at 31 December \$'000	Fair Value Hierarchy		
		Level 1 Quoted Prices \$'000	Level 2 Observable Price Inputs \$'000	Level 3 Unobservable Inputs \$'000
Other assets at fair value				
Plant and equipment	4,879	-	-	4,879
Vehicles	270	-	-	270
Leasehold improvements	574	-	-	574
Library collection	171	-	-	171
Right-of-use assets	2,438	-	-	2,438
Total other assets at fair value	8,332	-	-	8,332
Total assets measured at fair value	132,733	-	11,606	121,127
2020				
Land at fair value				
Non-specialised land	11,425	-	11,425	-
Specialised land	12,355	-	-	12,355
Total land at fair value	23,780	-	11,425	12,355
Buildings at fair value				
Specialised buildings	79,044	-	-	79,044
Heritage buildings	13,095	-	-	13,095
Total buildings at fair value	92,139	-	-	92,139
Cultural assets at fair value				
Works of art	176	-	176	-
Total cultural assets at fair value	176	-	176	-
Other assets at fair value				
Plant and equipment	5,340	-	-	5,340
Vehicles	534	-	-	534
Leasehold improvements	679	-	-	679
Library collection	151	-	-	151
Right-of-use assets	3,501	-	-	3,501
Total other assets at fair value	10,205	-	-	10,205
Total assets measured at fair value	126,300	-	11,601	114,699

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

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

Impairment

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

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

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

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

7.3.2 Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 1031 *Non-financial Physical Assets* issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria ("VGV") with an effective date of 31 December 2017.

For the year ended 31 December 2021, The Gordon conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

Notes to the Financial Statements For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

The VGV indices, which are based on data to December 2021, indicate an average cumulative increase of 5.8% across all land parcels and a 12.5% cumulative increase in buildings since the 2017 independent valuation. Managerial adjustment is required in 2021 for buildings as the movements in the VGV indices were more than 10%. No managerial adjustment was required for land parcels.

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

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

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2017. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

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

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

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

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

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

Notes to the Financial Statements For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

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

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

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

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

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

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

There were no changes in valuation techniques throughout the period to 31 December 2021.

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Reconciliation of level 3 items for the periods ended 31 December 2020 and 31 December 2021

	Leasehold Improvements \$'000	Specialised and Heritage Buildings \$'000	Specialised Land	Plant and Equipment \$'000	Motor Vehicles \$'000	Library Collection \$'000	Right-of- Use Assets \$'000
Level 3 Fair value measurements 2020							
As at 1 January 2020	804	93,796	12,355	5,189	770	148	4,295
Additions	-	1,392	-	1,304	13	28	153
Depreciation / Amortisation	(106)	(3,065)	-	(1,156)	(249)	(25)	(947)
Transfers into or out of Level 3	(19)	16	-	3	-	-	-
Balance as at 31 December 2020	679	92,139	12,355	5,340	534	151	3,501
Level 3 Fair value measurements 2021							
As at 1 January 2021	679	92,139	12,355	5,340	534	151	3,501
Additions	-	273	-	387	-	45	97
Disposals / Reductions in right-of-use assets due to changes in lease liability	-	-	-	(7)	(39)	-	(574)
Depreciation / Amortisation	(105)	(3,102)	-	(1,154)	(225)	(25)	(586)
Revaluation	-	11,125	-	-	-	-	-
Transfers into or out of Level 3	-	5	-	313	-	-	-
Balance as at 31 December 2021	574	100,440	12,355	4,879	270	171	2,438

Notes to the Financial Statements
For the Year Ended 31 December 2021

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	Direct cost per square metre	A change in the direct cost per square metre would result in a significantly higher or lower fair value
Heritage buildings	Current replacement cost	Direct cost per square metre	A change in the direct cost per square metre would result in a significantly higher or lower fair value
Motor vehicles	Current replacement cost	Useful life of vehicles	A change in the useful life may have an impact on the fair value (higher / lower)
Plant and equipment	Current replacement cost	Useful life of plant and equipment	A change in the useful life may have an impact on the fair value (higher / lower)
Leasehold improvements	Current replacement cost	Useful life of leases	A change in the useful life may have an impact on the fair value (higher / lower)
Library collection	Current replacement cost	Useful life of library books	A change in the useful life may have an impact on the fair value (higher / lower)

Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Governance Disclosures

8.1 Responsible persons

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

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

Position	Name	Dates of Appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MLC	1 January 2021 to 31 December 2021
Board Chair	Justin Giddings	1 January 2021 to 31 August 2021
Board Chair/Director	David Bowen	1 January 2021 to 31 December 2021*
Deputy Chair	Darryl Mohr	1 January 2021 to 31 December 2021
Chief Executive Officer	Joe Ormeno	1 January 2021 to 31 December 2021
Board Director	Virginia Fenelon	1 January 2021 to 31 December 2021
Board Director	Daniel Smedley	1 January 2021 to 31 December 2021
Board Director	Matthew Wright	1 January 2021 to 31 December 2021
Board Director	Adam Canny	1 January 2021 to 31 December 2021
Board Director	Corrina Eccles	1 January 2021 to 31 December 2021
Board Director	Gillian Miles	1 January 2021 to 31 December 2021
Board Director	Patti Manolis	1 September 2021 to 31 December 2021

* Appointed Board Chair on 1 September 2021

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of The Gordon during the reporting period was in the range: \$350,000 – \$359,999 (2020: \$350,000 – \$359,999).

There were no termination benefits paid in 2021 included in the above (2020: Nil).

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

	2021	2020
Income range		
Less than \$10,000	1	2
\$10,000 – \$19,999	-	1
\$20,000 – \$29,999	6	5
\$30,000 – \$39,999	2	-
\$40,000 – \$49,999	-	1
\$90,000 - \$99,999 *	-	1
\$110,000 - \$119,999 *	1	-
Total number	10	10
Total remuneration (\$'000)	332	297

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Governance Disclosures (continued)

8.2 Remuneration of executives

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

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

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

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

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

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

Several factors affected total remuneration payable to executives over the 2021 year. For instance, staff turnover and the timing of appointments. Also, there were a number of officers who resigned or reached the completion of their tenure. This has had a significant impact on remuneration figures or the termination benefits category.

	2021 \$'000	2020 \$'000
Remuneration		
Short-term employee benefits	783	977
Post-employment benefits	75	86
Other long-term benefits	22	19
Termination benefits	177	99
Total remuneration	1,057	1,181
Total number of executives	5	6
Total annualised employee equivalents (i)	4	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

Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Governance Disclosures (continued)

8.3 Related parties (continued)

- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

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

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

- Gotec Limited

Significant transactions with related entities

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Related party transactions				
Debtor - Belmont High	1	62	-	47
Debtor - Grovedale Secondary College	-	55	-	51
Debtor - Lodge Catering	36	14	-	-
Debtor - B3Thirds Pty Ltd	1	-	-	-
Debtor - Avolon Airport	3	-	-	-
Debtor - Avolon No. 1 Pty Ltd	3	-	-	-
Debtor - Barwon Child Youth and Family (BCYF)	1	-	-	-
Debtor - Committee for Wyndham	-	-	1	-
Debtor - Victorian TAFE Association	48	-	-	-
Creditor - Barwon Water	(35)	(38)	-	-
Creditor - Lodge Catering	(54)	(44)	-	(3)
Creditor - Barwon Child Youth and Family (BCYF)	-	-	(2)	-
Creditor - Belmont High	(1)	-	-	-
Creditor - Committee for Geelong	(13)	-	-	-
Creditor - Committee for Wyndham	(3)	-	-	-
Creditor - Victorian TAFE Association	(151)	-	-	-
Creditor - Wadawurrung Traditional Owners Aboriginal Corp	(5)	-	-	-
Total	(169)	49	(1)	95

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Governance Disclosures (continued)

8.3 Related parties (continued)

Compensation of key management personnel

	2021 \$'000	2020 \$'000
Remuneration		
Short-term employee benefits	1,405	1,576
Post-employment benefits	125	129
Other long-term benefits	32	28
Termination benefits	177	99
Total remuneration	1,739	1,832

Transactions and balances with key management personnel and other related parties

The Gordon had no other related party transactions for the period ended 31 December 2021.

