



ANNUAL REPORT 2019

Cover photo:

South West TAFE Diploma of Nursing graduate Octavia Rupanga



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WELCOME

Board Chair's Report

The importance of South West TAFE is never more apparent than at graduation ceremonies.

During 2019 I had the pleasure of attending a number of graduations. The graduates glowing with achievement and their families and friends so proud remind me why we must remain a strong and prosperous organisation and continue to offer high-quality education and training opportunities to our region.

Our success contributes to the region's success. With 87 per cent of our students finding jobs after graduating, we are educating and equipping people for the workforce, supporting local industries and providing real benefit to the region.

South West TAFE has experienced a very successful year full of challenges and complexities.

One of the most exciting aspects of 2019 was the State Government's Free TAFE initiative. There was outstanding interest across the region, which led to operational challenges which our people addressed in an amazing manner, truly reflecting our values of leadership and responsiveness. Free TAFE is creating life-changing benefits.

The Board focused on ensuring South West TAFE had the resources needed to meet these challenges while continuing to improve our governance and strategic decision making. We spent significant time ensuring appropriate plans and policies are in place to facilitate a successful future. Our Strategic Plan for the next three years has been reviewed and is expected to be finalised in early 2020.

While focusing on ensuring the organisation achieves its strategic goals, we also looked internally at the composition of the Board.

During the year we said farewell to Board members Sharna Westley and our former chair, Felicity Melican, while in December 2018 Doreen Power's tenure ended. We thank them for their support, commitment and professionalism in guiding South West TAFE.

We welcomed Chris Holloway as a staff-elected director, who brings great knowledge of the organisation to the Board, and lawyer Bill Brown, whose legal expertise has strengthened our governance practices and helped us to address challenges that arose during the year. Denise Lovett joined the Board in December 2019 and I look forward to her contribution as a Director.

Personally, I was pleased to be reappointed to the Board for a three-year term and I also congratulate Susan Brumby on her reappointment.

Our Board sees the potential to create greater depth of director expertise in the region. Succession planning and development opportunities are essential to ensuring continuing good governance. Our involvement in The Observership Program during 2020 will help to strengthen the pool of director expertise in the region. This program provides an individual an opportunity to observe the Board over a 12-month period, increasing their skills and experience in this area.

The Board was pleased to meet in Portland and Hamilton during the year. Unfortunately, our planned meeting in Colac did not occur. However, this is scheduled to occur in March 2020. We are a south-west organisation and proud of our commitment to the whole region.

An important development during 2019 was the creation of an Infrastructure Committee to assist the Board to carry out its duties.

This committee is taking a two-pronged approach in ensuring our extensive physical infrastructure is maintained and renewed as needed during a period of strong growth, and to improve our information and communication technology.

While our physical facilities continue to expand and improve across all locations, the digital world is also growing. Historically, South West TAFE's IT infrastructure and system investments have been weighted towards student-delivery. We identified the need for stronger and more secure back-end systems and carried out significant work in this space during 2019.

Other Board committees and working groups continue to add value to the work of the Board. I thank my fellow Directors for their support and for their strong individual and collective contributions during 2019.

The planned Learning and Library Hub has been a major focus during the year. The appointment of architects rounded off 12 months of progress in the initiating and planning phases. We have formed a governance group to guide the project and an important aspect of the Learning and Library Hub is the strong collaboration with project partners the Department of Education and Training and Warrnambool City Council. We look forward to this major project coming to fruition in 2022.

One of the Board's priorities is to ensure South West TAFE remains agile and innovative to ensure we offer the best possible services in the most efficient manner.

To this end, the Board strongly advocated the New Work Mindset project which was completed during 2019.

In this project, South West TAFE partnered with the Foundation for Young Australians to make sure we help people to be more adaptable in the way they work. Today's young people are likely to have a number of different careers and this project was about identifying and developing some of the core skill sets they need to learn that can be transferable through different careers, with a particular focus on the high-demand health and aged-care industries. With a view to incorporating the findings in our course offerings, we are excited by this innovative approach to education.

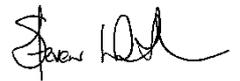
South West TAFE's success is driven by our staff. I thank the management team and all employees for their passionate and selfless support in making our TAFE one of the best TAFEs in Australia, achieving outstanding outcomes for students and industry. We have an outstanding workplace culture. I see our people working together, supporting each other and achieving outcomes beyond those that our size would suggest.

During the year the Board reviewed the CEO's position and I am pleased that the Board has reappointed Mark Fidge for a further term as CEO. Mark is respected highly by the Board, the Department and his peers. His leadership and management are commendable, and I look forward to working with him to implement our revised Strategic Plan.

The support of the State Government has been significant, and we were pleased to host Member for Western Victoria and Minister for Training and Skills and Higher Education, Gayle Tierney, several times during the year. We thank the Minister for her commitment to South West TAFE and the region in which we operate. We acknowledge the Department for its ongoing support to ensure we remain a strong TAFE delivering valuable education and training to students.

The future is forecast to be challenging from a financial perspective and during 2020, in conjunction with the Department of Education and Training, this will be a focus area of the Board. A number of industry reviews are due to conclude in 2020. The outcomes of these, and in particular the State Government's Macklin Review, is eagerly anticipated by South West TAFE.

Education and training are the cornerstone of our region's future success and South West TAFE is an integral part of that. With our ambition that education provides a lifetime of opportunities for all, we can be pleased that 2019 was a successful year and look forward with anticipation to 2020 and beyond.



Steven Waterhouse
Board Chair

24 March 2020

Formal Status

The organisation is governed by a Board of Management (Board). The Board comprises of ten members (including the Board Chair) with diverse skills, knowledge and experience. The membership of the Board comprises of five ministerial appointed Directors, three co-opted Directors, one elected staff member and the organisation's Chief Executive Officer.

The objectives, powers and functions of the Board are set out in the revised Constitution of the Board (2016). The organisation and its Board was established under the *Education and Training Report Act 2006*.

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

CEO's Report (Year in review)

South West TAFE has a long and proud history of being the region's leading education provider, and I am delighted to say that 2019 has been one of the most exciting to-date.

The implementation of the State Government's Free TAFE initiative was very successful and exceeded the organisation's expectations, resulting in the introduction of new courses, growth of existing courses and the employment of in excess of 100 new staff, resulting in a 25 per cent increase in overall student activity.

Student numbers in government-funded programs reached nearly 3000, with a total of 6000 students for the full year, providing a significant economic and training boost to our region.

Free TAFE reduces the financial barrier for students wanting to improve their skills or move to a new career pathway that will create positive employment opportunities close to home and also meet the employment needs in the region.

As part of the Free TAFE process, we have improved our induction and recruitment programs and worked hard to provide a workplace that is respected and known as an employer of choice. The organisation takes pride in its support and wellbeing of staff and I am proud our staff satisfaction survey results rated us as number one across the Victorian TAFE sector.

The organisation currently employs 400 staff with over 100 additional staff employed in 2019 to accommodate the increased activity. The growth presented an enormous challenge for the People and Culture, Teaching and service departments. I am proud of their ongoing commitment and professionalism, and how they managed the complexities of Free TAFE, the high level of enrolments and student and industry expectations.

During 2019 South West TAFE retained its high student job outcome success with more than 87 per cent employed post training, a significant achievement during a period of strong growth.

It is worth noting that South West TAFE now has 65 per cent of the market share of training in our region, up from 56 per cent the previous year. It has been very pleasing to see an increase in student activity across all campuses, providing a positive experience for our students, but at the same time, we have continued to create a positive workplace culture during this period of significant growth.

The annual People Matters survey of Government agencies shows that South West TAFE is achieving excellent outcomes. People Matters is measured across 16 fields such as staff satisfaction, integrity, accountability and respect. Of the 12 TAFEs in Victoria, we were number one in 11 of the 16 categories. A total of 89 per cent of staff completed the survey, a strong indicator of their engagement.

South West TAFE's new values were launched at the staff conference "Navigating the Future" in early 2019 and were well received, contributing to our positive culture. The values are aligned with the strategic goals of the organisation to support and inspire staff in a positive environment. They encourage staff to act with Integrity and Impartiality, Respect and Human Rights, Leadership, Accountability and Responsiveness. The organisation grants a "caregiver of the month" award, recognising and acknowledging staff members who have gone above and beyond what is expected of them.

While our staff combine to create a positive culture for our students, the students themselves continue to excel in their chosen career path.

One of many proud achievements in 2019 was Tanya McDonald's success in being named Victorian Koorie Student of the Year. Congratulations Tanya!

Numerous other students won local, regional and state awards, and a special mention to the Pure Hair and Beauty Academy who were shortlisted for a national title.

South West TAFE also facilitated World Skills for the first time, giving students the opportunity to showcase their skills in a competitive environment with the potential to represent our organisation on a national and global stage.

Our graduation ceremony events for Diploma and Advanced Diploma students, trades, hair and beauty and VCAL students was a great opportunity to highlight the exceptional talent across all training areas.

Regional collaboration has been a big focus over the past 12 months. We have worked closely with other regional TAFEs to identify enhanced efficiencies and responsiveness in delivering training needs for community and industry. Sharing expertise and learning best practice from the broader TAFE sector will result in exciting initiatives and improvements.

The planned Learning and Library Hub is one of the most exciting developments on the horizon for our region. There has been a strong focus on this project during 2019, with the creation of working parties and a governance group, in partnership with the Warrnambool City Council and the State Government.

The next step of the project is the design phase and is about to commence. We will engage with the community during 2020 and anticipate that construction will commence in early 2021. This project will consolidate our masterplan as an education and cultural precinct. We are driven to provide a site that addresses the social and economic needs of our region through educational solutions facilitated and supported by South West TAFE.

As part of the New Work Mindset program, South West TAFE Warrnambool Campus established a new entrepreneurial hub called "The Hive" in order to create a new learning environment for the local community and surrounding areas. Officially opened in mid-2019, The Hive facility provides a dynamic environment for start-ups, small businesses, industry, students and other young and/or mature people to undertake project based learning experience by working or bringing a new idea to life and building on their enterprise skills in the process. The Hive will also provide training on growing an entrepreneurial mindset and how to create your own job, grow a local social enterprise network and provide support through mentoring.

During 2019 Southern Grampians Adult Education (SGAE) relocated its Warrnambool operation to our campus, with a similar model being considered for the Hamilton region. This is another example of developing a 'one-stop shop', giving people an opportunity to start at a pre-accredited level and opening pathways to Certificates and Diplomas with the potential to progress on to Higher Education through our continued relationship with Deakin University.

In early 2019, the Colac Campus relocated to a newly refurbished site, establishing itself as a popular location for training and this continues to grow. To cope with demand, we plan to find additional on-the-job training locations in collaboration with local industry partners.

Regional Development Victoria has provided funding to investigate the creation of a regional hub concept for the Hamilton and Portland regions, offering local students industry leading technology and learning support to provide broader educational opportunities locally retaining students in our region.

This pilot project has been facilitated by South West TAFE and a draft report will be presented to the Great South Coast Group in 2020 for consideration as a regional priority. It is an exciting and important concept that we are proud to be involved in to improve the educational needs in regional communities.

I would like to take this opportunity to thank everyone who has contributed to making South West TAFE a success in 2019. Our Board, Executive team and staff have been exemplary during such a challenging and exciting time of growth.

I particularly wish to thank outgoing Chair Felicity Melican for her significant contribution, dedication and leadership. Special welcome to our new Chair, Steven Waterhouse who brings a wealth of experience and expertise to the role.

We have created a workplace culture where our people enjoy coming to work to make a valuable contribution to support the education needs for students of all ages, abilities and backgrounds in a safe learning environment so they can flourish with confidence on their journey to a new career path.

In closing, the opportunities that come with the expansion of Free TAFE in 2020 will hold the organisation in good stead for the future, and will continue to play a pivotal role in providing educational aspirations for our community and regional areas.



Mark Fidge
Chief Executive Officer

24 March 2020



STATEMENT OF PERFORMANCE MANAGEMENT CERTIFICATE FOR 2019

In our opinion, the accompanying Statement of Performance of South West Institute of TAFE, in respect of the 2019 financial year, is presented fairly.

The Statement outlines the performance indicators as determined by the responsible Minister, predetermined targets and the actual results for the year against those 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 circumstances which would render any particulars in the Statement to be misleading or inaccurate.

Handwritten signature of Steven Waterhouse.

Steven Waterhouse
Board Chair

14 April 2020

Handwritten signature of Mark Fidge.

Mark Fidge
Chief Executive Officer

14 April 2020

Handwritten signature of Jacob Taylor.

Jacob Taylor
Chief Finance and Accounting Officer

14 April 2020

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Independent Auditor's Report

To the Board of South West Institute of TAFE

Opinion

I have audited the accompanying statement of performance of South West Institute of TAFE (the institute) which comprises the:

- statement of performance for the year ended 31 December 2019
- statement of performance management certification.

In my opinion, the statement of performance of South West Institute of TAFE in respect of the year ended 31 December 2019 presents fairly, in all material respects.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the statement of performance* section of my report.

My independence is established by the *Constitution Act 1975*, and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the statement of performance

The Board is responsible for the preparation and fair presentation of the statement of performance in accordance with the performance reporting requirements of the and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the statement of performance

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the statement of performance based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the statement of performance 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 statement of performance.

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 statement of performance, 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 statement of performance, including the disclosures, and whether the statement of performance 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
15 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Statement of Performance

The Statement of Performance below shows the Institute's performance levels against 2018/2019 Strategic Plan targets. The Statement of Performance complements the financial audit and provides an opportunity for stakeholders to assess the Board and the Executive Management Group's performance in achieving their defined targets in 2019.

Indicator title	Description and methodology	Measure	2019 Target	2019 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by:				Student fees and charges diversity has varied to budget as a result of reclassification of income coding since budgeting. TAFE Free tuition fees are classified as Government Funded reducing student fees and charges from prior year results.	
	• Government Funded(GF)	%	67.0%	81.5		75%
	• Fee for Service(FFS)	%	11.0%	7.3%		8.1%
	• Student Fees and Charges	%	22.0%	11.2%		16.9%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue (Employment costs – Workforce reduction expenses + 3 rd party training delivery costs) / Training revenue	%	119.7%	126.0%	Employment costs have risen in 2019 to meet the increased training demands under Free TAFE. Larger class sizes have been a favourable contributor for this ratio. Recalibration of Skills First income payments have reduced income in the final months of 2019 leading to the final variance.	130.5%
Training revenue per teaching FTE*	Training revenue (excl. revenue delivered by third parties) per Teaching FTE* Training revenue (excl. revenue delivered by 3 rd parties) / Teaching FTEs*	\$	140,920	150,018	Increased class sizes and overall increased student contact hours have had a favourable impact on this ratio.	\$133,492
Operating margin percentage	Operating margin % EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)	%	(69.4%)	(15.2%)	The institute received unbudgeted funding within the 2019 period that has resulted in a favourable result compared to targets.	11%

Capital Works

Significant projects conducted in 2019 include:

- Portland fume extraction upgrade
- Standby generator refurbishment
- Sherwood Park – Concentrated effort and expenditure to address a suite of improvements/maintenance issues
- F Block lift replacement
- Florence Collins sub-floor plumbing replacement
- Large volume of floor replacement initiatives (floor coverings)
- Significant volume of painting both internal and external
- F Building – swipe access installation to all perimeter doors
- Major remedial works to Florence Collins (continuing)
- Realignment and resurfacing of B Building boiler room
- Thorough testing and verification of building security systems
- Air conditioning improvements and maintenance
- Main automatic entrance doors replaced at the Timor Street Warrnambool Campus
- ESM requirements and audits delivered.

South West TAFE continued to fulfil its obligations regarding the maintenance of Essential Safety Measures, and the process continues to be supported by the OHS & Emergency Planning Committee and consultant Stokes Safety. These works were part of the organisation's legal and community obligations under the following regulations:

- *Building Act 1993*
- *Building Regulations Act 2006 and the Interim Act 2017*
- Building Code of Australia Essential Safety Measures
- *Occupational Health and Safety Act 2004*

Environmental Sustainability

South West TAFE remains committed to reducing its impact on the environment.

We ensure that staff and students work together to reduce the organisation's environmental impacts, develop proactive responses to environmental best practices and achieve innovative solutions in line with our strategic objective to be a leader in our approach to environmental sustainability.

In 2019 plans have been made to replace old Mercury Vapour lighting at both Sherwood and Portland Campuses with LED high-bay lighting. This initiative will be delivered in 2020 within 12 months.

The following energy performance initiatives and savings were achieved in 2019:

TRANSPORTATION

South West TAFE had a motor vehicle fleet of 41 vehicles.

Total kilometres travelled increased to 987,305km per annum. The vehicle fleet continues to incorporate energy-efficient vehicles of three Hybrids. Using the organisation's Transport and Motor Vehicle guidelines, staff are encouraged to participate in alternative methods of transport, including car pooling and train travel, and to consider greater utilisation of video conferencing and other online technologies.

PAPER

Our organisation endeavours to purchase 100% carbon neutral paper.

ENERGY USE

South West TAFE is in line to achieve a reduction of 930tpa of CO₂ as per the Greener Government Building Program.

WASTE MANAGEMENT

South West TAFE continues to take all opportunities to explore alternative recycling options regarding waste material and waste contracts.

WATER REDUCTION

South West TAFE continues to investigate the use of water harvesting initiatives and sustainable practices in refurbishment and new building works.

PROCUREMENT

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

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

Environmental Data

INDICATORS	Wbool City Campus	Sherwood Park Campus	Hamilton Campus	Portland Campus	Colac Campus	Total
Gross Useable Floor Area	15,938	7,069	2,250	3,860	572	29,689
FTE						241.8
GAS & ELECTRICITY						
E1 Total energy useage segmented by primary sources (including green power)				Megajoules - Gas		8,928,310
				Megajoules - Electricity		1,758,819
E2 Greenhouse gas emissions associated with energy use, segmented by primary source				Tonnes CO2-e Gas		509
				Tonnes CO2-e Electricity		2051
E3 Percentage of electricity purchased by Green Power				%		10%
E4 Units of energy per FTE				Megajoules/FTE		44,198
E5 Units of energy per unit office space				Megajoules/m2		360
WASTE PRODUCTION						
Ws1 Total units disposed of by distination				Landfill (kg)		74,619
				Recycled (kg)		35,407
				Greenwaste (kg)		not recorded
Ws2 Units disposed per FTE by destination				Landfill (kg/FTE)		309
Ws3 Recycling rate (% of total waste by weight)				%		32%
Ws4 Greenhouse gas emissions associated with waste disposal				Tonnes CO2-e		88.97
PAPER USE						
P1 Total units of A4 equivalent copy paper used (reams)				Reams		4,060
P2 Reams of A4 equivalent copy paper used per FTE				Reams/FTE		17
P3 Percentage of recycled content in copy paper purchased (%)				%		10%
WATER						
W1 Total units of metered Water consumed by water source				Kilolitres		5,873
W2 Units of metered Water consumed in offices per FTE				Kilolitres/FTE		24
W3 Units of metered Water consumed in offices per area				Kilolitres per m2		0.20
TRANSPORTATION						
T1 Total energy consumption by operational vehicles	GJ					not recorded
T2 Total vehicle travel associated with entity operations	km		649,416	271,287	66,602	987,305
T3 Greenhouse gas emissions associated with operational vehicle fleet	Tonnes CO2-e		106	45	8	159
T4 Greenhouse gas emissions from vehicle fleet per 1,000kms	Tonnes CO2-e		0.16	0.17	0.12	0.16
T5 Total distance travelled by air	km					24,310
T6 Employees regularly using public transport, cycling, walking to and from work (%)						5
GREENHOUSE GAS EMISSIONS						
G1 Total Greenhouse gas emissions associated with energy use				Tonnes CO2-e		2,560
G2 Total Greenhouse gas emissions associated with vehicle fleet				Tonnes CO2-e		159
G3 Total Greenhouse gas emissions associated with air travel				Tonnes CO2-e		10
G4 Total Greenhouse gas emissions associated with waste disposal				Tonnes CO2-e		89
G5 Greenhouse gas emissions offsets purchased				Tonnes CO2-e		-
G6 Total Greenhouse gas emissions: energy, waste, vehicle				Tonnes CO2-e		2,818

Business and Financial Performance

Summary of Operating Results

In 2019 the Institute returned a deficit of \$4,951k this included other economic flows of \$199k. Total government grants decreased by \$3.5 million to \$28.8 million in 2019, these grants incorporated additional funds received as part of Government initiatives. Overall Institute expenditure increased by \$5.3 million, with salary expenditure increasing by \$2.6 million.

Comparative Results 2015-2019

ITEM	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
TOTAL INCOME FROM TRANSACTIONS	29,893	31,677	33,192	37,451	33,530
TOTAL EXPENDITURE FROM TRANSACTIONS	29,808	31,576	32,660	33,319	38,628
NET RESULTS FROM TRANSACTIONS	85	101	532	4,132	-5,098
TOTAL OTHER ECONOMIC FLOWS	951	19	2	-41	147
NET RESULT	1,036	120	534	4,091	-4,951
CURRENT ASSETS	12,533	10,715	16,388	19,041	13,046
NON CURRENT ASSETS	52,576	59,047	54,139	52,629	52,993
CURRENT LIABILITIES	4,558	4,843	6,611	6,822	5,308
NON CURRENT LIABILITIES	4,947	4,108	6,150	2,992	3,827
NET ASSETS	55,604	60,811	57,766	61,856	56,904
WORKING CAPITAL RATIO	2.75	2.21	2.48	2.79	2.55
Net result	3.47%	0.38%	1.61%	10.92%	-14.77%
Liquidity	2.75	2.21	2.48	2.79	2.46
Capital replacement	1.58	1.76	0.48	0.47	1.24
<i>depreciation</i>	2,317	2,079	2,490	2,188	2,345
<i>cash outflows for PP&E</i>	3,661	3,661	1,203	1,026	2,911
Internal financing	25%	77%	591%	380%	-44%
<i>purchase of assets</i>	3,661	3,661	1,203	1,026	2,911
<i>net operating cash flow</i>	914	2,817	7,115	3,901	-1,294

Movement in Net Assets and Working Capital Ratio

The Institute had an decrease in its net asset base from \$61.9 million to \$57.8 million over the past year. This is predominately due to a decreased cash held at year end. Current assets decreased by \$6.3 million, with cash deposits decreasing by \$7.1 million. The decrease in cash has negatively affected working capital ratio, decrease in the working capital ratio from 2.79:1 in 2018 to 2.55:1 in 2019.

Consultancies

In 2019, sixteen consultancies were used with fees payable to each of \$10,000 or more. The combined amount for these services in 2019 was \$447,606 (ex. GST). Consultancy details are made available on the Institute's website: <https://swtafe.edu.au/about-us/corporate-information/consultancies>. Thirty seven other consultancy services were utilised during the year with respective fees payable of under \$10,000, with the combined total of \$53,307 (ex. GST).

Information Communication Technology (ICT) Expenditure

For the 2019 reporting period, SWTAFE had total ICT expenditure of \$3,289,138 made up of the following:

Business As Usual (BAU) ICT expenditure (Total)	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and	Operational Expenditure	Capital Expenditure
\$3,289,138	-	-	-

ICT expenditure refers to the costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability. There were no non-BAU expenses in 2019.



OVERVIEW

2019 AT A GLANCE

5000
students

110
accredited training
products delivered

267.7
equivalent
full-time staff

40
industry Connect
events

87%
of South West TAFE
students were employed
after training

1272
graduates
(Certificate I to
Advanced Diploma)

719
training products
delivered

9/10
occupations predicted to
have the most job growth
in the next five years are
in TAFE-trained fields

Who we are

South West TAFE is one of the region's biggest and most highly regarded provider of skills training. Our home base and largest campus is in Warrnambool and we have campuses at Sherwood Park (Warrnambool) and in Hamilton, Portland, Colac and further training facilities at Glenormiston.

Our primary aim is to provide high quality, future focused vocational education and training that creates a lifetime of opportunity and employability for people in our region. This focus has led to South West TAFE being recognised as a leading training organisation in Victoria for improved employment outcomes for students.

South West TAFE is governed by a Board of Management and is underpinned by the *Education and Training Reform Act 2006*.

What we do

In 2019, South West TAFE delivered 142 different training products and short courses (including non-accredited) to more than 5000 students, using various delivery models including on-campus, off-campus, online, workplace, VET in Schools, traineeships and apprenticeships.

We are committed to working with local industry to deliver skills training for in-demand jobs and to help address regional skills shortages. As a result, our graduates have a very high chance of finding employment and excelling in their chosen fields.

South West TAFE offers 9 of the top 10 occupations predicted to have job growth in the next five years.

We deliver training to the Great South Coast region of Victoria, state-wide, interstate and internationally. Our teachers have vast practical industry experience and our state-of-the-art training facilities give students a perfect place to learn practical, hands-on skills. We offer a range of placement and study opportunities for students, both locally and internationally.

Our history

Our predecessors have been providing technical and specialist education since 1863, with links back to the formation of the Mechanic's Institute in 1853.

In 1913, the Warrnambool Technical School was established on our current site and operated within the state education system. It became the Warrnambool Technical College in 1958, delivering full diploma courses.

In 1969, the tertiary section of the Warrnambool Technical College became affiliated with the Victorian Institute of Colleges and became the Warrnambool Institute of Advanced Education (WIAE).

The TAFE section separated from WIAE in 1984 and became the Warrnambool College of Technical and Further Education (TAFE). The establishment of campuses at Hamilton and Portland prompted a name change in 1992 to South West College of TAFE, updated in 1995 to the current title South West TAFE. Since then, training facilities were opened at Sherwood Park in east Warrnambool in 2007 and Colac in 2016.



2017-2019 STRATEGIC PLAN

Our ambition

Education that creates a lifetime of opportunity for all.

Our purpose

- We deliver a modern and fresh approach to helping generations develop the skills they need for the futures they aspire to.
- We do it for the communities and industries of South West Victoria and beyond.
- We do it collaboratively, cleverly, creatively and courageously.

Our values

- **Integrity + Impartiality:** we are transparent and ethical in all that we do, every day.
- **Respect + Human Rights:** we demonstrate trust, understanding and embrace diversity.
- **Leadership:** We will be forward thinking, collaborative and inspirational.
- **Accountability:** We take ownership of our actions and deliver on our promises.
- **Responsiveness:** We will deliver and respond with care.

Our strategic focus



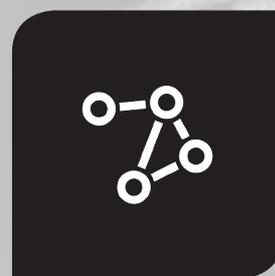
Financial Security

We will review and implement efficient and effective systems and processes to achieve greater financial sustainability.



Quality + Innovation

We build and maintain a compact and competitive product portfolio in line with future workforce needs.



Community + Partners

We engage with our community to improve the economic and social prosperity of the region.



GOVERNANCE

Institute Board

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

The Board is established in accordance with an Order in Council made under section 3.1.11(2)(c) of the *Education and Training Reform Act 2006*, to oversee and govern South West TAFE.

The Board is guided by a Code of Conduct and consists of a number of committees which provide specialised guidance for different areas of organisational activity. The CEO and the Executive Team operate under a reporting and accountability framework. This framework monitors progress against targets established in the Board's strategic plans.

In line with our contract with the Department of Education and Training, the Board also ensures that:

- appropriate compliance frameworks and controls are established
- risks are identified and managed
- reporting systems are in place
- key policies are operating and reviewed regularly
- an appropriate corporate culture is developed and maintained
- the Board's performance is monitored and evaluated
- the CEO's performance is evaluated against predetermined criteria.

Major Achievements of the Board

Key priorities and major decisions during 2019 included:

- Monitoring the progress on achieving strategic initiatives detailed in the 2019-2021 Strategic Plan
- Development of the 2020-2022 Strategic Plan
- Monitoring implementation of governance arrangements for the Learning and Library Hub
- Assessed the performance of the CEO and reappointed the CEO for a further term
- Elected a new Board Chair
- Oversight of the planning and implementation of Free TAFE for Priority courses from 1st January 2019
- Closely monitoring the organisation's financial performance and cash-flow requirements
- Attested to compliance with the Minister for Finance's Standing Directions
- Established an Infrastructure sub-Committee of the Board.
- Completion of several Regional and Specialist training fund projects and a Workforce Training and Innovation program to align with industry expectations and training initiatives.

Review of Annual Financial Statements

The Board reviewed and approved the organisation's Annual Financial Statements at its meeting on the 25th February 2020.

Board Committee Structure

In accordance with its powers, the Board has a number of committees, which draw on the skills, knowledge and experience of Board members and other specialist advisors. These committees assist the Board to meet its legal responsibilities to manage South West TAFE via sound corporate governance practices.

Audit, Risk and Compliance Committee

The main responsibilities of the Audit, Risk and Compliance Committee are to:

- Assist the CEO and the Board to monitor the effectiveness of various internal controls such as general operations, financial reporting and legal compliance.
- Determine the scope of the internal audit function, and ensure that it is adequately resourced and effectively used, including coordination with external auditors.
- Oversee the effective operation of South West TAFE's risk management framework.

- Review management processes associated with identifying business risks and exposures, and review and assess the adequacy of management information and internal control structures.
- Review the integrity of South West TAFE's financial and external reporting mechanisms.
- Assist the Board to comply with South West TAFE's statutory and fiduciary duties in relation to financial and other requirements.
- Monitor South West TAFE's financial compliance, corporate image, legal contracts, other contractual arrangements and legislative compliance.
- Review annual financial statements and make a recommendation to the Board for approval

Committee Chair

(Acting): Brian Crook

Committee members: Brian Crook, Steven Waterhouse, Bill Brown, Jacinta Ermacora

Innovation and Industry Committee

The main responsibilities of the Innovation and Industry Committee are to:

- Provide information and strategic direction to the South West TAFE Board on how it is able to meet the organisation's strategic goals and directions on innovation, industry and community partnerships.
- Suggest suitable strategies and directions that the organisation should consider to ensure courses and subject areas remain professionally relevant, state-of-the-art, and best able to meet the present and future needs of industry and the community.
- Offer suggestions for new areas to be explored through informed consideration of new initiatives, potential markets, business development strategies, and program promotion.
- Provide opportunities for discussion of possible co-operative training or research.

- Review and endorse major innovation projects for Board approval.
- Contribute to the Annual Report.

Committee Chair: Susan Brumby

Committee members: Susan Brumby, Ann Ellis, Mark Fidge
* Felicity Melican, Sandy Burgoyne, Sharna Westley (no longer members)

Nominations and Remuneration Committee

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

- Implement remuneration principles and procedures in line with the Ministerial Directions as required by the Office of Public Sector Executive Remuneration (OPSER).
- Determine the remuneration and related employment benefits to be offered to the CEO, based on available guidelines, directions from the Board and the Minister, and comparative market data.
- Seek appropriate approval of the remuneration and related employment benefits to be offered to the CEO.
- Recommendations to the Board regarding remuneration and related benefits to be offered to the CEO.
- Monitor and measure CEO performance including undertaking an annual performance review, and provide recommendations to the Board.
- Oversee the recruitment process for the appointment of co-opted directors to the South West TAFE Board.
- Oversee the recruitment process for the election of a staff member as an elected director to the South West TAFE Board.
- Oversee the appointment of any other person, as a member of a Committee.

Committee Chair: Steven Waterhouse

Committee members: Steven Waterhouse, Susan Brumby, Jacinta Ermacora

Infrastructure Committee

The main responsibilities of the Infrastructure Committee are to:

- Assist the Board in ensuring the appropriate governance is implemented across South West TAFE and relevant controlled entities in relation to asset management planning, capital works, information and communication technology.
- Oversee the development of an Asset Management Plan(s) based on the current Asset Management Strategy and make recommendations to the Board.
- Review and provide recommendations to the Board on matters relating to Capital Works.

Review and provide recommendations to the Board on matters relating to Information and Communication technology infrastructure.

Committee Chair: Sandy Burgoyne

Committee members: Sandy Burgoyne, Bill Brown, Ann Ellis

South West TAFE Board Members



Steven Waterhouse
BOARD CHAIR

Commenced as a Ministerial appointment on the South West TAFE Board on 23 February 2017

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

Steven commenced on the Board as a Director in February 2017 and as Chair of the Board on 24 July 2019. He is a member of the Audit, Risk and Compliance Committee and Chair of the Nominations and Remuneration Committee.

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

Steven is Deputy Chairman of the Warrnambool Racing Club, and was Treasurer for a 10-year period ending in 2019. He is also a previous Board Member of South West Academy of Sport.



Felicity Melican
BOARD CHAIR (retired)

Resigned on 15 July 2019

Bachelor of Business (Accounting), Graduate Diploma Education (Secondary), Fellow of the Chartered Accountants Australia and New Zealand

Felicity was initially appointed to the Board on 26 October 2011 and was appointed as Board Chair in August 2016.

Felicity specialises in Accountancy, Self-Managed Superannuation and Auditing, and has been with Sinclair Wilson Accountants and Advisors since 1993, becoming Principal in 2001, and is the Group's Lead Audit Partner.

Felicity's key areas of interest are Audit and Assurance, and the not-for-profit and philanthropy sectors. Felicity currently serves as Director of The A. L. Lane Foundation and the Thomas O'Toole Foundation (philanthropic trusts), and the South West TAFE Foundation. Her previous roles included Deputy Chair of the Great South Coast Regional Partnership and Director of Mercy Education Limited.

Felicity has a particular passion for education and training and is a strong supporter of the Great South Coast region.



Mark Fidge
DIRECTOR

Commenced on the South West TAFE Board on 1 July 2016

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

Mark is the Chief Executive Officer of South West TAFE, a position he has held since 2014 after initially joining the organisation as Finance Manager in 2003. He was appointed to the role of Executive Manager of Corporate Services in 2005, incorporating the role of Chief Finance Officer, and appointed the Board Secretary in 2013. Prior to joining South West TAFE, Mark gained experience as a financial manager in a range of sectors in both Australia and the United Kingdom.

Mark is the Chair of the South West Local Learning and Employment Network and represents South West TAFE on several other like-minded community Boards.



Susan Brumby
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board on 1 September 2013

PhD, Master of Health Management (MHM), Graduate Cert Higher Education Learning Teaching (GCertHELT), GDip WomensSt, RN, RM

Fellow Australian Rural Leadership (ARLF), Graduate Australian Institute Company Directors (GAICD)

Sue is committed to promoting positive educational opportunities and economic growth in the south west. As the founding Director of the National Centre for Farmer Health and an executive staff member of Western District Health Service, she brings extensive experience in nursing, agriculture, research and higher education.

She is a Graduate of the Australian Institute of Company Directors, Life Fellow of the Australian Rural Leadership Program, appointed member of the Victorian Agricultural Advisory Council and Director of the Western Victoria Primary Health Network.

Sue has published and presented internationally and been recognised for her work in rural and regional communities. Sue joined the South West TAFE Board in September 2013 and holds the position of Chair, Innovation and Industry Committee.



Sharna Westley
DIRECTOR

Term to 30 June 2019

GAICD- Australian Institute of Company Directors, Graduate Certificate in Inclusive Education, Graduate Diploma in Physical Education, Bachelor of Arts (Education), Diploma of Sustainability

Sharna commenced on the South West TAFE Board on 1 July 2016 and serves as the elected staff member for the organisation.

Sharna brings a wealth of teaching industry experience to the Board, having initially trained as a primary school teacher and working in this capacity in both Australia and the United Kingdom.

Since returning to Australia in 2005, Sharna moved into the Vocational Education sector where she developed a passion for working with young people and providing learning opportunities to support their skills and talents. She has held a range of teaching and co-ordination roles within the organisation, focusing on community engagement and developing strong educational links which benefit the young people in the south-west region.

Sharna is also Chair of the Australian Institute of Company Directors Regional Advisory Committee.



Ann Ellis
DIRECTOR

Commenced on the South West TAFE Board on 9 October 2016

Master of Business Administration, Bachelor of Special Education, Diploma of Primary Teaching

Since starting her career as a primary school teacher, Ann has had a long association with the Vocational Education sector in various teaching and non-teaching roles before moving into further managerial roles in both the government and non-government sectors in Queensland.

Most recently, she held the position of Group General Manager with Engineering Education Australia, part of Australia's peak body for professional engineers. Ann is currently the Manager, Rural Programs for Murray City Country Coast GP Training, a position which she has held since 2016.

Ann also owns and runs an accommodation business in regional Victoria.



Sandy Burgoyne
DIRECTOR

Commenced on the South West TAFE Board on 9 October 2016

Master of Sustainable Development, Bachelor of Arts (Geography), Diploma of Education

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

She was the founding Director of the Future Cities Collaborative at the United States Studies Centre, University of Sydney, until 2017 and continues her affiliation with the University of Sydney.

She provides consultancy services as the Managing Director, Combined Technology Services and is a board member at Portland District Health.



Brian Crook
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board on 15 December 2017

Diploma of Teaching (Primary), Certificate A Teaching (4thYear)

Brian's career has largely been with education, small business and local government. He is currently a Councillor at the Colac Otway Shire and previously held two terms as Mayor.

He retired from teaching commitments at Trinity College, Colac, in December 2018 where he introduced VCal (Victorian Certificate of Applied Learning) program in 2006 and worked in that program in a part-time capacity until his retirement.

Brian was instrumental in the delivery of a trade training centre for Colac Otway Shire. He is keen to see continued growth of South West TAFE in Colac through better connections with schools, industry and community.

He believes training delivered to local as well as broader employment-related needs is essential for the south-west community. He also feels free access to TAFE courses should remove the financial barriers for many people and is an excellent initiative.



Bill Brown
DIRECTOR

Commenced on the South West TAFE Board on 1 January 2019

Bachelor of Laws, Bachelor of Economics and GIA (Cert).

With more than 35 years' experience as a commercial lawyer, Bill is now a trusted advisor to owners and directors in a wide range of industries. He specialises in good corporate governance, a key tool in managing and minimising risk.

His other directorships include South West Healthcare and Natio Pty Ltd.



Jacinta Ermacora
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board on 1 July 2018

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

Jacinta has a background in social work and community engagement in the primary health and consumer advocacy sectors and brings to the Board 15 years of public sector corporate governance experience.