8.4 Remuneration of auditors

Remuneration of the Victorian Auditor-General's Office

Audit of the financial statements	95	95
Total remuneration of the Victorian Auditor-General's Office	95	95
Remuneration of other auditors		
Internal audit services	66	31
Total remuneration of other auditors	66	31
Total	161	126

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

9 Other Disclosures

9.1 Other economic flows included in net result

Net gain/(loss) on financial instruments

Greener Government loan discount	107	-
Total net gain/(loss) on financial instruments	107	-

Other gains/(losses) from other economic flows

Net gain/(loss) arising from revaluation of long service leave liability	311	468
Total other gains/(losses) from other economic flows	311	468
Total other economic flows included in net result	418	468

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

9 Other Disclosures (continued)

9.1 Other economic flows included in net result (continued)

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

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

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

9.2 Other equity reserves

9.2.1 Physical asset revaluation surplus

	2021 \$'000	2020 \$'000
Balance at 1 January	72,348	72,348
Revaluation increment/(decrement) on non-current assets	11,125	-
Balance at 31 December	83,473	72,348

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

9.2.2 Special and general purpose reserves

Balance at 1 January	1,340	1,375
Transfers from/(to) accumulated surplus	(12)	(35)
Balance at 31 December	1,328	1,340
Total reserves	84,801	73,688

9.3 Events after reporting date

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

9 Other Disclosures (continued)

9.4 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises The Gordon of their applicability and early adoption where applicable.

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

9.5 New or amended Accounting Standards and Interpretations adopted

9.5.1 Conceptual Framework for Financial Reporting (Conceptual Framework)

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

KEY PERFORMANCE INDICATORS

Key Performance Indicators

For the Year Ended 31 December 2021

TAFE Sector Standard Key Performance Indicators

Indicator Title	Description and Methodology	Metric	2021 Target	2021 Actual	Explanation of Variances	Prior Year
Training revenue diversity	Breakdown by training revenue split by government funded and fee for service. <i>Training revenue split by:</i> - Government Funded (GF) - Fee for Service (FFS) - Student Fees and Charges (SFC)	Percentage	73.00% 14.10% 12.90%	79.40% 12.30% 8.40%	The 2021 budget was prepared under the assumption that COVID-19 would no longer impact operations. This did not eventuate and The Gordon was again affected by restrictions which severely limited our ability to pursue FFS opportunities and also the continued requirement for remote learning impacted SFC revenue. The revenue mix was consistent with our 2020 results that was also COVID-19 affected.	77.30% 13.90% 8.80%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue.	Percentage	112.00%	109.50%	This result was also affected by the continuation of COVID-19 and the continued reduction in annual leave and long service leave being taken. There was also a slightly unfavourable movement in bond rates that further impacted leave balances. The increase from 2020 was also impacted by the increase in superannuation guarantee charge from 9.5% to 10% in 2021.	117.40%
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	\$165,832	\$176,912	The 2021 increase was a result of restructures within our teaching departments with the focus of increasing labour efficiency. As part of this restructure, some teaching roles were converted to non-teaching roles which led to a reduction in teaching FTE from 306 in 2020 to 291 in 2021.	\$156,059
Operating margin	Operating margin %: <i>EBIT (excl. Capital Contributions)/Total Revenue (excl. Capital Contributions)</i>	Percentage	-22.80%	-16.80%	The 2021 result was ahead of budget due to an additional \$5.7m in once-off government grant funding which included \$750k for Aboriginal Pathways to Employment, \$511k in JobTrainer as well as various maintenance funding. This was partially offset by training revenue	-20.60%

Gordon Institute of TAFE

ABN 27 241 053 246

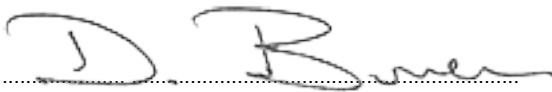
Performance Statement For the Year Ended 31 December 2021

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

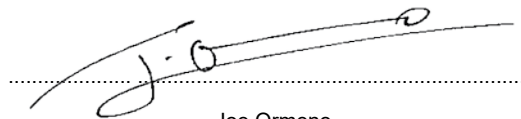
In our opinion, the accompanying Statement of Performance of the Gordon Institute of TAFE, in respect of the year ended 31 December 2021, is presented fairly.