Prior to joining South West TAFE, Jacinta served as Chair and Director for a number of regional entities including Mayor and Councillor of Warrnambool City Council, Glenelg Hopkins Catchment Management Authority, The Great South Coast Group, Regional Cities Victoria and was the founding Chair of the Victorian Women in Water Directors Network.

Committed to advancing the Great South Coast region, Jacinta brings a wide range of experience including regional, state and national relationships and is currently Board Chair of Wannon Region Water Corporation, Board member of the Great South Coast Regional Partnerships and Chair of the Warrnambool Special Developmental School Wollaston campus committee.



Christopher Holloway
DIRECTOR

Commenced on the South West TAFE Board on 1 July 2019

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

Certificate III in Carpentry, Trade certificates and licences

Chris commenced on the South West TAFE Board on 1 July 2019 as the elected staff member for the organisation.

Chris has worked his entire life in this region as an apprentice, sub-contractor and a qualified builder. He also worked as a building supervisor prior to starting at South West TAFE in 2005 and has predominately been involved in the Building and Construction area.

Chris is a co-ordinator, trainer and assessor of Auspicing to several secondary schools in our region, VETiS in Building and Construction, Pre Apprentices, Apprentices and Certificate IV to qualified tradespeople who want to become registered builders.

Chris has relished the opportunity to work with young adults to find their desired career across the trade sector. Nurturing their skills to help them thrive and strengthen our region. Recently he has also taken up the opportunity as a member of the Board of Studies to represent teaching staff at operational level.



Denise Lovett
DIRECTOR

Commenced on the South West TAFE Board on 3 December 2019

Board and Committee Membership

The South West TAFE Board met 11 times during the year. Committees met nine times to review and monitor various aspects of the organisation's operations. During 2019, no Board Directors declared a potential pecuniary interest in an issue discussed during Board or committee meetings.

COMMITTEE MEMBERSHIP AND MEETINGS ATTENDED							
BOARD DIRECTOR	POSITION	Term	IB	ARC	I&I	N&R	INF
Steven Waterhouse	Director	1 July 2019 – 30 June 2022	11	4	n/a	3	n/a
Felicity Mellican	Director	1 August 2018 – 15 July 2019	3	1	1	n/a	0
Susan Brumby	Director	1 July 2019 – 30 June 2022	8	n/a	2	3	n/a
Bill Brown	Director	1 January 2019 – 31 December 2020	11	4	n/a	n/a	2
Sandy Burgoyne	Director	1 January 2019 – 31 st December 2021	9	n/a	1	n/a	3
Brian Crook	Director	15 December 2017 – 31 July 2020	11	3	4	n/a	n/a
Ann Ellis	Director	1 January 2019 – 30 June 2020	10	n/a	4	n/a	3
Jacinta Ermacora	Director	1 July 2018 – 31 August 2021	9	5	n/a	3	n/a
Sharna Westley	Director	1 July 2016 – 30 June 2019	5	0	2	n/a	1
Chris Holloway	Director	1 July 2019 – 30 June 2022	4	n/a	n/a	n/a	n/a
Denise Lovett	Director	3 December 2019 – 2 December 2022	0	n/a	n/a	n/a	n/a
Mark Fidge	Director	1 July 2016 (ex officio)	11	n/a	3	n/a	3

IB Institute Board (11 meetings)

ARC Audit, Risk and Compliance Committee (4 meetings)

I&I Innovation and Industry Committee (4 meetings)

N&R Nominations and Remuneration Committee (3 meetings)

INF Infrastructure Committee (3 meetings)

Board Remuneration

Director's fees paid in 2019 is \$175,624

Executive Management Group

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



Mark Fidge
CHIEF EXECUTIVE OFFICER

Commenced 2015

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

Mark has been CEO since early 2015. Prior to becoming the CEO, Mark was the Executive Manager Corporate Services incorporating the role of Board Secretary and Chief Financial Officer.

As CEO, Mark is responsible for implementing the strategic direction of the Institute and ensuring efficiency across the Institute to meet the requirements of Government, enterprises and individuals.



Shannyn Carter
EXECUTIVE MANAGER
CORPORATE SERVICES

Commenced acting role on 30 August 2019 – 28 November 2019

Commenced permanent appointment on 29 November 2019)

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

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

Shannyn is responsible for the leadership of the Corporate Services portfolio that includes digital innovation and information technology, facilities management and master planning, occupational health and safety and student support services. She is also the Executive Sponsor for the \$20 million Learning and Library Hub Project, in partnership with the Warrnambool City Council. Shannyn is also the South West TAFE Board Secretary who works closely with the Board Chair on corporate governance principles, plans and legal obligations.



Jason Ernst
EXECUTIVE MANAGER
CORPORATE SERVICES, BOARD SECRETARY

Resigned 30 August 2019

Bachelor of Business (Accounting), Certified Practising Accountant (FCPA), Graduate of the Australian Institute of Company Directors (AICD)

Jason commenced at South West TAFE as the Executive Manager Corporate Services in January 2017. Jason has over 15 years senior management experience in employment services, Australian Disability Enterprises and disability programs.

Jason is responsible for the leadership of the Corporate Services portfolio that includes finance, digital innovation and information technology, facilities management and master planning, occupational health and safety and student support services. Jason is also the South West TAFE Board Secretary.



John Flett
EXECUTIVE MANAGER
EDUCATION

Commenced June 2018

Doctor of Philosophy, Bachelor of Agriculture Science (Hons), Graduate Diploma Education, Graduate Certificate in Organisational Change, Diploma of Business Management, Diploma of Business Administration.

John has over 30 years' senior management experience in educational and training design for the vocational and secondary education systems in Australia and is an Executive Manager of Education at South West TAFE. Prior to that he was Head of Innovation and Strategy and Head of Education Development at Gordon TAFE Geelong.

These roles have been responsible for educational reform, teaching innovation, online learning and educational delivery services. John's other roles in the TAFE sector have been Centre Manager for Business Skills and as a Regional Manager at Bendigo TAFE.

John has previously managed and led an enterprise-based Registered Training Organisation in the natural resources sector, been a member of several Industry/Service Skills Councils Industry Training Board advisory committees, and two State Government Tech School planning committees. He is a Board member at South West Local Learning and Employment Network (LLEN), and past member of the Cohuna-Campaspe and Wynbay LLENs, and the Beacon Foundation.



Louise Cameron
EXECUTIVE MANAGER
EDUCATION

Commenced June 2019

Bachelor of Training and Development, Diploma of Management, Diploma of VET, Certificate IV in TAE, Certificate IV in Wool Classing, Graduate of the Australian Women's Business Program, Graduate of the Marcus Oldham Leadership Program.

Louise commenced as Executive Manager for Education in June 2019, bringing 16 years of experience from the VET-sector and Higher Education. Louise is very passionate about providing pathways of opportunities for young people through Vocational Training to gain employment outcomes.

Louise's portfolio includes VCAL, Foundation Skills and teaching areas of Business, Design, Personal Services, Health and Community Services.



Geraldine Lewis
EXECUTIVE MANAGER
STAKEHOLDER ENGAGEMENT

Commenced September 2018

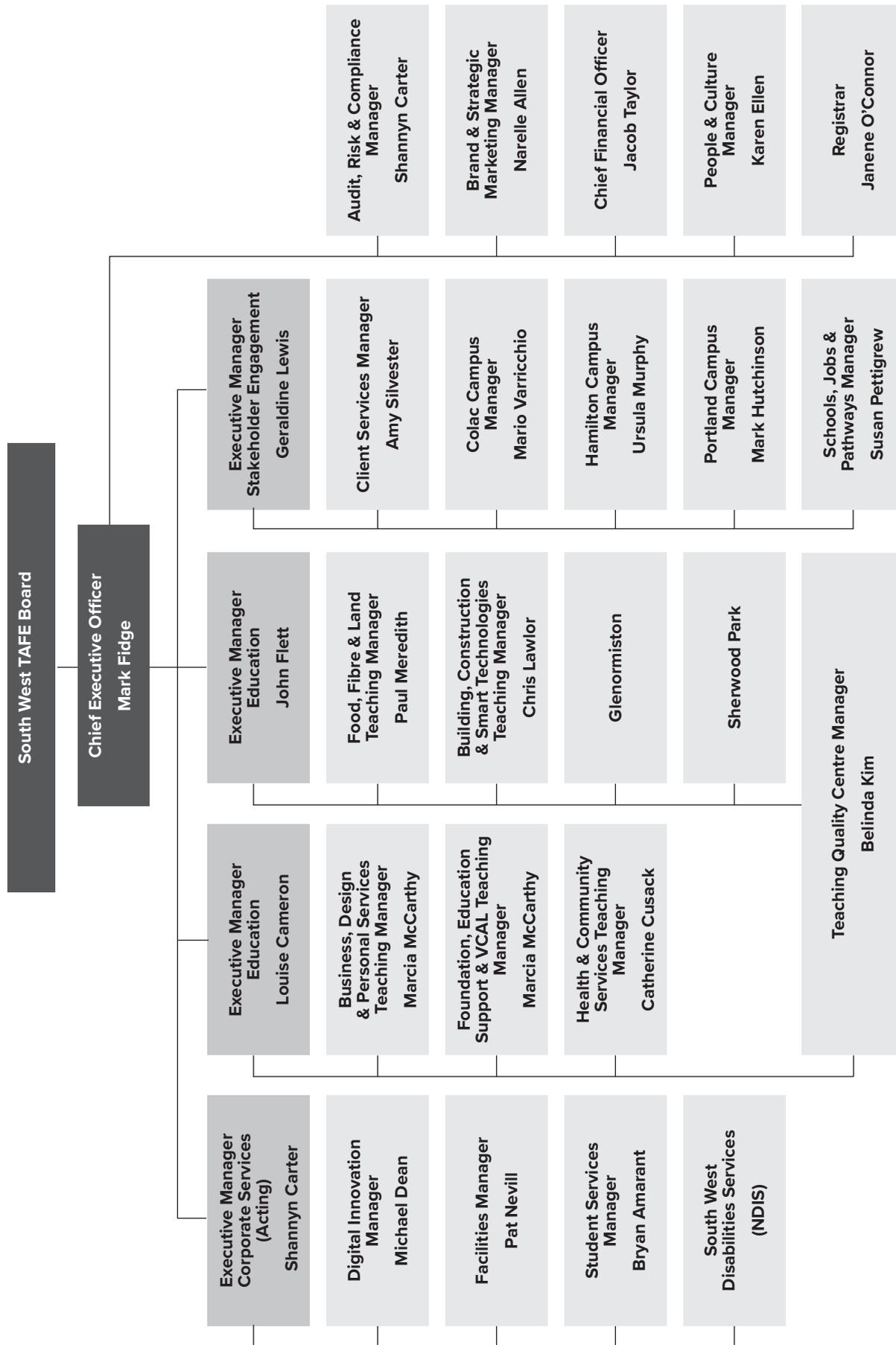
Masters of Business Administration (MBA) completing, Advanced Diploma of Leadership and Management, Certificate IV in Training and Assessment TAE40116, Certificate IV in Small Business Management

Geraldine commenced as Executive Manager Stakeholder Engagement in September of 2018, bringing 10 years' experience in the VET and Higher Education Sector managing commercial, stakeholder and government relationships. This is underpinned by 10-plus years of small to medium enterprise ownership and management, leading and supporting diverse teams at multiple sites.

The Stakeholder Engagement Portfolio includes the Business Development and Client Services teams, including International, the Industry Connect and Community Engagement team, Schools Jobs and Pathways division, Short Courses, The Hive at South West TAFE, plus Portland, Hamilton and Colac Campuses.

Her goal is to support and develop her teams to be recognised as an example of best practice in client engagement, and growing our business and our people.

South West TAFE Organisational Structure



Accurate as at 8 October 2019



INNOVATION AND QUALITY IN EDUCATION

Teaching and Learning Strategy

The overarching goal of the South West TAFE Teaching and Learning Strategy is the delivery of quality teaching and learning opportunities across all programs; and maximising learning outcomes for students. The Strategy continued to evolve throughout 2019 and had four key goals:

- Ensuring students and teachers have the skills to succeed in a rapidly changing digital and global world; a goal supported by the Centre for Teaching Innovation;
- Strategic oversight of all teaching and learning programs at the organisation via the Board of Studies and the Training and Assessment Strategy (TAS) Panel, which reviews and endorses each course's delivery model including training, assessment and teacher capability;
- Supporting the professional development needs of the teaching staff via coordinating internal and external professional development activities across the year (including Day 2 of the annual Staff Conference);
- Supporting teaching areas with assessment tools and content resource development and review. At various times in 2019 that work extended to managing the delivery of learner support services, disability training and the TAE programs as part of a series of contingency programs.

In 2019 there was further work done on identifying student retention factors as part of the student engagement strategy that covers the full student lifecycle. Other achievements across the year include: refining the Teaching and Assessment Strategy Panel and pre-training review processes; the introduction of Free TAFE; and improving the connection between the teaching areas and the Skills and Jobs Centre's activities. Students in Free TAFE courses identified as having a higher student-centred risk, were provided with a pre-enrolment interview at the Skills and Jobs Centre to ensure the course was an informed choice.

The Teaching Quality Centre in conjunction with the Institute Registrar continue to monitor the organisation's validation schedule, the addition of new courses to the scope of registration, and the actioning of outcomes from the 2019 Department of Education and Training Quality Review. This dynamic centre has led the professional development and innovation for our teaching staff since 2016. In 2019 to support the training and development of new teachers to meet the additional courses offered under Free TAFE, the centre developed and delivered a new Industry Presenter training program.

Teaching Quality Centre

An integral part of our quality course offering is the South West TAFE online learning platform that is managed by the Teaching Quality Centre. During the year 105 teachers across 57 accredited courses and two skills sets were actively using South West Online. These programs were spread across all the teaching portfolios, including many in the traditional trades area. Support and builds were for activities, quizzes, assessment submission, video links and high-quality new course builds. In total there were 905 active Moodle learning modules throughout 2019 - 307 still in use from 2018 and 598 created for 2019.

Due to our innovative and inspiring use of interactive content and Moodle, in 2019 our Instructional Designer was invited to Monash University to conduct an interactive workshop on how to develop and use interactive content, as well as to present two sessions at the Global Moodle Conference in Spain.

South West TAFE Online professional development modules were developed or updated to support our staff via the following programs:

- 2019 Staff On-boarding
- 2019 Corporate Refresher
- Conflicts of Interest & Gifts, Benefits & Hospitality
- Risk Management
- 21st Century Teacher Tools Course.

There was also continued enhancement of the course look and functions through an upgrade of the Moodle platform to version 3.5. Some of these improvements include improved dashboard for students to access their courses and track their progress, improved Moodle mobile app experience, and enhanced digital badge functionality

Digital Innovation

South West TAFE has broadened the programs it offers using technology to increase accessibility to training for students in our region. In 2019 South West TAFE delivered 19 programs and connected campuses for inter-campus events to using its Smart Classroom platforms.

South West TAFE has a set of innovative, purpose-built Smart classrooms, as well as portable units and specially designed teaching programs that enable it to provide courses across all of our campuses. The Smart classroom experience allows smaller student numbers to be aggregated. This enables the Institute to provide education options to more students throughout the region than might normally be offered. During the year the Smart classrooms, South West Online and WebEx were used with students studying at Warrnambool, Hamilton, Portland and Colac, and included courses such as accounting, early childhood development, community services, individual support and building and construction.

South West TAFE was invited to present at “Colleges and Institutes Canada (CICAN)” in Niagara Falls, joining the TAFE Directors Australia and Box Hill Institute of TAFE to present a regional perspective on how technology enabled delivery has enabled South West TAFE to leverage innovation to be more sustainable.

The Manager of Digital Innovation was the recipient of the Wayne Smith Fellowship and attended a study tour with other Australian TAFE and VET representatives investigating the Canadian and American College and training sector.

South West TAFE was also pivotal in working with industry leading ICT companies to develop their suite of education products.

Government Funded Education Projects

Regional and Specialist Training Fund (RSTF)

In 2019 the Institute finalised 11 Regional and Specialist Training Fund (RSTF) projects, with a further six projects continuing into 2020. RSTF projects address targeted niche or thin markets where it is difficult to provide sustainable training programs. In 2019 projects providing new and specialised training resources and equipment in engineering, automotive, cabinet making, horticulture and agriculture were completed. Program locations have included Warrnambool, Colac, Hamilton, Portland, Stawell and Glenormiston.

Major highlights for 2019 include the installation and commissioning of a new horticulture greenhouse and state-of-the-art CNC machine for cabinet making at Sherwood Park, the acquisition of a new training vessel for our Maritime programs and modernisation of the engineering equipment at Portland, a new tractor and associated farming equipment for our agriculture courses, and new bakery equipment for our Warrnambool campus.

Workforce Training Innovation Fund (WTIF)

Applying the New Work Mindset in south-west Victoria is an 18-month \$3.6M project funded by the Victorian Government Workforce Training Innovation Fund (WTIF) that will take into account the changing nature of the workforce in south-west Victoria.

WTIF is part of the Victorian Government Skills First training reform for the training and TAFE sector. It provides grant funding for industry and training provider partnerships to develop and deliver innovative strategies for improving training outcomes and the relevance of training to industry.

A key focus of the fund is to strengthen partnerships between industry and the Victorian training and TAFE system to better respond to the skills needs for existing, new and emerging industries and the Victorian Government’s priority sectors.

The project is a collaboration between South West TAFE, Foundation for Young Australians (FYA), and industry partners Lyndoch Living, Western District Health Service and Eventide Homes. Using FYA’s New Work Mindset research localised to South West Victoria and applied to services and training products within the health and community services sector the project will develop, test and trial new career development and management processes and tools for South West TAFE students and the industry partners. The project will demonstrate and showcase a new learning model and develop a series of tools that can be used across industry and vocational education to provide evidence for training package design and delivery. This model will focus on helping students develop a portfolio of transferable skills, rather than the current practice of job-specific training and enable future-focused workforce planning.

The project aims to deliver:

- A localised research report on work clusters in south-west Victoria.
- A prototype digital career management tool to cluster jobs, skills and related TAFE courses.
- A series of micro-credentials (skills sets) to sit alongside TAFE qualifications and enable a new training model based on the enterprise skills local industry needs.
- A new entrepreneurial space at South West TAFE for students and non-students to build their global work-readiness skills and network with local entrepreneurs to develop ideas for micro-businesses in the aged-care and social assistance sector, and beyond.



STUDENTS

Training Outcomes

South West TAFE delivered a total of 1,385,914 SCH in 2019. The table below provides a detailed breakdown of SCH delivery in 2019.

Student Contact Hours Delivered

OUTCOMES	SCH
VTG NON APPRENTICESHIP/ TRAINEESHIP	928,270
VTG APPRENTICESHIP/TRAIINEESHIPS	330,571
FULL FEE PAYING	3,416
FEE FOR SERVICE (includes TAFE in Schools, Overseas Students, Interstate Apprenticeships and Short Courses)	123,657
TOTAL DELIVERY	1,385,914

MOVEMENT IN STUDENT CONTACT HOURS OVER THE PAST FIVE YEARS

2015	2016	2017	2018	2019
1,323,738	1,262,951	1,297,549	1,120,473	1,385,914

Student Outcomes

In 2019 South West TAFE had 5,900 individual enrolments which equated to just on 1.386 million enrolled student contact hours (SCH). With the introduction of the Victorian Government's Free TAFE initiative student enrolments in Skills First-funded courses increased by 35.4% and enrolled SCH increasing by 30.2%.

The Department of Education and Training, along with individual student tuition fee contributions, funded 90% of SCH delivered, with the remainder funded by individuals, industry and non-Victorian governments under User Choice Agreements. Free TAFE enrolments were most noticeable in aged care, community services, horticulture, agriculture and some of the trades' courses that were included in the program.

This SCH figure underlines impact that Free TAFE has had, as well as the organisations's dedication to delivering high-quality training programs, in a year of complex changes to the vocational education and training industry. This also reflects the organisation's strategic intent to continue growth in line with regional demand, and 48% of our students undertook studies at campuses other than Warrnambool. There were increased enrolments across all teaching divisions, and the newly created School of Education grew by 9% in 2019.

In 2019 there were a total of 747 apprentices and 377 trainees undertaking studies in building and construction, engineering, electrical, plumbing, agriculture, sport and recreation, tourism, automotive, IT, engineering, maritime operations, horticulture, commercial cookery, food processing, meat processing, business/business administration, retail cosmetics, hair and beauty services, beauty therapy, early childhood education and care, and education support.

Student Contact Hours Results

BY FUNDING SOURCE	SCH
Government Profile Excludes Trainees/Apprentices	928,270
Government Contracted Apprenticeships/Traineeships	330,571
Full Fee Paying	3,416
Fee for Service	39,755
TAFE in Schools	70,486
Adult Migrant English Program	8,374
Other (incl. Interstate Apprenticeships, Short Courses)	5,042
TOTAL	1,385,914
BY CAMPUS	
Colac	56,795
Hamilton	153,434
Portland	150,989
Warrnambool	856,801
Sherwood Park Training Facility	114,452
Glenormiston Training Facility	23,443
TOTAL	1,385,914
BY DEPARTMENT/CENTRE	
Division of Business Development and Industry Relationship	5,122
Division of Business, Design and Personal Services	295,910
Division of Construction, Engineering and Licensing	295,552
Division of Food, Fibre and Land	241,962
Division of Primary Health Care	357,152
Division of Foundation Further Education	190,216
TOTAL	1,385,914

Student Feedback

All students, staff and South West TAFE industry clients have an opportunity to provide online feedback, complaints and compliments throughout the year. Students are also surveyed at the end of short courses and throughout the year on a course basis. On an annual basis, the organisation participates in a national benchmarking survey of students sent and collated by the National Centre for Vocational Education Research (NCVER) with the outcomes being published in the National VET Student Outcomes Report. We also collect quality indicator data via the Department of Education and Training from our students and employers, the outcome of which is published on our website as Learner Engagement and Employer Satisfaction. Industry feedback survey data is complemented by a series of industry engagement workshops that are run across the year, with over 45 sessions held in 2019.

During 2019 LOOP continued to be the main real-time platform for obtaining feedback from our students and relevant staff groups. The application allows for students to be surveyed at a course level, or the organisation to ask more generic questions related to the student experience.

VET Delivered to Secondary School Students (formerly VETiS)

There were 23 secondary schools from across the region that partnered with South West TAFE to provide students with relevant learning subject options covering 12 different industry sectors. It was another successful year, with 387 secondary students beginning their vocational pathway with South West TAFE. VETDSS allows students in Years 10, 11 and 12 from across the region the opportunity to kickstart their future career, learn new skills and get a taste of industry while providing credit into their VCE or VCAL certificates.

Each year more students are recognising the value and importance of vocational training and the pathways a qualification can provide post their secondary schooling. A VETDSS program is the first opportunity a student has to experience vocational training in an industry-based learning environment and for many the beginning of their vocational journey. Building Construction, Automotive and Community Services were the top three choices of study from secondary school students across the region in 2019. In 2019 Skills and Jobs Centre Career advisors spoke in front of 1,727 Year 12 students, 193 Year 11, 252 Year 10 and 115 Year 9s about South West TAFE courses and career options. Secondary Schools are becoming open to exploring all future learning pathways for their students to embrace the changing nature of work.

School Based Apprentices and Trainees

School Based Apprenticeships and Traineeships are a great way for students to engage with industry and undertake vocational training.

In 2019 South West TAFE had 20 school-based apprentices and 74 school-based trainees. In comparison, in 2018 we had 28 school-based apprentices and 46 school-based trainees.

Of the 74 school-based trainees, 31 chose to utilise their TAFE Fee Free option.

School-Based Trainee enrolments were spread across Agriculture, Horticulture, Automotive, Engineering and Community Services.

School-Based Apprenticeship enrolments were spread across Bakery, Building, Cookery, Electrotechnology, Engineering, Hairdressing, Butchery and Plumbing.

A School-Based Apprenticeship or Traineeship can be implemented across most program areas. However, growth is based on industry awareness and demand.

Brotherhood of St Laurence

South West TAFE developed a strong relationship with Brophy Family and Youth Services and the Brotherhood of St Laurence during a two-year pilot of Certificate I in Developing Independence program that concluded in 2018. Informed by the outcomes of the pilot the new two-year program is focused on young people who reside at The Foyer Warrnambool.

The 2019 program has allowed 10 more young people in our community who were homeless or at risk of homelessness to complete a qualification which focuses on their passions and interests. The qualification provides them recognition for the skills and talents they have and want to grow, benefiting the students and their community.

South West Disability Services (SWDS)

In 2019 South West TAFE launched South West Disability Services (SWDS). It saw the department grow in staffing numbers and transition into a new Department within the organisation. SWDS continued to provide quality group and individual support to eligible community members in south-west Victoria through the use of their individualised NDIS (National Disability Insurance Scheme) funding.

SWDS transitioned into the NDIS Quality Safeguarding Framework in the middle part of 2019 and adjusted service practice to align to the new practice standards and welcome the opportunity to undergo their next audit in March 2020, with third-party auditor HDAA. South West TAFE and SWDS also welcomed the announcement in 2019 of a Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

In 2019 South West Disability Services provided 22,995 hours in group support and 5,232 hours of individual support to their 66 participants over the course of the year.

SWDS continued to strengthen partnerships with other service providers and community members. SWDS hosted their all-abilities disco in Warrnambool and all-inclusive games night in Hamilton, along with a colouring competition to raise awareness for International Day of People with Disability.

South West Disability looks forward to the introduction of its new programs, growth and opportunities into 2020.

Disability Support

In 2019 the Disability Support Department worked holistically with students, carers, families, trainers and community to promote equity and access to South West TAFE as a leading educational organisation.

Throughout 2019 the Disability Support team worked closely with 346 students and their support networks who disclosed their disability, mental health and/or medical concern to enhance their student journey. Support included the negotiation of reasonable adjustment to course delivery, Scribes, participation assistance, one-to-one tutoring, orientation assistance and loan of assistive technology (reading pens, dyslexia rulers, ergonomic furniture, wheelchairs and other). A total of 11,451 hours of direct support were provided to students across the course of the year in the scope of participation assistance, tutoring and scribing.

Amongst the teaching departments who sought assistance and guidance for students who did not actively seek direct support were Art, Horticulture, Community Services, VCAL, Pure Academy and Certificate I Transition Programs.

The Disability Support Team participated in and hosted a range of projects and workshops to enhance access and equity across all campuses, including:

- Traffic Management Plan Development
- Emergency Planning Committee
- Easy English document development
- Communication through augmentative resources
- Reasonable adjustments and the classroom environment
- Access and achievement for students with disability and South West TAFE as disability inclusive workplaces

Learning Support

The Learning Support Unit is responsible for managing the language, numeracy and literacy (LLN) assessments of all students undertaking studies at South West TAFE. The unit then determines appropriate learner support services based on student and teacher requests, or the results of the student's pre-training review and LLN quiz. The Learning Support Unit was integral in supporting the organisation student retention and course completions across all campuses in 2019.

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

In 2019 there were 6,718 students who completed the ACSF Level 3 LLN Online Quiz or the VET Student Loan validated assessment tool (for Diploma and above students).

Additional literacy and numeracy support was provided to support students with identified low core skills to enable them to successfully undertake their course. Individual, 'drop-in' service support, classroom learning support plan and learning support referrals overall totalled 1599 students across all campuses.

Learning Support Unit staff conducted study workshops in small group and class sessions focusing on specific numeracy and literacy course requirements, such as medication maths in Nursing as well as generalist program assistance for students across all divisions of the organisation.

One-to-one support within the class and individual library sessions were provided to students that covered an array of learning skills such as research and referencing and study skills, as well as specific and/or generalist program assistance. Greatest demand for learner support services were in teaching Education for Adult Learners, General Education, Early Childhood Education, Education Support, Community Care, Nursing, Disability, Hair and Beauty, VCAL, Visual Arts and Teacher Education teaching departments.

Student learning support options included: regular 'drop-in' library support sessions, timetabled small groups, online study support classes and in-class tutor assistance. Support for apprentice blocks including Carpentry, Automotive, Plumbing and Engineering attending at Sherwood Park, Warrnambool and Portland were also provided.

Student Awards and Achievements

Outstanding Student Awards

Adia Quinlivan, Skye Henry-Litster, Susan Tate, Rosemary Wilson, Elijah McLeod, Tanya McDonald, Rebecca Cameron and Ashlea Bentham

Awarded March 2019

- Vocational Student of the Year – Rosemary Wilson

- Trainee of the Year – Ashlea Bentham
- Deakin Pathways Award – Rebecca Cameron
- Apprentice of the Year – Elijah McLeod (Highly commended – Liam Ryan)
- Youth Student of the Year – Adia Quinlivan
- Koorie Student of the Year – Tanya McDonald (highly commended – Skye Henry-Litster)
- Community Achiever of the Year – Susan Tate

Trades Awards Awarded October 2019

- Outstanding Trade Apprentice of the Year – Shona McGuigan

Third-Year Apprentice Awards

- Carpentry – Dylan Wallace
- Cabinet Making – Michael Adams
- Plumbing – Shona McGuigan
- Engineering (Mechanical) – Dylan Evans
- Engineering (Fabrication) – Timothy Schultz
- Automotive – Jarryd Thomas
- Electrical – Jack Pridmore



Outstanding Student Awards
From left to right – Adia Quinlivan, Skye Henry-Litster, Susan Tate, Rosemary Wilson, Elijah McLeod, Tanya McDonald, Rebecca Cameron and Ashlea Bentham



Outstanding Trade Apprentice of the Year
From left to right – Phil D'Adamo, Executive Director, TAFE and Tertiary Institutions, Award recipient, Shona McGuigan and Mark Fidge, CEO, South West TAFE

**Pure Awards
Awarded November 2019**

- VET DSS Certificate II Salon Assistant Student of the Year – Serena Van Someren
- VET DSS Certificate II in Retail Cosmetics Student of the Year – Nadia Groenewald
- VET DSS Certificate II in Beauty Student of the Year – Gemma Greene
- Certificate IV in Massage Therapy Student of the Year – Tania Brown
- Remedial Massage Therapy Student of the Year – Kelly Fitzgerald
- Certificate III in Hairdressing Student of the Year – Louise Delaney
- Certificate III in Barbering Award – Amber Hockey
- Certificate III in Barbering Apprentice of the Year – Michael Meola
- Certificate III in Hairdressing School-Based Apprentice of the Year – Millicent O’Hanlon
- Certificate III in Hairdressing Third-Year Apprentice of the Year award – Joanna Guilfoyle
- Lyndoch Living Scholarships – Amy Hobbs and Elizabeth Shalders
- Beauty Services Student of the Year – Kirsty Larcombe
- Beauty Services – Night Class Student of the Year – Erin O’Connor
- Certificate III in Make-up Student of the Year award – Tegan Roth
- Beauty Services Trainee of the Year – Prudence Albert
- Nail Technology Student of the Year – Nga Theam
- Beauty Therapy Student of the Year – Bella Carter

- Diploma of Beauty Therapy Student of the Year - Georgia McKenzie
- Retail Student of the Year – Brittany Van Heugten

**VCAL Awards
Awarded November 2019**

- Foundation VCAL Student of the Year Warrnambool – Dylan Richards
- Intermediate VCAL Student of the Year Warrnambool – Courtney Earls
- Senior VCAL Student of the Year Warrnambool – Joshua Hicks
- Senior VCAL Student of the Year Hamilton – Gemma Hill
- Foundation VCAL Student of the Year Portland – James Currie
- Intermediate VCAL Student of the Year Portland – Sebastian O’Keefe
- Senior VCAL Student of the Year Portland – Shayanah Vella
- Foundation VCAL Student of the Year Colac – Timeka Sculley
- Intermediate VCAL Student of the Year Colac – Jarrod Veale
- Senior VCAL Student of the Year Colac – Noah Jacobson
- VCAL Student of the Year – Workplace Learning – Carliah Riley
- VCAL Student of the Year – Community Engagement – Jenny Elliott
- VCAL Student of the Year Warrnambool Special Development School
- VCAL Student of the Year Young Parents VCAL – Talya Mackay

**Victorian Training Awards Winner
– Koorie Student of the Year 2019**

South West TAFE was extremely proud to have community services student Tanya McDonald named the 2019 Victorian Training Awards Koorie Student of the Year.

The Victorian Training Awards recognises, rewards and celebrates Victoria’s outstanding apprentices, trainees, students, employers, teachers and training providers each year.

Ms McDonald was nominated for the award after winning the 2018 South West TAFE Koorie Student of the Year.

She was extremely excited and surprised to win the state-wide award and said she hoped her success would encourage other Indigenous students to pursue their dreams.

The mother of four said studying for the Diploma of Community Services at South West TAFE helped turn her life around as she recovered from a family violence situation.

During the course, Ms McDonald worked as a paralegal at a local law firm, helping women through family violence issues, and since completing her study last year has worked at South West Healthcare developing and implementing a Reconciliation Action Plan to address the health needs of the Indigenous community and making the hospital more culturally safe and appropriate.

Ms McDonald said the Diploma of Community Services course completely changed her life. She gained a new direction, increased her confidence and ignited a passion for helping the community.



Diploma of Beauty Therapy Student of the Year – Georgia McKenzie



Senior VCAL Student of the Year Colac – Noah Jacobson



Koorie Student of the Year 2019 Tanya McDonald and Mark Fidge, CEO, South West TAFE



STAFF

Workforce Statistics

Performance and Accountability Framework FTE Table (December 2018 – December 2019)

	December 2018							Total
	Full time		Part time		Casual			
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		
PACCT Staff	62	17	23.7	6.2	NA	8	116.9	
Executive	0	5	0	0	NA	0	5	
Other	0	0	0	0	NA	0	0	
Teacher	49	21	16	12.1	21.7	NA	119.8	
Total	111	43	39.7	18.3	21.7	8	241.7	

Workforce Disclosures (December 2018 – December 2019)

	December 2018						
	All employees		Ongoing			Fixed Term and Casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Women Executives	2	2	0	0	0	2	2
Women (total staff)	248	151.6	62	57	96.9	129	54.8
Men Executives	3	3	0	0	0	3	3
Men (total staff)	149	90.1	49	7	53.8	93	36.3
Self-described	0	0	0	0	0	0	0
Age							
15-24	24	13.8	7	0	7	17	6.8
25-34	47	30.3	15	6	18.5	26	11.9
35-44	73	41.5	15	21	27.3	37	14.2
45-54	129	83	44	20	55.9	65	27.1
55-64	105	64.6	28	13	37.1	64	27.5
Over 64	19	8.5	2	4	5	13	3.5
Total employees	397.00	241.7	111	64	150.7	222	91

Note: The information represents staffing information as at 31st December 2019.

December 2019						
Full time		Part time		Casual		Total
Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
64	18	23.91	11.25	NA	19.22	136.4
0	5	0	0	NA	0	5
0	0	0	0	NA	0	0
55	16	25.3	10.1	19.96	NA	126.4
119	39	49.21	21.35	19.96	19.22	267.7

December 2019						
All employees		Ongoing			Fixed Term and Casual	
Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
3	3	0	0	0	3	3
252	182.8	68	74	112.5	110	70.34
2	2	0	0	0	2	2
142	84.9	51	8	56.2	83	28.7
0	0	0	0	0	0	0
13	9.1	4	1	4.4	8	4.7
54	40.7	22	8	25.8	24	14.9
63	43.4	18	19	29.2	26	14.2
140	92.6	43	30	60.6	67	32
101	70.7	31	19	44.3	51	26.4
23	11.2	2	6	5.9	15	5.3
394	267.7	120	83	170.2	191	97.5



Customer Services Team from left to right – Rachael Keane, Marli O'Donnell, Renee Logan, Ashleigh Hoy and Lisa Fraraccio

The Human Resource Information Management System is the source of information for all staff reporting requirements.

Regular staffing statistics are provided to appropriate internal committees and serve to inform the decision-making process necessary to enhance quality service provision to students and other clients of the organisation. Reports, as required, are provided to relevant external authorities.

Our staff are employed in new and existing positions in line with our guidelines on recruitment and remuneration. We explicitly state that we foster a fair and inclusive recruitment process. Any new position go through our specific grading process by staff trained in the grading of public sector positions (and always a minimum of two people). Declarations of conflicts of interest are part of pre and post recruitment processes, to ensure the appropriately qualified and suitable applicant is secured in line with the principles of conduct and employment. By having three members of staff on every interview panel, this eradicates any unconscious bias, ensuring robust interview notes are taken and retained. South West TAFE's staffing committee reviews every vacancy through a central job portal, ensuring all positions are moderated and given final approval by the CEO, to ensure transparency and appropriate staff procurement has been followed.

Staffing figures for 2019, including an analysis by employment status, age and classifications, are represented in the tables provided above. South West TAFE believes employees have been correctly classified in the workforce data collections.

Other Disclosures

South West TAFE made six ex-gratia payments during 2019 totalling \$32,815.86.

People and Culture

The People and Culture team led our staff capability, staff and values that assists South West TAFE in achieving its organisational Strategic Plan.

We do this by:

- Leading our staff capability, purpose and values
- Developing strategies designed to attract, retain and engage our workforce
- Supporting our staff with expert consulting advice, recruiting, corporate inductions and professional development events and support
- Promoting and developing a high-performance culture across the organisation
- Modelling a practice of engagement and collaboration with our staff
- Managing staff payroll, WorkCover and return-to-work activity
- Maintaining up-to-date knowledge of employee relations and human resources practices, issues and trends; and
- Promoting and delivering an organisational development approach to our workforce through staff capability building and increased leadership capability for managers.

2019 People and Culture initiatives included:

- Regular communications via eNews and mailchimp, promoting upcoming professional development opportunities; upcoming important dates; eCard birthday wishes to staff; new staff welcomes/farewells; supporting workforce development activities and calls for staff awards nominations
- 141 new staff participated in South West TAFE's new staff induction program with P&C, providing them with an important introduction to activities, values, and things to know in order to hit the ground running at the start of their time. Feedback, collected via survey, and also anecdotally from new staff and their managers has always highlighted the value that our new staff get from the new staff induction program. At the Regional TAFE Forum held at South West TAFE in May 2019,

the executive team presented our induction program as one of the five key strengths of South West TAFE to all the other regional TAFEs.