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

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



David Bowen
Board Chair



Joe Ormeno
Chief Executive



Steven Reaper
Chief Financial, People and Operating Officer

Dated 17 March 2022

Geelong

Independent Auditor’s Report

To the Board of the Gordon Institute of TAFE

Opinion	<p>I have audited the accompanying performance statement of the Gordon Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2021 • the management certification. <p>In my opinion, the performance statement of the Gordon Institute of TAFE in respect of the year ended 31 December 2021 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
22 March 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

GOTEC Limited

ABN 49 006 410 671

Financial Statements

For the Year Ended 31 December 2021

GOTEC Limited

ABN 49 006 410 671

For the Year Ended 31 December 2021

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GOTEC Limited ("the Company") has presented its audited-general purpose financial statements for the financial year ended 31 December 2021 in the following structure to provide users with the information about Company's stewardship of resources entrusted to it.

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Independent Auditor's Report

To the Directors of GOTECH Limited

Opinion	<p>I have audited the financial report of GOTECH Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2021 • 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 • Directors' 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 2021 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 2021, but it does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, Part 7 of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
22 March 2022

Auditor-General's Independence Declaration

To the Directors, GOTEC Limited

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

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

Independence Declaration

As auditor for GOTEC Limited for the year ended 31 December 2021, 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 March 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

GOTEC Limited

ABN 49 006 410 671

Directors' Report

For the Year Ended 31 December 2021

The directors present their report on GOTEC Limited ("the Company") for the financial year ended 31 December 2021.

Information on directors

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

Mr Joe Ormeno

Qualifications Bachelor of Commerce (Accounting and Finance), CPA

Mr Daniel Smedley

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

Ms Virginia Fenelon

Qualifications (Appointed 31 August 2021)
Master of Education, Federation University, 2000; Higher Diploma of Teaching, Secondary (4 years), Rusden State College of Victoria, 1973; Diploma of Frontline Management, Federation University, 1999; Four auditing units from BSB51607 Diploma of Quality Auditing, Sunraysia Institute of TAFE, 2011; Assessment units from TAA04 Training and Assessment Training Package, Ballarat Group Training and Federation University, 2009

Mr Justin Giddings

Qualifications (Term ended 31 August 2021)
AdvDipMgt, Bachelor of Commerce (Economics and Accounting), MBA

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

Meetings of directors

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

Principal activities

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

Objectives

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

Directors' liability

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

Review of operations

The operating profit for the year is \$473 (2020: \$458).

GOTEC Limited

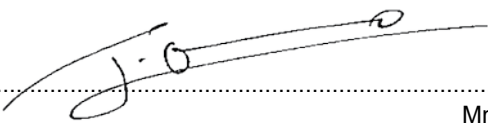
ABN 49 006 410 671

Directors' Report
For the Year Ended 31 December 2021

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2021 has been received and can be found on page 71 of the financial report.

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

Director: 
Mr Joe Ormeno

Dated this 17th day of March 2022

Geelong

GOTEC Limited

ABN 49 006 410 671

Financial Report For the Year Ended 31 December 2021 Declaration by the Directors of the Company

The directors of GOTEC Limited ("the Company") declare that the attached financial statements for the Company have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, *Corporations Act 2001* and other mandatory professional reporting requirements.

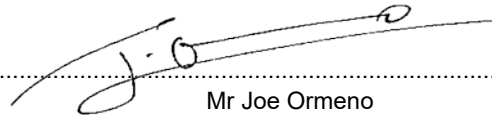
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, give a true and fair view of the financial transactions during the year ended 31 December 2021 and financial position of the GOTEC Limited as at 31 December 2021.

At the date of signing this financial report, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they became due and payable.