- Two new People and Culture advisors joining the P&C team providing a depth of recruitment knowledge
- Strong focus on providing Equal Employment Opportunities and promoting diversity and equality, including a review of our interview questions and tightening of shortlisting process
- Recruitment and Selection Guidelines amended to ensure process is robust
- Adverts changed to ensure greater emphasis on us fostering a fair and inclusive recruitment process
- Manager sessions held to ensure they have a clear understanding of the recruitment lifecycle
- Supporting the launch and rollout of new values in 2019 to all staff
- Successful delivery and acquittal of project grant in 2019 to support increased leadership capability, providing an ongoing and sustainable leadership program for our staff.

Staff Morale and Connection

September counted among the highlights of staff events in 2019, with 148 South West TAFE staff walking over 36 million logged steps, which equates roughly to 27,745kms, the equivalent of walking from Glenormiston to Perth and back four times. We raised a significant amount of money for the Cerebral Palsy Alliance; our collective total for the month was \$10,776.01 which will go to much-needed research and equipment. September was very well received by staff who loved the competitive team element, while appreciating the focus on healthy lifestyle moves, all for a good cause.

A returning favourite was the Ride to Work Day and All-Day Continuous Bike Ride, which in 2020 saw four stationary bikes across South West TAFE pedalled all day long by staff in 15-minute shifts while raising money for Breast Cancer Awareness. There was a great atmosphere across both bike riding stations in B Building and F Building. The staff and students were able to keep the pedals turning on two bikes at each location all day over 124 shifts, with some riders pulling

doubles or stepping in at short notice. \$427 was raised in one day of fast and furious fundraising going towards the McGrath Foundation and Breast Cancer research and awareness.

Building on this theme a week later, more than 50 staff attended a Breast Cancer Awareness Morning Tea to listen to a speech by McGrath Nurse Rebecca Hay, eat pink snacks and drink our People and Culture team's patented pink coffees, all raising further funds.

Other popular events included Hello Day, a new one-off initiative that distributed fruit and cupcakes to each team across every campus, to encourage staff to mingle, engage with each other and say 'Hello' to brighten the day of those they might pass in the corridor. Bring your Pet to Work Day was another hit day as always, with a diverse menagerie of animals attending, including a rooster and bearded dragon lizard.

In late 2020 the P&C team requested feedback from staff on what it can do to make staff events better and more relevant to all staff at every campus. We look forward to implementing the outcomes of this feedback to our staff into 2020 and beyond.

We also held a Casual Friday event every month raising money for a worthwhile cause and getting our staff the chance to work out of uniform for a day.

In December, all departments were encouraged to participate in the annual Christmas Decorating Competition with 17 departments choosing to enter. December is a busy period and the purpose of this activity is to encourage staff to take a few moments and have fun with their teams. Three impartial judges scored each work area and first place was awarded at the Christmas Party to the Executive Team. People & Culture also took videos of the departments and their decorating efforts. A compilation of the footage was later distributed to all staff showing their camaraderie and festive spirit.

Monthly staff awards, based on our new values, are presented at our monthly Munch and Mingle staff events.

Organisational Development

The 2019 year continued to focus on the quality and improvement of People and Culture's responsiveness to the needs of the Managers and Staff. Training and implementation of any new processes, systems and programs remains a key deliverable to ensure staff embrace and adapt to the changing workforce support being led by People and Culture staff.

The major projects supported by People and Culture were:

- Leadership training and coaching
- Strategic mid-year management forum at Halls Gap
- One-touch payroll
- Position descriptions internal audit
- Online tool for KPIs: launch of the Achievement and Development Program
- MEA Award support with teaching managers and teaching staff
- Clearer data reporting through Tableau

South West TAFE staff additionally participated in strategic forums included the TAFE Regional Forum on 10 May 2019, HR capability initiatives and TAFE Community of Practice for Applied Research and Innovation VET working group to increase our knowledge, performance and capability.

Participants in the workshops from the VTA Community of Practice Regional TAFE Alliance Project included South West TAFE staff from:

- Engineering
- Agriculture & Horticulture
- Building & Construction
- Plumbing
- Automotive
- Health

Workforce Capability

People and Culture advisors and managers in 2019 participated in regular monthly forums geared to equip our leaders with current information, processes and training relevant to improving management capability.

- Emerging leaders and current leaders participated in "Giving Senior Educators and Team Leaders a Launchpad to Success" two-day workshop followed by weekly digital challenges. This was followed by an embedding day "Coaching Conversations that Matter" workshop on 20 May 2019.
- The leadership team commenced a leadership and coaching series in May, followed by individual profiling and one-to-one coaching sessions. This culminated in a two-day Strategic Forum in July to further develop their leadership capacity and collaborate as a team.
- Continued investment in our staff through participation in the Leadership Great South Coast Program, Wayne Smith Fellowship, VET Development Centre projects, key conferences and professional development activities.
- Wellbeing programs; occupational health and safety training delivery.
- Delivery of the Evolve Conference; a workforce professional development two-day event where all staff were energised, motivated and inspired to deliver our strategic objectives. Teaching staff were provided the opportunity to collectively explore, learn, discuss and transform ideas to plan for a successful year. A third day was set aside for departmental planning activities.
- Corporate induction program held weekly for all new staff. Teaching staff are provided with an additional session tailored to their needs.

Amy Silvester was South West TAFE's 2019 Leadership Great South Coast Program candidate. Amy has Embraced every LGSC opportunity And excelled in every challenge. Preparing Amy for Career opportunities at South West TAFE. Amy reflects:

"A major achievement this year, which the LGSC Program had a major influence upon, was being successfully appointed as the Manager of Client Services for South West TAFE. I am now established in this role and love going to work every day! Being a detail orientated person, a major challenge with stepping up has been big picture strategic thinking. Whilst daunting at first, it has amazed me how easy this shift from operational to strategic has been. I have an amazing team who I trust and am confident to delegate to, and a great support team both at work and home."

Amy Silvester, Manager Client Services, South West TAFE (2019 LGSC Final Report)

A large leadership and capability project, "Leading our new work mindset – A sustainable leadership capability program for Dynamic and Emerging Leaders of South West TAFE" was successfully completed in 2019, having been sourced in 2018 and supported by the Organisational Capability Department funding area of the State Government.

This has enabled a sustainable leadership program at South West TAFE with a portal of resources and ongoing forums for the development and support of our current and new leaders.

The continued focus of staff to remain engaged in their own professional development is producing excellent outcomes for our students.

The 2019-2020 Workforce Solutions Plan was reviewed in September and progress is tracked by our two-year Implementation Plan.

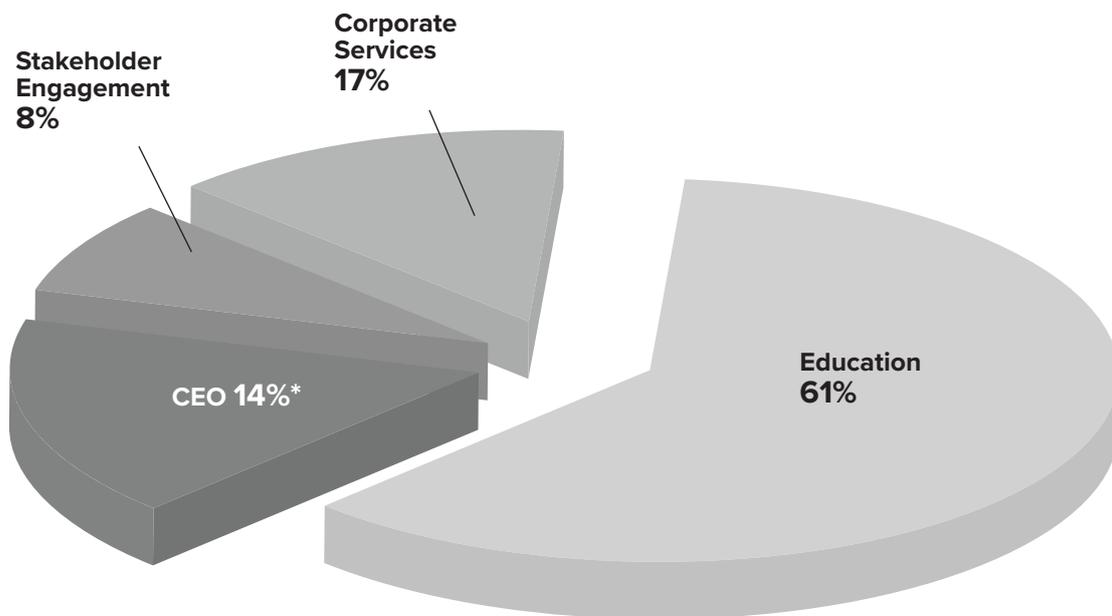
Training and Development

The 2019 budget allocated across a range of programs has produced significant workforce development, costing \$150,035 for staff development activities throughout the year. In addition to the staff portfolio figures shown below, other funded activities provided for staff include the annual staff conference, additional in-house group training activities; OHS group training delivery; and specific project-funded professional development allocated through projects.

A total of 161 staff development applications were submitted in 2019, with 146 approvals for workforce development funding support.

In addition to individual staff development applications, internal training records indicate that 316 staff have participated in and benefited from professional development activities delivered in-house throughout 2019. These include group workshops with both external facilitators and sourced internal expertise; webinars; focus groups; forums and skills training sessions.

Approved Staff Development Applications



*CEO Portfolio 14% of approved applications comprises staff from the Audit and Compliance, Finance, Registrar Office, Brand and Strategic Marketing and People and Culture.

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

People Matter Survey

South West TAFE has voluntarily participated in the Victorian Public Sector Commission annual survey since 2013. This was our seventh year of participation and produced a highly positive engagement result for the organisation, with our highest result yet.

Key highlights include:

- 89% of staff completed the anonymous survey (35% higher than TAFE sector)
- 74% staff satisfaction rate
- in many areas the organisation rated the highest of the other 12 TAFE organisations who participated

Not only has South West TAFE's survey results improved as a result of the continued work in improving organisational culture, systems and controls, but we are now the number one TAFE in the following 11 key measures identified in the survey:

- accountability
- human rights
- diversity and inclusion
- innovation
- integrity
- respect
- team support
- impartiality
- collaboration
- role clarity
- responsiveness

Significant work has been done in the past year on a range of improved communication initiatives, contributing to our survey results:

- Launch of new South West TAFE Values and Leadership Charter
- Campus Leader induction packs
- Clear leadership roles at our campuses
- A focus on wellbeing of staff through the Wellbeing portal on the intranet and various activities
- The fantastic connection that Paul Taylor from Body Mind Brain Performance Institute had at our Staff Conference

- increased focus on communication platforms such as The Lowdown Newsletter and eNews to slow the all staff email traffic
- Introduction of the Achievement and Development Plans to have staff connected into role expectations and the support they can get through Workforce Development initiatives and events
- Inclusion of all campuses including Sherwood Park and Colac Campus with live links for monthly staff awards and executive updates at the Munch and Mingle luncheons
- Revised staff awards and recognition based on organisational values
- The focus on positive culture: Hello Day; Bring Your Pet to Work Day; Wear Pink for Cancer fundraising; Steptember competitions; Movember team; vibrant Social Club
- Training for our leadership team in roles from team leader through to Executive Management which assists the skills and capability of our Management team

Focus groups were held across all campuses to give staff the opportunity to discuss the results and collaborate on ideas for future improvements. The People Matter Survey Action Plan was developed which indicates strategies, measures and focus areas for 2020 based on benchmarking results.

Continual improvements will be made in:

- Role clarity
- Recruiting – fair and just appointments
- Communication improvements
- Leadership training and coaching
- Annual staff conference to highlight PM Survey - importance and why
- Stress and wellbeing
- Change management process
- Soft rollout on skills and negative behaviours in Values workshops in 2020
- 2020 all staff conference to include Paul Taylor, Mind Body Brain Performance Institute and the Resilience Project as keynotes for day 1, with day 2 including professional development workshops for both teaching and, for the first time, specialist staff will have a day of professional development

There will be continued focus on improving our workplace for our staff as we look to maintain our staff engagement and increase staff satisfaction results.

The Staff Wellbeing and Development Group will contribute to strategies for increasing staff satisfaction and participation in the future surveys through discussion, communication and promotion of the value the results offer to improve staff satisfaction and anonymous feedback.

Health Safety and Wellbeing

Ongoing review and improvements to our Health, Safety and Wellbeing (HSW) Management systems included relevant HSW training for managers, team leaders and Health and Safety Representatives throughout the organisation, to support a proactive, preventive approach to safety and wellbeing.

Other HSW initiatives

Wellbeing activities – Staff conference, casual clothes day morning teas, Community Chest gift giving program, Munch and Mingle monthly staff luncheons, vibrant Social Club, Open Day, Standing Tall mentoring, Steptember competition and fundraiser, hot cross buns stall, South West TAFE staff participating in Morton Cup tennis and Family Tennis night in February, Lawn Bowls, Food Share and community service volunteering, all provided employees with opportunities for personal development, team bonding, recognition and overall organisational cohesion.

The Healthy Workplaces Program continues, as a framework to continually build on a holistic approach to all staff wellbeing activities. This has been tied to the development of the Healthy Workplaces portal, available on the Intranet. The framework for Healthy workplaces will allow South West TAFE to work towards improving in five broad metrics including Physical Activity, Healthy Eating, Mental Health and Wellbeing, Smoking and Alcohol. The Healthy Workplaces Working group identified Physical Activity and Mental Health and Wellbeing as priorities to focus on in 2020.

Targeting our 2019 People Matter Survey results on staff stress, wellbeing and change, the annual staff conference for 2020 “Navigating the Future” will include two keynote speakers: Paul Taylor “Navigating Change for a Better Future” and Hugh van Culenburg from The Resilience Project. Day two workshops will focus on wellbeing strategies on practical life aspects, including sleep hygiene tips, nutrition, stress reduction and immune-boosting activities.

Traineeship Program

South West TAFE’s traineeship program continued throughout 2019 and was an opportunity to support community members to gain relevant work experience while achieving a qualification. Working in partnership with Westvic Staffing Solutions, five trainees completed their traineeships in Business in 2019, with some continuing their careers within South West TAFE into 2020. In an effort to promote diversity and inclusiveness in recruiting for our 2020 round of traineeships, South West TAFE promoted our traineeships to candidates with an ATSI background and to candidates with lived experience of disability, and we are pleased that a new group of five enthusiastic and talented trainees have commenced with South West TAFE in 2020.

Industrial Relations

There were no days lost at South West TAFE due to industrial action in 2019.

Recruitment

Platforms for vacancies included Facebook, LinkedIn, Seek and newspaper classifieds, comprising \$27,408 in costs for 72 advertisements the year. In all, we employed a total of 132 new staff recruits ranging from part time/full time; contract/fixed term and casual employment.

Employee Award Nominations 2019

In March 2019, South West TAFE introduced the Values Champions Awards. Each month focused on one of the five South West TAFE values. Throughout 2019, P&C received 56 Values Champion Nominations and awarded 10 \$100 vouchers. South West TAFE also continued recognising the Champions of Excellence. In 2019, P&C received 11 Champion of Excellence nominations and awarded five \$100 vouchers. The Staffing Committee considered both the Values Champion and Champion of Excellence Award recipients as candidates for the annual Employee of the Year Awards.

Value Award Nominations by Category

Value	Month	Nominations	Awards
Respect & Human Rights	March	3	1
Leadership	April	8	1
Accountability	May	11	1
Responsiveness	June	9	2
Integrity & Impartiality	July	4	1
Respect & Human Rights	August	5	1
Leadership	September	4	1
Accountability	October	3	1
Responsiveness	November	9	1
Total		56	10

Quarterly Awards: Champions of Excellence	Nominations	Awards
April	2	1
July	4	2
September	5	2
Total	11	5

Staff Award Nominations by Specialists/Teachers	Nominations	Award Winners
Specialist	42	8
Teacher	22	7
Team	2	0
Other	1	0
Total	67	15



STAKEHOLDER ENGAGEMENT

Introduction

The Stakeholder Engagement Portfolio is a grouping of client focused professionals consisting of the Business development team, Client Services Development Team, Community and Industry Engagement, The Hive (Entrepreneurial Hub), Short Courses, Hamilton, Portland and Colac Campus Management, plus the Schools Jobs and Pathways Division incorporating the Skills and Jobs Centre.

Our ambition is to provide future focused education that creates a lifetime of opportunity and employability.

Our remit is to appropriately and professionally represent the institute purpose and values. Delivering a modern and fresh approach to supporting generations to develop the skills they need for the futures they aspire to.

Our team are working collaboratively, cleverly, creatively and courageously with the communities and industries of South West Victoria and beyond, in exciting new and emerging markets, embedding our Values of Integrity, Impartiality, Respect, Leadership, Accountability and Responsiveness in every client engagement.

We will continue to identify and grow strategic and mutually rewarding partnerships and engagement internally and with communities, industry and government.

This is through a strong commitment to developing and broadening commercial training and consultancy services, delivering real outcomes to commerce, community, industry and governments.

Stakeholder Engagement (SE) is one of South West TAFE's pivotal agencies for marketing its professional capabilities and is the principal point of contact when seeking partnerships, consultancy or training services from the organisation.

Operating within a strong business model, SE places a high value on finding flexible, responsive and innovative solutions to deliver quality outcomes for the client. South West TAFE treats all projects, whether consultancy, partnering or contracted training, with the utmost level of professionalism, honesty and integrity.

Stakeholder Engagement personnel maintain links with all South West TAFE stakeholders and are able to bring together expertise from across all divisions in its endeavour to provide solutions to private and public sector organisations.

The Hive at South West TAFE

The Hive at South West TAFE is a newly created space next to the Library at our Warrnambool Campus. The Hive is a collaboration with Warrnambool City Council to encourage and support the entrepreneurial community of our region.

It is a co working space, a place for collaboration and idea generation and designed as a small business incubator, a place to learn, to develop and grow.

The construction of the space was funded by the Workforce Training Innovation Fund – New Work Mindset Project. Staffing for 2020 has been jointly funded by South West TAFE, Warrnambool City Council and Foundation for Young Australians. The aim is to have a self-sustainable space by 2021, through revenue from desk hire, membership fees and room bookings.

Industry Connect and Community Liaison

South West TAFE continued to expand the Industry Connect Program in 2019, in excess of 40 events, both large and small were held across all campuses, including offsite and within industry.

Deeper levels of engagement and discussion were achieved by partnering with community and industry groups, with increased levels of student participation at many events. Teaching divisions see great value in partnering with industry and community. This ongoing collaboration with industry will continue to be a valuable tool in assessing the currency and validity of our training and teaching methods.

Industry Connect provides a crucial link to industry for our teaching departments, which influences our delivery and most importantly ensures our students develop the skills and knowledge that ensure they are work ready.

Community liaison work to ensure our corporate responsibility to our community is met and enhanced. Partnerships and support services for community groups such as Standing Tall and Foodshare continue to be a strong focus, with growth in our level of volunteering and support for these services and a collection of opportunities to give back to our communities.

In 2019 the first Women in Dairy Pamper Day was held, supporting Saputo in ensuring women off farms experienced a day of pampering from Pure Academy and a luncheon from our hospitality students.

South West TAFE host Warrnambool's National Police Remembrance Day (Blue Ribbon) which attracted a large crowd. Victoria Police Blue Ribbon Foundation CEO Neil Soullier made the trip to Warrnambool to be part of a service at the site of a new memorial stone.

The stone is situated at the back of the old courthouse in the grounds of South West TAFE and carries the names of the four policemen killed while serving or from injuries sustained on the job from the Warrnambool catchment area.

South West TAFE is proud to continue to support our first responders in recognizing their ultimate service to their community.

Pathways

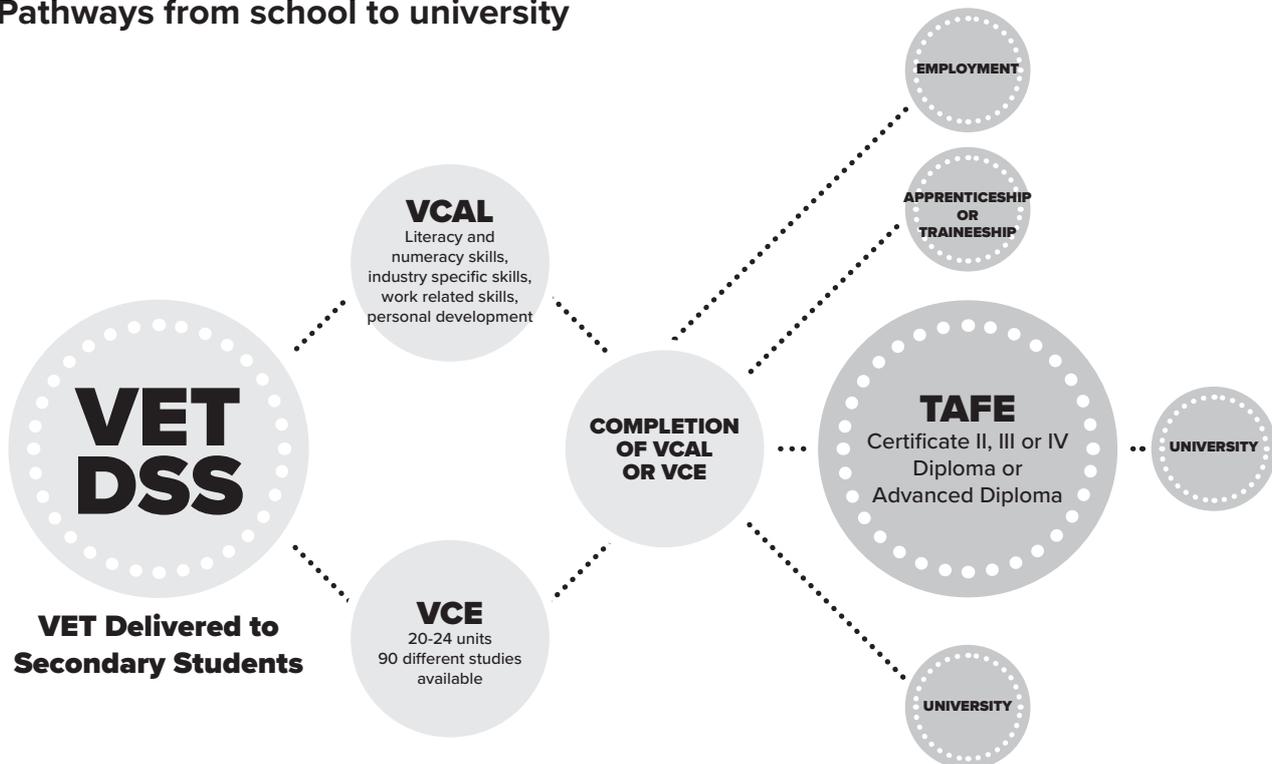
With our ambition of providing an "Education that creates a lifetime of opportunity for all" pathways opportunities are imperative to student's reaching their end goal. Pathways can be influenced by many things and begin at an early age. The journey of lifelong learning begins with the wonder and love of wanting to find out more and knowing you can achieve great things if you try. The Schools, Jobs and Pathways division is about allowing the community to see what South West TAFE has to offer through an open invite to campus and its offerings.

This is achieved through many ways. The 'Aspirations' program with primary schools students begins the journey of exploring future learning opportunities in a local educational setting. The 'seed' planting of ideas and opening eyes to what is possible at a young age. Bringing young students to the campus creates familiarity and excitement for new trials.

Primary school students use the South West TAFE premises for simple purposes such as hosting lunches when on excursions, to providing tours of our teaching areas, to using the kitchens for cooking demonstrations and dining in the restaurant. It's the beginning of breaking down barriers and demystify what education can look like.

Pathways extend to secondary school students beginning at year 9 with 'Try a Career Day's" hosted at the Sherwood Park campus. During these days 800 year 9 students from across the region get to experience 3 trades they might be interested in as a career choice. They meet the trade teachers and step onto the South West TAFE campus mostly for the first time and experience a different style of industry based learning. Year 10, 11, and 12 students can begin their official accredited training through the VET Delivered to Secondary Schools program and School Based Traineeships and Apprenticeships.

Pathways from school to university



Community members, school students, unemployed, career changes all require a collection of programs and services that are intended to develop their core academic, technical and employability skills, provide continuous education and training advice and place them in high demand for high opportunity jobs. The Pathfinders Skills and Jobs Centre has helped many clients find their path. In 2019 the qualified career practitioners supported all the South West TAFE campuses with over 1000 individual career and course consults. A larger percentage ended up choosing a TAFE course followed by full-time, part-time employment, then a small percentage choosing pre-accredited training or picking up an apprenticeship. A conversation with students about supporting their next steps strengthens our partnerships with community providers, social services, government agencies, educational support programs, universities and industry partners.

In 2019 pathway conversations continued with around 1800 year 12 students discussing 'next steps', life after school, this was closely followed by year 11 and year 10's. 3,763 school students were influenced by a Pathfinders conversation on TAFE, University and the 'New World of Work' data.

Pathfinder and South West TAFE conversations with Deakin University are strong with joint presentations and branding being showcased with school students. South West TAFE graduating Diploma students have direct access to staff and the pathways team at the Deakin Warrnambool campus. Deakin's new pathways program recognises South West TAFE students completing Diploma or above level programs, offering direct entry and credits into their degree programs within 5 years of completion of their studies at South West TAFE.

The Deakin pathways team spent time at the South West TAFE campus talking to all graduating students in groups and one to one.

Pathway is journey someone can take and create and take a lifetime of opportunities. It's never too early or late to start thinking about your future.

VET Delivered to Secondary School Students (VETDSS)

There were 23 secondary schools from across the region that partnered with South West TAFE to provide students with relevant learning subject options covering 12 different industry sectors. It was another successful year for South West TAFE with 387 secondary students beginning their vocational pathway with the Institute. VETDSS allows students in Years 10, 11 and 12 from across the region the opportunity to kick start their future career, learn new skills, and get a taste of industry whilst providing credit into their VCE or VCAL certificates. Each year more students are recognising the value and importance of vocational training and the pathways a qualification can provide post their secondary schooling. A VETDSS program is the first opportunity a student has to experience vocational training in an industry-based learning environment and for many the beginning of their vocational journey. Building Construction, Automotive and Community Services were the top three choices of study from secondary school students across the region in 2019. In 2019 Skills and Jobs Centre Career advisors spoke in front of 1,727 year 12 students, 193 year 11, 252 year 10's and 115 year 9's about South West TAFE courses and career options. Secondary Schools are becoming open to exploring all future learning pathways for their students to embrace the changing nature of work.

Maker Fest is a unique event that brings local primary and secondary school exhibitors to South West TAFE to showcase their broad range of STEAM (science, technology, engineering, arts and maths) activities and inventions. 1200 people attended in 2018 ensuring this event is embedded into school curriculum on a biannual basis to showcase experimental designs and advancements in technology. 2020 is shaping up to be an extraordinary event.

South West TAFE staff have enjoyed another year providing mentors and hosting the 'Standing Tall' school based mentoring program in Warrnambool. Standing Tall offers secondary students at risk of disengagement the support they need to stay in school and enjoy happy and healthy outcomes.

International Operations

In January a South West TAFE student Angela Alexandra undertook the journey of a life time as part of a Victorian Government initiative where she was a recipient of The Lopez-Lochert Scholarship.

This scholarship offered local TAFE students the opportunity to complete a course in business or hospitality in Santiago, Chile, through a partnership of Government and the Victorian TAFE's.

The host institute Duoc UC was founded in 1968, as an initiative of a group of students and faculty of Pontificia Universidad Católica de Chile. With 80,000 students, Duoc UC offers 96 technical and professional degree programs through 9 schools deployed in 17 campuses in the Santiago, Valparaiso and Bio-Bio Regions. Duoc currently enrolls over 560 students from 30 countries, with a concentration of students from Peru, Ecuador, Colombia, Argentina and Brazil

Angela spent two weeks undertaking business training.

A visit from YonAm College, Republic of Korea in July by a Professor and agriculture students has led to further communication and the proposition of more long term study tours.

International engagement in 2019 included a short study tour of five teachers from Shaanxi Polytechnic Institute, China in November. This was in collaboration with Melbourne Polytechnic to give the teachers insight into the Australian Vocational Education system and to focus on a range of specific programs

Overseas Travel

Overseas travel was undertaken by the CEO and Business Development staff to China September to visit potential partner delivery colleges and polytechnics in Shandong Province.

International Development

Partnership development continues in China with Guangdong Vocational College of Hotel Management, Shandong Agricultural Engineering University, Shandong and the Peixian International College.

Student and staff study tours and exchange opportunities are being pursued in the Republic of Korea with YonAm College and with the China Australia Vocational College, China.

Worldskills South West Victoria Region

Worldskills Australia is a social enterprise that passionately believes skills drive the future of young people, and of Australia. Empowering excellence in young Australians since 1981.

Worldskills are the leading voice for skills excellence in vocational, technological and service oriented careers in Australia. Raising the awareness of hundreds of thousands of young Australians and their parents, industry and employers, that our nation's future depends on effective skills training systems.

South West TAFE has taken on the role of coordinating the Worldskills Program in the South West of Victoria. Every two years, more than 500 Regional Competitions are held in 34 regions across Australia. They test the skills and knowledge of 4000+ apprentices, trainees and students, who have the chance to win gold, silver and bronze medals and go on to compete at a national level. 2021 is the next Regional Competition year.

Competitors are the stars of the Regional Competitions, but training providers, employers, local government, industry, employers, volunteers and sponsoring partners also have important roles to play.

South West TAFE ran regional competitions in Hairdressing, Automotive and Cookery in 2019. Our first taste of being part of this wonderful opportunity for our students and others in the community to showcase their skills and seek further personal and skill development.

Competition winners have the opportunity to represent our region in Perth in the National Competition in September 2020. Followed by International competition in Shanghai.



WorldSkills
Left to right Sophie Aitken and Quentin Beare, Teacher, Hospitality.

Graduation and Awards Ceremony

Industry Collaboration Award - MINTRAC

The Industry Collaboration Award recognises organisations and businesses that have formed innovative partnerships with South West TAFE to develop programs and strategies that meet the needs of our regional industries.

The 2018 Industry Collaboration Award presented at our 2019 Awards Ceremony was awarded to MINTRAC.

The National Meat Industry Training Advisory Council represents the industry on training matters.

MINTRAC's role is to improve the skills of workers in the industry through the provision of recognised and accredited training from entry level through to senior management.

South West TAFE has worked closely with MINTRAC for more than 15 years and was recently approached to form an innovative partnership to provide training to university students.

Since 2017 South West TAFE, MINTRAC and Federation University have been collaborating on the project to entice university graduates to the meat processing industry.

In May last year, South West TAFE started delivering the Certificate III in Meat Processing to university students predominantly studying bachelor degrees in Food Science and Vet Science.

The aim of this project is to meet a skills shortage in the higher levels of the meat industry.

Students are able to gain experience and a better understanding of the meat industry which in turn is able to gain valuable employees with extra scientific knowledge.

Educational Collaboration Award – Emmanuel College

This award recognises educational organisations and their support in assisting young people in our region to achieve their best possible education outcomes.

The 2018 Educational Collaboration Award presented at our 2019 Awards Ceremony was awarded to Emmanuel College.

South West TAFE has partnered with Emmanuel College for more than 18 years through the VET in Schools program.

More recently the partnership has extended to South West TAFE using the Emmanuel Centre to successfully deliver the VET in Schools engineering course catering for all students across the region for the first time last year.

Last year more than 740 Emmanuel College students from years nine through to 12 were able to experience the facilities, courses and services offered at South West TAFE and the Skills and Jobs Centre.

This included a visit during the year 10 camp, speaking at year 12 information sessions, running campus tours, 'Life after the final bell' workshops, and independent career guidance.

The collaboration has also included the MakerFest event where a staff member Simone Rolfe was on the committee helping with the logistics and planning. Emmanuel students also provided an exhibition on the day and embraced the opportunity to send many students across various year levels to attend and be inspired by the day's activities.

South West TAFE has continuously partnered with Emmanuel College and Deakin University for career nights. Course and Career advice is also provided on school grounds following the release of year 12 ATAR scores.

It is a great collaboration between education providers in a regional city providing students with local opportunities.

Trades Awards

Industry Partnership Award – Keppel Prince Engineering

Located in Portland, Keppel Prince Engineering specialises in the construction, fabrication and maintenance of industrial structures and equipment.

From wind farms to bridges, the team of 350 continues to focus on building and maintaining a sustainable future for Australia and the world.

South West TAFE has been a proud partner of Keppel Prince for more than 30 years, training their Certificate III in Engineering Fabrication and Mechanical apprentices, adult and school-based trainees and customised short courses.

This year, in partnership with Keppel Prince, South West TAFE has developed a new course, Certificate III in Surface Preparation and Coating Application, with training expected to commence later this year.

Keppel Prince has always supported engineering apprentices and regularly opens its doors to allow other students the opportunity to tour its facility and see how a big industry operates.

The organisation has been a great supporter of South West TAFE and has continued to provide valuable input into training programs over the years.



COMMUNITY

South West TAFE continues its strong and genuine commitment to the south west region, supporting our community, collaborating with community groups and becoming involved in various projects, supporting local events and opening its facilities and expertise to the community wherever possible.

During 2019 we made significant progress on our commitment to build even stronger relationships with the community, industry and students. Working collaboratively and being a fundamental part of the community is core to the success of South West TAFE.

In consultation with our indigenous communities we launched our first Reconciliation Action Plan (RAP) which lays out our three-year strategy for indigenous engagement. Progress on this plan is reported to our executive and Board and is currently well on track. Cultural events such as NAIDOC and Reconciliation Week held on each campus continue to act as a great catalyst in bringing people together.

Our Aboriginal Advisory Committee has representatives from: Gunditj Mirring Aboriginal Traditional Owners Corporation; Winda Mara Aboriginal Corporation; Gunditjmara Aboriginal Co-op; and Department of Education – KESO.

We enjoy the privilege of employing Indigenous Community Leaders in student support roles at South West TAFE and look to further strengthen our engagement with indigenous organisations. The RAP will continue to be a priority in 2020 with new goals and priorities to be developed.

We develop community partnerships to support growth and sustainability in our communities, working closely with industry to ensure we are responsive and relevant to their needs.

In 2019 we celebrated many examples of South West TAFE's close community connections, working with many groups across the region.

A sample of just some of the events that entailed:

- Women In Dairy Pamper Day and Lunch in conjunction with Saputo
- GamED – Gaming careers pathways and innovation inspiration for school students. GamEd events are focused on linking the interactive digital media industry with secondary school students, school staff, academic institutes and community. Drawing from their own experiences, industry professionals present to students a critical view of the industry and what it takes to be employed. The event highlights the potential career options and transferability of skills to allied industries.
- Minecraft to Marvel - South West TAFE Digital Innovation Festival (DIF) event Minecraft to Marvel workshop sessions on Friday, September 6. The world of game design and animation opened imaginations through two free sessions offering participants the opportunity to dive into the world of virtual reality and learn the tricks of the trade with market-leading software.

- The Warrnambool campus of South West TAFE hosted Australia's Got Talent 2019 winner, Kristy Sellars of PhysiPole Studios, the daughter of well-known Warrnambool business entrepreneur Frank McCarthy. Kristy and Frank shared their business experience, offering an insight into setting up successful businesses - including the largest pole-dancing studio franchise in Australia - at a business breakfast for business operators. Kristy also took the time the day prior to address students on her path to success as an inspirational leader.

We celebrated our students' success with well-attended graduation nights, supported by family and friends. Individual celebrations were held for hair and beauty students, traditional trades apprentices, diploma and advanced diploma students.

In 2019 we opened our facilities to over 200 meetings and events for community groups in our region, across all campuses, at low to no cost for not-for-profit groups.



Women In Dairy Pamper Day

South West TAFE VCAL Projects and Partnerships for 2019

Portland VCAL

Rotary - School Lunch Project. The students produced 10,000 sandwiches and have delivered them to 13 schools in Portland, Heywood, Dartmoor and Merino. This project was also supported by SeaChange, Woolworths and Bupa.

Clean Up Australia Day - Students worked within the community to support Clean Up Australia.

United Way Portland - Little Book Boxes. 29 book boxes delivered and maintained around Narrawong, Heywood and Portland.

Colac VCAL

YEET- Youth Educational Engagement Tribe.

Project involved painting a mural at the Colac Community HUB. This was supported by the Colac Otway Shire, Colac Otway Performing Arts and Acciona Wind Farm.

Hamilton VCAL

Salvation Army - Students ran the weekly Hamilton soup kitchen for local families.

Mobile muster and recycling project - **Battery World and Hamilton Shire**

Warrnambool Foundation VCAL

Lyndoch Living - Working with residents in the CTI, teaching them how to use equipment once a month.

Lifeline Warrnambool - Clothing drive, assisting with sorting and re-labelling equipment.

Warrnambool SDS - working with and mentoring students.

Cancer Council - Students ran a BBQ to raise over \$300 for the Cancer Council.

Warrnambool Intermediate VCAL

Salvation Army - Healthy Breakfast Program

Warrnambool Special Development School - proceeds from the Colour Run donated to the new school.

Archie Graham Centre and Warrnambool City Council - Students ran Harmony Day activities for the community

Warrnambool Senior VCAL

Warrnambool East Primary School - Mentoring students for a weekly session.

CTI-South West TAFE - Designing and printing 3D merchandise for the South West TAFE Open Day

Lyndoch Living - Weekly activities for residents.

Warrnambool West Primary – After-school activities program for students in need.

Warrnambool Young Parents VCAL

Warrnambool City Council - Totally Boolistic with nature three-day festival which saw more than 700 attendees.

Beyond the Bell - Coordination of school uniform collection for Warrnambool schools and coordination of the Little Book Box Project.

Brophy Family Youth Services and Food Share - School Lunch Project. 1000 sandwiches per month are made and distributed to Warrnambool Primary and Secondary School to feed students in need.