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



.....
Mr Daniel Smedley
Director



.....
Mr Joe Ormeno
Director

Dated this 17th day of March 2022
Geelong

GOTEC Limited

ABN 49 006 410 671

**Comprehensive Operating Statement
For the Year Ended 31 December 2021**

	2021 \$	2020 \$
Continuing operations		
Revenue and income from transactions		
Other income	473	458
Total revenue and income from transactions	<u>473</u>	<u>458</u>
Expenses from transactions		
Other operating expenses	-	-
Total expenses from transactions	<u>-</u>	<u>-</u>
Net result from transactions	<u>473</u>	<u>458</u>
Other economic flows included in net result	-	-
Net result from continuing operations	<u>473</u>	<u>458</u>
Net result	<u>473</u>	<u>458</u>
Other economic flows - other comprehensive income		
Items that will be reclassified to net result	-	-
Items that will not be reclassified to net result	-	-
Comprehensive result	<u>473</u>	<u>458</u>

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

GOTEC Limited

ABN 49 006 410 671

Balance Sheet

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	3.1	<u>46,436</u>	45,963
TOTAL FINANCIAL ASSETS		<u>46,436</u>	45,963
TOTAL ASSETS		<u>46,436</u>	45,963
LIABILITIES			
Payables	2.1	<u>41,345</u>	41,345
TOTAL LIABILITIES		<u>41,345</u>	41,345
NET ASSETS		<u>5,091</u>	4,618
EQUITY			
Accumulated surplus		<u>5,091</u>	4,618
NET WORTH		<u>5,091</u>	4,618

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

GOTEC Limited

ABN 49 006 410 671

**Statement of Changes in Equity
For the Year Ended 31 December 2021**

2020

	Accumulated Surplus	Total
	\$	\$
Balance at 1 January 2020	4,160	4,160
Net result for the year	458	458
Balance at 31 December 2020	4,618	4,618

2021

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

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

GOTEC Limited

ABN 49 006 410 671

Cash Flow Statement For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts		
Interest received	473	458
Total receipts from operating activities	473	458
Payments		
Other payments	-	-
Total payments from operating activities	-	-
Net cash provided by/(used in) operating activities	473	458
	3.1.1	
Net increase/(decrease) in cash and cash equivalents held	473	458
Cash and cash equivalents at the beginning of the financial year	45,963	45,505
Cash and cash equivalents at the end of the financial year	46,436	45,963
	3.1	

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

GOTEC Limited

ABN 49 006 410 671

Notes to the Financial Statements For the Year Ended 31 December 2021

1 About This Report

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

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

Its registered office and principal address is:

Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

1.1 Basis of preparation

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

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

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

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

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

Goods and Services Tax (GST)

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

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

Funding risk

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 About This Report (continued)

1.1 Basis of preparation (continued)

Funding risk (continued)

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

1.2 Compliance information

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

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

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

1.3 Impact of COVID-19

The coronavirus (COVID-19), which was declared a global pandemic in March 2020, continues to evolve in 2021.

Various restrictions such as lockdowns and closure of the state's borders continue to be enforced and implemented by the government as required to contain the spread of the virus and to prioritise the health and safety of our communities. These actions have in turn, continued to impact the manner in which businesses operate, including the Company.

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

Notes to the Financial Statements
For the Year Ended 31 December 2021

2 Balances from Operations

2.1 Payables

	Note	2021 \$	2020 \$
Current			
Contractual payables			
Loan payable to The Gordon	5.3	<u>41,345</u>	41,345
Total contractual payables		<u>41,345</u>	41,345
Total current payables		<u>41,345</u>	41,345

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

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

Ageing analysis of contractual payables

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

	Carrying amount \$	Nominal amount \$	Less than 1 month \$	1-3 months \$	3 months - 1 year \$	1-5 years \$
2021						
Supplies and services	-	-	-	-	-	-
Loan payable	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-
Total	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-
2020						
Loan payable	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-
Total	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 How We Financed Our Operations

3.1 Cash and deposits

	2021	2020
	\$	\$
Cash at bank and on hand	46,436	45,963
Total cash and deposits	46,436	45,963

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

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

Net result for the year	473	458
Net cash flows from / (used in) operating activities	473	458
Per cash flow statement	473	458

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

4 Managing Risks and Uncertainties

4.1 Financial instruments

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

Categories of financial instruments

	2021	2020
Note	\$	\$
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	46,436	45,963
Total contractual financial assets	46,436	45,963
Contractual financial liabilities		
Loans and payables		
Related party payable	41,345	41,345
Total contractual financial liabilities	41,345	41,345

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

Categories of financial instruments

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

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

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

The Company recognises the following assets in this category:

- cash and deposits.