Examples of community involvement in 2019 included, but was not limited to:

- NAIDOC Week celebrations
- Live4Life Glenelg
- Warrnambool WAVE School 40th Anniversary
- Standing Tall in Warrnambool mentoring program – Provide admin support & mentors
- Warrnambool Foodshare – Provide admin support & volunteers
- Lions Voice of Youth 2018

- Police Remembrance Day annual event
- All-abilities Advocacy regional meetings
- Portland Upwelling Festival
- Sheepvention Hamilton – provided workshops and activities
- Hosted Connect Warrnambool Volunteer Expo
- VCAL students community garden – Growing Herbs at Hamilton Campus
- Reconciliation Week
- Idahobit Day
- Rainbow Day
- Wear It Purple Day
- International Day of People with a Disability

Key partners working to achieve educational goals include, but are not limited to:

- Beyond the Bell Great South West
- Brophy Family and Youth Services
- Glenelg Southern Grampians LLEN
- South West LLEN
- Deakin University Advisory Group
- Warrnambool Special Development School
- Schools and careers networks
- Westvic Staffing Solutions 1000 jobs in five years
- Gunditjmara Aboriginal Co-Operative
- SGAE – Southern Grampians Adult Education

Community Engagement is an integral part of who we are, as a Community Leader, employing leaders in our community to respond to the growth and sustainability of our community.



COMPLIANCE

Occupational Health and Safety

The organisation maintained a proactive, systematic approach to its OHS legislative compliance and duty of care obligations by providing safe, healthy working and learning environments for our students, employees, contractors and visitors.

The Occupational Health Safety and Emergency Planning Committee (OHS & EP Committee) membership includes the Chief Executive Officer ex officio, four management representatives, Chief Emergency Warden, OHS & Facilities Compliance Officer, Disability Services Co-ordinator, People & Culture Advisor and 17 Health and Safety Representatives (HSRs) representing 268 employees in 16 Designated Work Groups (DWGs) across South West TAFE's six Campuses.

The HSR roles included:

- Attending the 5 day initial HSR training or 1 day refresher course, as required.
- Carrying out workplace OHS inspections and providing reports of issues identified.
- Assisting with investigation of health and safety issues.
- Consulting with management on health and safety matters.
- Assisting with OHS risk assessments.
- Receiving information from Executive and external sources to assist with their OHS role.

- Attending interviews, when required, between employees and management regarding OHS matters.
- Attending meetings of the OHS & EP Committee.

The OHS & EP Committee met six times during the year. Minutes of these meetings were forwarded to the Audit, Risk and Compliance Committee and the organisation continued to administer OHS issues within the context of its risk management framework.

The following notable Health, Safety and Wellbeing initiatives were implemented:

Introduction of personal health Body Scans and the My Wellness App in collaboration with Aquazone.

- Portland campus – Two industrial vacuum cleaners to minimise dust in trade workshops. Manual handling aids: hydraulic waste bin lifter, scrap metal skip and gas cylinder trolley.
- Warrnambool Campus – HVAC systems upgraded for improved room comfort and air quality.
- Traffic Management Plans (TMPs) developed for the four campuses where forklift trucks operate.
- Completion of OHS Action items including Test and Tagging of Electrical Appliances.
- Review of relevant OHS policies, procedures, guidelines and forms.
- Active membership of the Warrnambool Area Safety and Health (WASH) Group, and participation in running seminars.

- Professional membership with Australian Institute of Health & Safety (AIHS).
- Maintained a professional relationship with the local region Worksafe office.
- Active membership of the Victorian TAFE OHS Network Group.
- Emergency/Fire evacuation drills.
- Working with aggressive & challenging behaviours training for relevant staff.
- Training for OHS representatives.
- Training for Emergency Wardens and Chief Wardens.
- First aid training for nominated First Aid Officers.
- Office ergonomic assessments and installation of reasonable adjustments for affected staff.
- Hazardous Manual Handling risk assessments, and safe manual handling training.
- Influenza vaccinations.

A total of 86 OHS incident reports were received during 2019, summarised as follows:

- 64 incidents involved students. One was reportable to Worksafe and no Improvement Notices issued. By comparison there were two reportable student incidents for 2018 and three in 2017, with no Notices issued.
- 18 incidents for South West TAFE employees, none of which were reportable to Worksafe. There were two reportable employee incidents in 2018 which resulted in 2 Workcover claims. In 2017 there was one Worksafe reportable employee incident.

- 3 incidents involved visitors, (not reportable to Worksafe).
- 1 contractor incident, (not reportable to Worksafe). This compares with two contractor incidents in 2018 (one reportable) and none in 2017.
- OHS incident investigations were conducted and corrective/preventive actions implemented, involving relevant Health and Safety Representatives where possible.
- There were no Worksafe Improvement Notices received during 2019, 2018 and 2017.
- There were no Worksafe Prohibition Notices for 2019 and 2018. One was received in 2017 requiring removal of asbestos.

One Worksafe Entry Report was received during 2019, four in 2018 and five in 2017. These related to auditing of recent changes for RTOs and assessors delivering High Risk Work Licence training, and following up incident reports.

Performance Indicators

Statistics for reported hazards and incidents are listed below:

Hazards and Incidents	2019	2018	2017
Total full-time equivalent staff numbers at the last pay in December	268	242	242
Total Hazards Reported	41	21	26
Total Incidents Reported	86	72	56
Hazards per 100 full-time equivalent staff numbers	15.3	8.7	10.7
Incidents per 100 full-time equivalent staff numbers	35.5	29.8	23
Number of time lost standard claims per 100 full-time equivalent staff numbers	0	1.6	0
Time lost (hours)	0	326.8	0
Number of claims (standard and minor)	0	4	5
Number of fatalities	0	0	0

Workcover Claims	2019	2018	2017
Average cost per claim for the year	\$17,085	\$8,636	\$3,046
Payments to date	\$20,676	\$4,814	\$4,346
Estimate of outstanding claim costs	\$30,578	\$21,095	\$4,793

Activity Table

For the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
NOTE A1 - OPERATING STATEMENT			
Total Operating Expenses			
Delivery provision and support activity	A2	24,052	20,218
Administration and general services activity	A3	7,437	6,541
Property plant and equipment services activity	A4	5,794	5,402
Student and other services activity	A5	1,397	1,158
Total Operating Expenses		38,680	33,319
NOTE A2 - OPERATING STATEMENT			
Salaries, wages, overtime & allowances		14,359	13,434
Superannuation		1,513	1,289
Payroll Tax		394	422
Other salary related costs		116	57
Consumables		1,217	1,064
Fees [541-553]		436	2,108
Contract Services [571 - 583]		-	-
Travel and motor vehicle expenses		216	275
Depreciation		456	438
Other direct delivery expenses		5,345	1,131
Total expenses from transactions		24,052	20,218

	Note	2019 \$'000	2018 \$'000
NOTE A3 - OPERATING STATEMENT			
Salaries, wages, overtime & allowances		4,640	3,486
Superannuation		451	343
Payroll Tax		112	107
Other salary related costs		144	170
Consumables		393	360
Communication expenses [471-483]		751	770
Fees [541-553]		119	286
Travel and motor vehicle expenses		158	163
Depreciation		23	22
Other expenses		646	834
Total expenses from transactions		7,437	6,541

NOTE A4 - OPERATING STATEMENT			
Salaries, wages, overtime & allowances		1,095	998
Superannuation		123	100
Payroll Tax		30	35
Other salary related costs		-	4
Consumables		41	29
Equipment [521 -523]		77	145
Energy costs [511 - 515]		498	452
Contract Services [571 - 583]		1,204	1,214
Rent / leasing charges [621 - 627]		42	42
Repairs & maintenance [641 - 665]		729	532
Depreciation		1,859	1,728
Other expenses		96	123
Total expenses from transactions		5,794	5,402

NOTE A5 - OPERATING STATEMENT			
Salaries, wages, overtime & allowances		1,044	893
Superannuation		106	91
Payroll Tax		26	28
Other salary related costs		1	1
Travel and motor vehicle expenses		23	26
Other expenses		197	119
Total expenses from transactions		1,397	1,158



**SOUTH WEST INSTITUTE OF TAFE FINANCIAL MANAGEMENT
COMPLIANCE ATTESTATION STATEMENT**

1 January to 31 December 2019

I, Steven Waterhouse, on behalf of the Responsible Body, certify that for the period 1 January 2019 to 31 December 2019, the South West Institute of TAFE has complied with the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.

A handwritten signature in black ink, appearing to read 'Steven Waterhouse'.

**Steven Waterhouse
Board Chair**

3 April 2020

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Freedom of Information

South West TAFE was subject to the provisions of the *Freedom of Information Act 1982* and employed a Freedom of Information Officer to ensure that the information it provided complied with the Act, and was provided in a timely and effective manner.

There was one request for release of information under the Act, during 2019 reporting period.

Protected Disclosure

The South West TAFE retained its policy in relation to the *Protected Disclosure Act 2012*, which covered the procedures staff may use to disclose any concerns in relation to the Act. The organisation provided staff with a contact officer to assist with confidential disclosures. No disclosures were made under the Act during the 2019 reporting period.

Building and Construction

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

- Complied with the *Building Act (Vic) 1993*, *Building Regulations (Vic) 2018* and the *Disability Discrimination Act (Fed) 1992*.
- Met the applicable Occupation Health and Safety standards.
- Exceeded the expectations of students, staff, conference & events clients and tenants.
- Respected the heritage of occupied sites in accordance with Local and State heritage laws.

A Project Officer was employed to oversee construction of the new 'Hive' Library and Innovation Hub.

The organisation also continued to employ a Compliance Officer to maintain compliance with the *Building Act 1993*, *Building Regulations 2018* and the *Building Code of Australia*. The Compliance Officer was responsible for compliance issues related to buildings across all South West TAFE campuses, including maintenance of fire protection and evacuation systems in accordance with *Essential Safety Measures (ESM)* maintenance standards.

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

National Competition Policy

South West TAFE has adopted the Competitive Neutrality Policy under the guidelines of the Victorian Government's Guide to Implementing Competitive Neutrality and associated documents.

The organisation has also developed and maintained a pricing model that ensures prices charged for business activities reflect all costs incurred, and that all advantages and disadvantages of government ownership be taken into account.

The organisation pricing regime continued to meet the requirements of;

- National Competition Policy
- Victorian Government policies on competitive neutrality
- Ministerial Directions on Fees and Charges.
- Legislation and guidelines relating to the Goods and Services Tax (GST)
- Guidelines, rulings and interpretations made by the Australian Competition and Consumer Commission (ACCC) on the National Competition Policy, fair trading and the implementation of GST.

We met the Victorian Participation Policy by maintaining a list of suppliers of goods and, where possible, encouraging local businesses to apply for contract work in the organisation.

Compliance with Victorian Carers Recognition Act 2012

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

In 2019, 58 staff utilised carers leave at South West TAFE.

FINANCIAL POSITION



FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2019

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

We certify that the attached financial statements for the South West Institute of TAFE has been prepared in accordance with Standing Direction 5.2.1(a) of the Financial Management Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Charities and Non-profits Commission Act 2012, Australian Accounting Standards and other mandatory professional reporting requirements. The Institute has implemented and maintains processes to ensure the Institute's Annual Report is prepared in accordance with the FMA, these Directions. The Instructions, applicable Australia Accounting Standards and Financial Reporting Directions.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2019 and financial position of the Institute as at 31 December 2019.

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

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

Steven Waterhouse
Board Chair

14 April 2020

Mark Fidge
Chief Executive Officer

14 April 2020

Jacob Taylor
Chief Finance and
Accounting Officer

14 April 2020

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Independent Auditor's Report

To the Board of South West Institute of TAFE

Opinion I have audited the financial report of South West Institute of TAFE (the Institute), which comprises the:

- balance sheet as at 31 December 2019
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration by the board chair, chief executive officer and chief finance and accounting officer.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- presenting fairly, in all material respects, the financial position of the Institute as at 31 December 2019 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the Institute and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

I confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Board of the Institute, would be in the same terms if given to the Board as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - subsequent events COVID-19 pandemic I draw attention to Note 9.4 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.

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Other information The Board are responsible for the Other Information, which comprises the information in the annual report for the year ended 31 December 2019, but does not include the financial report and my auditor's report thereon.

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.

Board's responsibilities for the financial report The Board of the Institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Institute and the consolidated entity'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.

Auditor's responsibilities for 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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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.

MELBOURNE
15 April 2020


Charlotte Jeffries
as delegate for the Auditor-General of Victoria



Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, South West Institute of Tafe

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

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

Independence Declaration

As auditor for South West Institute of Tafe for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
15 April 2020

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

South West TAFE - FINANCIAL STATEMENTS

How this report is structured

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

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FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2019

		2019	2018
	Note	\$'000	\$'000
Continuing operations			
Income from transactions			
Government contributions	2.1	28,860	32,444
Sales from contracts with customers	2.2	3,933	4,399
Interest income		173	254
Other income	2.3	564	396
Total income from transactions		33,530	37,493
Expenses from transactions			
Employee benefits	3.1.1	23,893	21,227
Depreciation and amortisation	4.1.2	2,293	2,188
Supplies and services	3.2	5,936	7,554
Other operating expenses	3.3	6,506	2,392
Total expenses from transactions		38,628	33,361
Net result from transactions		(5,098)	4,132
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.1.1	(185)	4
Net gain/(loss) on invest property revaluation	4.3	301	(48)
Other gains/(losses) from other economic flows	9.1	31	2
Total other economic flows included in net result		147	(42)
Net result from continuing operations		(4,951)	4,090
Comprehensive result		(4,951)	4,090

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

FINANCIAL STATEMENTS

BALANCE SHEET

As at 31 December 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	10,384	17,500
Receivables	5.1	1,743	960
Total financial assets		12,127	18,460
Non-financial assets			
Inventories		44	39
Prepayments	5.2	875	542
Property, plant and equipment	4.1	47,600	47,231
Right of use asset		153	-
Intangible assets	4.2	2,204	2,662
Investment property	4.3	3,036	2,735
Total non-financial assets		53,912	53,209
Total assets		66,039	71,669
Liabilities			
Payables	5.3	2,776	3,273
Employee provisions	3.1.2	3,439	2,927
Lease liabilities		168	-
Borrowings	6.2	2,752	3,614
Total liabilities		9,135	9,814
Net assets		56,904	61,855
Equity			
Contributed capital	6.3	9,361	9,361
Accumulated surplus		23,493	28,444
Reserves	9.2	24,050	24,050
Net worth		56,904	61,855

The balance sheet should be read in conjunction with the notes to the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Physical assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
At 1 January 2018	24,050	24,354	9,361	57,765
Net result for the year	-	4,090	-	4,090
Year ended 31 December 2018	24,050	28,444	9,361	61,855
Net result for the year	-	(4,951)	-	(4,951)
Year ended 31 December 2019	24,050	23,493	9,361	56,904

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

CASH FLOW STATEMENT

For the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		28,056	30,577
User fees and charges received		3,877	5,322
Goods and services tax recovered		1,319	1,613
Interest received		232	197
Other receipts		970	774
Total receipts		34,454	38,483
Payments			
Payments to suppliers and employees		(36,747)	(32,211)
Other payments		(65)	(47)
Goods and services tax paid		(1,527)	(2,324)
Interest paid - lease liability		(9)	-
Total payments		(38,348)	(34,582)
Net cash flows from/(used in) operating activities	6.1.1	(3,894)	3,901
Cash flows from investing activities			
Purchase of non-financial assets		(2,472)	(1,026)
Proceeds from sales of non-financial assets		112	306
Net cash provided by/(used in) investing activities		(2,360)	(720)
Cash flows from financing activities			
Repayment of borrowings		(862)	(232)
Net cash flows from/(used in) financing activities		(862)	(232)
Net (decrease)/increase in cash and cash equivalents		(7,116)	2,949
Cash and cash equivalents at the beginning of financial year		17,500	14,551
Cash and cash equivalents at the end of the financial year	6.1	10,384	17,500

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

1. ABOUT THIS REPORT

South West TAFE (SWTAFE) is a statutory body corporate, established pursuant to an Act made by the Victorian Government under the *Education and Training Reform Act 2006 Section 3.1.12 4 (a)*.

Its registered office and principal address is:

197 - 205 Timor Street,
Warrnambool, Victoria 3280

1.1 Basis of preparation

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

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

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

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

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

- the fair value of land, buildings, 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 3.1);
- AASB 16 leases and the requirements to determine the lease term to the extent that extension options are certain (note 3.4); and
- the recognition of revenue in relation to contracts with customers (note 2).

These financial statements cover SWTAFE as an individual reporting entity. SWTAFE had no controlled entities for the year ended 31 December 2019.

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian taxation office (ATO), in which case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Funding risk

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

SWTAFE has substantial economic dependency on Government operating and capital contributions.

SWTAFE manages funding risk by continuing to diversify and increase funding from commercial activities domestically.

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

1. ABOUT THIS REPORT

1.2 Compliance information

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

For the purposes of preparing financial statements, SWTAFE is classed as a not-for-profit entity. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. These financial statements are prepared to comply with the *Australian Charities and Not-for-profits Commission Act 2012*.

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

	2019	2018
	\$'000	\$'000
Grants and other transfers		
State government - contestable	14,690	11,310
State government - other contributions	13,364	20,394
Commonwealth Government - other contributions	806	740
Total Government contributions	28,860	32,444

Contestable grants are recognised when the entity satisfies its performance obligations by delivering training. Specifically upon training delivery participation being recorded as completed to Government; revenue is recognised as determined to be earned when confirmed so by Government. This application of AASB 15 has not significantly affected the determination of the amount of revenue from contracts with customers.

Other contributions

SWTAFE recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement.

There are none held at year end with a residual balance not recognised.

2. HOW WE EARNED OUR FUNDS

2.2 Sales from Contracts with Customers

	2019 \$'000	2018 \$'000
Student fees and charges	2,126	2,712
Fee for service - government	495	349
Fee for service - other	884	945
Other non-course fees and charges		
Sale of goods	428	393
Total sales from contracts with customers	3,933	4,399

Revenue by timing of revenue recognition

	2019 \$'000	2018 \$'000
Revenue recognised over time	3,505	-
Revenue recognised at a point in time	428	-
Total revenue	3,933	-

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

Revenue arises mainly from the provision of training. To determine whether to recognise revenue, SWTAFE follows a 5-step process:

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

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

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

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

SWTAFE has recognised the following assets and liabilities related to contracts with customers:

	2019 \$'000	2018 \$'000
Account receivables	525	558
Allowance for expected credit losses	(21)	(32)
Contract assets	873	-
Statutory amounts receivable from Victorian Government	-	257
	1,377	783
Contract liabilities - Fee for service	48	-
Revenue received in advance	-	47
	48	47

There have not been significant changes in contract receivables and payables as a result of the changes in accounting standards.

2. HOW WE EARNED OUR FUNDS

2.2 Sales from Contracts with Customers (continued)

Student fees and charges

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

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

SWTAFE payment terms are prior to commencement, unless otherwise negotiated.

SWTAFE will refund tuition fees within the first four weeks from course commencement.

Fee for service

Fee for service revenue is recognised in the year of service provision. Should a contract be provided over year end the percentage of service rendered at year end will be calculated based on the percentage of participation completed for the course. 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 contract liability.

The performance obligations for service provision for Fee for service revenue is the delivery of training.

SWTAFE payment terms are prior to commencement, unless otherwise negotiated.

SWTAFE fee for service contracts state the the refund terms generally defaulting to the standard policy of within the first four weeks from course commencement.

Revenue from sale of goods

SWTAFE sale of goods mostly relates to learning materials associated with our training offerings; there are some other miscellaneous sales. Revenue is recognised when the goods are purchased, which is when the control is transferred. Sales are recognised based on the contractual price. Payment of transaction price is due immediately when the customer purchases.

Policy applicable prior to 1 January 2019

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

SWTAFE has applied AASB 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118. The change in recognition has not had significant impact on adoption.