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

- payables (excluding statutory payables).

4.1.1 Financial risk management objectives and policies

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

4.1.2 Credit risk

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.2 Credit risk (continued)

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

	Financial Institutions (AA-rating)	Government Agencies (AAA-rating)	Other Counterparty	Total
	\$	\$	\$	\$
2021				
Cash and deposits	46,436	-	-	-
Receivables	-	-	-	-
Total contractual financial assets	46,436	-	-	-
2020				
Cash and deposits	45,963	-	-	-
Total contractual financial assets	45,963	-	-	-

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

4.1.3 Market risk

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

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

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

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

Interest rate risk

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

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

Notes to the Financial Statements For the Year Ended 31 December 2021

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.3 Market risk (continued)

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

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

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

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount at 31 December	Interest rate exposure		
			Floating interest rate	Fixed interest rate	Non-interest bearing
	%	\$	\$	\$	\$
2021					
Financial assets					
Cash and deposits	1	46,436	46,436	-	-
Total financial assets		46,436	46,436	-	-
2020					
Financial assets					
Cash and deposits	1	45,963	45,963	-	-
Total financial assets		45,963	45,963	-	-

Sensitivity analysis and assumptions

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

- a movement of 100 basis points up or down (2020: 100 basis points up or down) in market interest rates (AUD)

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.3 Market risk (continued)

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

	Carrying amount at 31 December \$	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result \$	Equity \$	Result \$	Equity \$
2021					
Financial assets					
Cash and deposits	46,436	(464)	(464)	464	464
Total impact	46,436	(464)	(464)	464	464
2020					
Financial assets					
Cash and deposits	45,963	(460)	(460)	460	460
Total impact	45,963	(460)	(460)	460	460

4.2 Contingent assets and contingent liabilities

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

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

There were no contingent assets or contingent liabilities as at 31 December 2021 (31 December 2020: None) that may have a material effect on the financial operations of the Company.

Notes to the Financial Statements For the Year Ended 31 December 2021

5 Governance Disclosures

5.1 Responsible persons

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

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

Position	Name	Dates of Appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MLC	1 January 2021 to 31 December 2021
Director	Joe Ormeno	1 January 2021 to 31 December 2021
Director	Daniel Smedley	1 January 2021 to 31 December 2021
Director	Virginia Fenelon	31 August 2021 to 31 December 2021
Director	Justin Giddings	1 January 2021 to 31 August 2021

Remuneration

The directors did not receive any remuneration from the Company in the year ended 31 December 2021 (2020: NIL). There are no other key management personnel in GOTEC Limited apart from the members of the board.

5.2 Ultimate parent entity

The ultimate parent entity of the Company is The Gordon Institute of TAFE.

5.3 Related parties

Related parties of the Company include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- the ultimate parent entity; and
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

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

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

Related party transactions

	Note	2021 \$	2020 \$
Current payables (loans)			
The Gordon Institute of TAFE	2.1	41,345	41,345
Total current payables		41,345	41,345

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Governance Disclosures (continued)

5.4 Remuneration of auditors

The Company is reliant upon its parent entity for financial support for payment of its annual audit fees. During the year ended 31 December 2021, \$7,950 (2020: \$7,100) was paid for the external audit of the annual report.

6 Other Disclosures

6.1 Interest income

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

6.2 Events after reporting date

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

6.3 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period.

As at 31 December 2021, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2022 that are expected to impact the Company.

Geelong City Campus

2 Fenwick Street, Geelong
Victoria, Australia 3220

East Geelong Campus

Boundary Road, East Geelong
Victoria, Australia 3219

Werribee Campus

24 Watton Street, Werribee
Victoria, Australia 3030

Hoppers Crossing Trades Campus

195 Old Geelong Road, Hoppers Crossing
Victoria, Australia 3029

Werribee Princes Campus

180 Princes Highway, Hoppers Crossing
Victoria, Australia 3030

Colac Trade Training Centre

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