2.3 Other income

	2019 \$'000	2018 \$'000
Rental income	151	170
Donations, bequests and contributions	6	1
Other revenue	407	225
Total other income	564	396

SWTAFE receives rental income for certain land and buildings leased out to community organisations and the general public. This includes when the buildings are excess to the current requirement.

Rental income

Rental income is recognised on a time proportional basis and is brought to account when SWTAFE's right to receive the rental is established.

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

Significant judgement and estimates: Provision for employee benefits. The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using the model prescribed by the Department of Treasury and Finance. Wage inflation rates and discount rates used are those advised by the Assistant Treasurer. All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2019	2018
	\$'000	\$'000
Expense		
Salaries, wages, overtime and allowances	20,333	18,384
Superannuation	1,954	1,644
Payroll tax	563	593
Worker's compensation	196	146
Long service leave	480	(31)
Annual leave	63	137
Termination benefits	261	320
Other	43	34
Total employee benefits	23,893	21,227

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

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. SWTAFE recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.1.2. Employee benefits in the balance sheet

	2019	2018
	\$'000	\$'000
Leave obligations		
Current	2,971	2,687
Non-current	468	240
	3,439	2,927

The leave obligations cover SWTAFE'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 \$2,971k (2018 - \$2,687k) is presented as current, since SWTAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, SWTAFE does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2019	2018
	\$'000	\$'000
Current leave obligations expected to be settled after 12 months	1,432	808

3. HOW WE EXPENDED OUR FUNDS

3.2 Supplies and services

	2019	2018
	\$'000	\$'000
Purchase of supplies and consumables	1,702	1,437
Communication expenses	570	509
Contract and other services	1,602	1,798
Cost of goods sold/distributed (ancillary trading)	94	180
Building repairs and maintenance	844	599
Minor Equipment	561	704
Fees and charges	563	2,327
Total supplies and services	5,936	7,554

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

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

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

	2019	2018
	\$'000	\$'000
Payable:		
Within one year	53	27
Later than one year but not later than five years	89	55
Total operating lease commitments	142	82

Other expenditure commitments

Commitments for future services in existence at reporting date but not recognised as liabilities.

	2019	2018
	\$'000	\$'000
Payable:		
Within one year	112	419
Total other expenditure commitments	112	419
GST reclaimable on the above	(10)	(38)
Net commitments	102	381

3. HOW WE EXPENDED OUR FUNDS

3.3 Other operating expenses

	2019	2018
	\$'000	\$'000
General expenses		
Marketing and promotional expenses	622	644
Utilities	723	633
Audit fees and services	39	125
Staff development	262	232
Travel and motor vehicle expenses	432	497
Bad debts from transactions	-	39
Grants and subsidies	65	47
Interest on lease liabilities	9	-
Other expenses	178	133
State government - contestable recoup	4,176	42
Total other operating expenses	6,506	2,392

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debt expense from transactions that are mutually agreed.

Other operating expenses are recognised as when they are incurred and reported in the financial year to which they relate to.

Contestable recoup recognises that SWTAFE has been advised that it must repay income received in relation to subcontracted training delivery, claimed in 2013. This is repayable over the 2019 -2025 years.

Please refer to note 3.4 for further information on lease-related expenses.

3. HOW WE EXPENDED OUR FUNDS

3.4 Leases

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

Policy applicable before 1 January 2019

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

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

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

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

Policy applicable after 1 January 2019

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

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

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

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

3.4.1 As a lessee

SWTAFE 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.

3. HOW WE EXPENDED OUR FUNDS

3.4 Leases (continued)

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate as provided by Treasury Corporation of Victoria (TCV). Generally, SWTAFE 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 SWTAFE is reasonably certain to exercise, lease payments in an optional renewal period if SWTAFE is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless SWTAFE 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 SWTAFE's estimate of the amount expected to be payable under a residual value guarantee, or if SWTAFE changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Peppercorn leases

SWTAFE has no leases that have significantly below market terms.

3. HOW WE EXPENDED OUR FUNDS

3.4 Leases (continued)

Short-term and low value leases

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

Leases classified as operating leases under AASB 117

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

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

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

Impact on financial statements

On transition to AASB 16, SWTAFE recognised an additional \$184k of right-of-use assets and \$184k of lease liabilities.

When measuring lease liabilities, SWTAFE discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 4.51%.

	1-Jan-19
Operating lease commitment at 31 December 2018 as disclosed in SWTAFE's financial statements	219
Discounted using the incremental borrowing rate at 1 January 2019	<u>184</u>
Finance lease liability recognised as at 31 December 2018	-
- Recognition exemption for: short-term leases	6
leases of low-value assets	-
- Lease liabilities recognised as at 1 January 2019	<u><u>184</u></u>

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, SWTAFE's property, plant and equipment are assets used for the purpose of education. Property, plant & equipment includes all operational assets.

	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Land	6,984	6,984	-	-	6,984	6,984
Buildings	37,452	36,391	(1,424)	(754)	36,028	35,637
Construction in Progress	221	188	-	-	221	188
Plant and equipment	12,759	11,814	(9,231)	(8,547)	3,528	3,267
Motor vehicles	1,177	1,213	(338)	(280)	839	933
Library	-	525	-	(303)	-	222
Net carrying amount	58,593	57,115	(10,993)	(9,884)	47,600	47,231

Initial recognition

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

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

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

Subsequent measurement

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

Non-specialised land and non-specialised buildings 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 SWTAFE's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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 Minister for Finance.

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

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

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

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

Class of assets	Method	Rates
Buildings	S/L	1% - 20%
Plant and Equipment	S/L	5% - 33%
Motor Vehicles	S/L	20%
Internal use software	S/L	7% - 20%
Furniture and Fittings	D/V	7.5%
Library Collections	S/L	10% - 20%
Right of use asset	S/L	5% - 33%

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

Impairment

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

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

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

The recoverable amount for most assets is measured at the higher of its fair value less costs to sell and its value in use. Recoverable amount for assets held primarily to generate net cash inflows is measured at its fair value less costs to sell.

4.1.1 Gain/loss on property, plant and equipment

	2019 \$'000	2018 \$'000
Net gain/(loss) on disposal of property, plant and equipment	(14)	4
Impairment of assets	(171)	-
Net gain/(loss) on non-financial assets	(185)	4

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

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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

	Land		Buildings		Construction in Progress		Plant and equipment		Motor vehicles		Library		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance	6,984	7,301	35,637	38,865	188	3	3,267	3,884	933	713	222	208	47,231	50,974
Additions	-	-	1,119	-	221	188	1,244	163	327	641	-	34	2,911	1,026
Disposals	-	-	(179)	(8)	-	-	(186)	(33)	(235)	(260)	(171)	-	(771)	(301)
Transfer in/out of Construction in Progress	-	-	180	-	(188)	(3)	8	-	-	-	-	3	-	-
Transfer between categories	-	-	-	-	-	-	-	-	-	-	-	39	-	39
Transfer to investment properties	-	(317)	-	(2,466)	-	-	-	-	-	-	-	-	-	(2,783)
Depreciation	-	-	(729)	(754)	-	-	(805)	(747)	(186)	(161)	(51)	(62)	(1,771)	(1,724)
Closing balance	6,984	6,984	36,028	35,637	221	188	3,528	3,267	839	933	-	222	47,600	47,231

Depreciation

	2019 \$'000	2018 \$'000
Buildings	729	754
Plant and equipment	805	747
Motor vehicles	186	161
Library Collections	51	62
Total depreciation	1,771	1,724
Right of use assets	64	-
Software	458	464
Total depreciation and amortisation	2,293	2,188

4.1.3. Capital commitments

	2019 \$'000	2018 \$'000
Payable:		
Within one year	76	654
Total capital expenditure commitments	76	654
GST reclaimable on the above	4	59
Net capital expenditure commitments	72	595

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

4. THE ASSETS WE INVESTED IN

4.2 Intangible assets

	2019	2018
	\$'000	\$'000
Software		
Gross carrying amount		
Opening balance	5,043	5,043
Disposals	(249)	-
Closing balance	4,794	5,043
Accumulated amortisation and impairment		
Opening balance	2,381	1,878
Amortisation charge	458	464
Amortisation on Disposal	(249)	-
Transfer between categories	-	39
Closing balance	2,590	2,381
Net carrying amount at end of the year	2,204	2,662

Initial recognition

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

Subsequent measurement

Intangible assets with finite lives are amortised on a straight basis over their useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

Impairment

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.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Amortisation

Intangible assets are amortised on a straight line basis between 7% - 20%. Amortisation method and rates remain consistent with prior year.

4. THE ASSETS WE INVESTED IN

4.3 Investment properties

	2019 \$'000	2018 \$'000
Opening balance	2,735	-
Transfer from Property, Plant and Equipment	-	2,783
Revaluations	301	(48)
Closing balance	3,036	2,735

Investment properties represent properties held to earn rentals or for capital appreciation, or both. Investment properties exclude properties held to meet service delivery objectives of the Department. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Department.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period that they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. These properties are neither depreciated nor tested for impairment. Properties are revalued on an annual basis by a qualified valuer at year end.

5. BALANCES FROM OPERATIONS

5.1 Receivables

	2019 \$'000	2018 \$'000
Contractual		
Sale from contracts with customers	525	558
Allowance for expected credit losses	(21)	(32)
Other receivables	47	59
Total contractual receivables	551	585
Statutory		
Amounts receivable from Victorian Government	873	257
GST input tax credit recoverable	319	118
Total receivables	1,743	960
Represented by		
Current receivables	1,743	960

Receivables consist of:

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

Receivables are stated inclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

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

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

5. BALANCES FROM OPERATIONS

5.1 Receivables (Continued)

Impairment

SWTAFE 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 was as follows.

	2019 \$'000	2018 \$'000
Movement in loss allowance for contractual receivables		
Balance at the beginning of the year under AASB 139		66
Adjustment on initial application of AASB 9	-	(5)
Balance at the beginning of the year under AASB 9	32	61
Amounts written off	-	39
Net remeasurement of loss allowance	(11)	(68)
Balance at the end of the year	21	32

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

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Contractual receivables	572	232	13	105	222	-
Total	572	232	13	105	222	-
2018						
Contractual receivables	617	279	13	91	234	-
Total	617	279	13	91	234	-

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

The average credit period on sales of goods is 31 days. No interest is charged on receivables. There are no financial assets that have their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 Prepayments

	2019 \$'000	2018 \$'000
Current		
Prepayments	875	542

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

5. BALANCES FROM OPERATIONS

5.3 Payables

	2019	2018
	\$'000	\$'000
Contractual		
Supplies and services	520	863
Revenue received in advance	48	47
Other payables	1,944	2,010
Statutory		
GST payable	97	199
FBT Payable	11	29
Other taxes payable	156	125
Total payables	2,776	3,273
Represented by		
Current payables	1,400	3,273
Non-current payables	1,376	-

Payables consist of:

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

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

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

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

Revenue received in advance

Any fees received by SWTAFE during the current financial year in respect of services to be provided in the following financial year are classified as liabilities and recognised as revenue received in advance.

Other Payable

Other payables includes a new balance repayable to Government 2019 \$1.6m. The prior year payable 2018 \$1.2m has been repaid fully at the end of 2019. The remaining balance consists of Employee Salary Accruals, including oncosts.

Maturity Analysis of Contractual Payables

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ years \$'000
2019							
Supplies and services	520	520	520	-	-	-	-
Other payables	1,992	1,992	416	-	200	1,376	-
Total	2,512	2,512	936	-	200	1,376	-
2018							
Supplies and services	863	863	843	-	20	-	-
Other payables	2,057	2,057	833	306	918	-	-
Total	2,920	2,920	1,676	306	938	-	-

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

Notes: The average credit period is 30 days. No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

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

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	2019	2018
	\$'000	\$'000
Cash at bank and on hand	10,384	17,500
Total cash and deposits	10,384	17,500

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

	2019	2018
	\$'000	\$'000
Net result for the year	(4,951)	4,090
Non cash movements		
Depreciation & amortisation of non-financial assets	2,293	2,188
Net (gain)/loss on sale of non-financial assets	14	(4)
Other (gains)/losses from other economic flows	(31)	(2)
Net (gain)/loss on invest property revaluation	(301)	48
Allowance to recoverable amounts	(11)	(34)
Write-off of obsolete stock	198	7
Movements in assets and liabilities		
Decrease/(increase) in receivables	(772)	445
Decrease/(increase) in inventories	(5)	39
Decrease/(increase) in prepayments	(333)	(162)
Increase/(decrease) in payables	(507)	(2,820)
Increase/(decrease) in employee provisions	512	106
Net cash flows from/(used in) operating activities	(3,894)	3,901

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

6. HOW WE FINANCED OUR OPERATIONS

6.2 Borrowings

	2019 \$'000	2018 \$'000
Current		
Contract liability (advances from government)	862	862
Non-Current		
Contract liability (advances from government)	1,890	2,752
Total borrowings	2,752	3,614

Contract liability (advances from government)

These balances are advances received from Government, they do not attract interest.

Maturity Analysis of borrowings

	Carrying amount \$'000	Nominal amount \$'000	3 months – 1 year \$'000	1-5 years \$'000	+5 years \$'000
2019					
Advances from Government	2,752	2,752	862	1,890	-
Total	2,752	2,752	862	1,890	-
2018					
Advances from Government	3,614	3,614	862	2,752	-
Total	3,614	3,614	862	2,752	-

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

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

6.3 Contributed equity

	2019 \$'000	2018 \$'000
Contributed capital		
Balance at 1 January	9,361	9,361
Balance at 31 December	9,361	9,361

Contributed capital

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

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

Categories of financial instruments

	2019	2018
	\$'000	\$'000
Contractual Financial assets		
Financial Assets at amortised cost		
Cash and deposits	10,384	17,500
Trade receivables	504	526
Other receivables	47	59
Contract Assets	873	-
Total contractual financial assets	11,808	18,085

Contractual Financial liabilities

Payables and cash		
Supplies and services	520	863
Contract liability	48	-
Revenue received in advance	-	47
Other payables	1,944	2,010
Contract liability (advances from Government)	2,752	3,614
Lease liability	168	-
Total contractual financial liabilities	5,432	6,534

Categories of financial instruments

Classification of financial assets at amortised cost

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

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

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

SWTAFE recognises the following financial assets in this category:

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

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

- payables (excluding statutory payables);
- contract liabilities; and
- lease liabilities.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Financial risk management objectives and policies

SWTAFE is exposed to a variety of financial risks, market risk, credit risk and liquidity risk.

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

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

Risk management is carried out by Financial Services under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk. There has been no significant change in SWTAFE's exposure, or its objectives, policies and processes for managing SWTAFE's financial risks or the methods used to measure the risk from the previous reporting period.

Credit risk

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

The trade receivables balance at 31 December 2019 and 31 December 2018 do not include any counterparties with external credit ratings. All customers are rated for credit worthiness taking into account their size, market position and financial standing.

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

In addition, SWTAFE 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. SWTAFE'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 SWTAFE's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

	Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
2019				
Cash and deposits	10,384	-	-	10,384
Receivables ¹	-	-	551	551
Total contractual financial assets	10,384	-	551	10,935
2018				
Cash and deposits	17,500	-	-	17,500
Receivables ¹	-	-	585	585
Total contractual financial assets	17,500	-	585	18,085

Notes:

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

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 1 January 2019 and 31 December 2019.

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

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

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 7 years before 31 December 2019 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. SWTAFE has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 90 days from the invoice date and failure to engage with SWTAFE on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000		\$'000	
31 December 2019				
Current (not past due)	232	0%	-	No
1–30 days past due	13	1%	-	No
31–60 days past due	38	4%	2	Yes
61–90 days past due	67	5%	3	Yes
More than 90 days past due	222	7%	16	Yes
	572		21	
1 January 2019				
Current (not past due)	279	1%	1	No
1–30 days past due	13	1%	-	Yes
31–60 days past due	38	6%	2	Yes
61–90 days past due	53	7%	4	Yes
More than 90 days past due	234	11%	25	Yes
	617		32	

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

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with SWTAFE, 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, \$11k (2018 – \$68k) relate to receivables arising from contracts with customers.

Liquidity risk

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

SWTAFE 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.

SWTAFE's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet.

SWTAFE manages liquidity risk by:

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

SWTAFE's exposure to liquidity risk is deemed not significant based on prior periods' data and current assessment of risk.

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

7. MANAGING RISKS AND UNCERTAINTIES

7.2 Contingent assets and contingent liabilities

There were no contingent Assets or Contingent Liabilities at 31 December 2019. Nil (2018)

7.3 Fair value determination

Significant judgement: Fair value measurement 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 SWTAFE.

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

The following assets and liabilities are carried at fair value:

- land, buildings, library collection, investment property, plant and equipment, vehicles, lease hold improvements.

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

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

Fair value estimation

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

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

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

Fair value determination of non-financial assets

SWTAFE holds property, plant and equipment for which fair values are determined. Over page are the relevant fair value information relating to those assets.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Fair value measurement hierarchy

	Carrying amount	Level 1	Level 2	Level 3
	at 31 December	Quoted prices	Observable price inputs	Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
2019				
Specialised land	6,984	-	-	6,984
Specialised land - Investment Property	227	-	-	227
Total land at fair value	7,211	-	-	7,211
Specialised buildings	36,028	-	-	36,028
Specialised buildings - Investment Property	2,809	-	-	2,809
Total buildings at fair value	38,837	-	-	38,837
Plant and equipment	3,528	-	-	3,528
Motor vehicles	839	-	-	839
Total other assets at fair value	4,367	-	-	4,367
2018				
Specialised land	6,984	-	-	6,984
Specialised land - Investment Property	363	-	-	362
Total land at fair value	7,347	-	-	7,346
Specialised buildings	35,637	-	-	35,637
Specialised buildings - Investment Property	2,373	-	-	2,373
Total buildings at fair value	38,010	-	-	38,010
Plant and equipment	3,267	-	-	3,267
Motor vehicles	933	-	-	933
Library collection	222	-	-	222
Total other assets at fair value	4,422	-	-	4,422

Impairment

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

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

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

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

Valuations of property, plant and equipment

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Specialised land and specialised buildings - including Investment Properties

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

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

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.

For SWTAFE's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

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

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

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

There were no changes in valuation techniques throughout the year to 31 December 2019. For all assets measured at fair value, the current use is considered the highest and best use.

Description of significant unobservable inputs to Level 3 valuations

2019 and 2018	Valuation technique	Significant unobservable inputs
Specialised land including investment properties	Market approach	Community service obligation (CSO) adjustment
Specialised buildings including investment properties	Depreciated replacement cost	Direct cost per square metre
Motor Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment

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 SWTAFE are as follows:

Position	Name	Dates of appointment
Minister of Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney	1 January 2019 – 31 December 2019
Board Member and Chief Executive Officer (Accountable Officer)	Mark Fidge	1 January 2019 – 31 December 2019
Board Member	Felicity Melican	1 January 2019 – 15 July 2019
Board Member	Susan Brumby	1 January 2019 – 31 December 2019
Board Member	Brian Crook	1 January 2019 – 31 December 2019
Board Member	Steven Waterhouse	1 January 2019 – 31 December 2019
Board Member	Sandy Burgoyne	1 January 2019 – 31 December 2019
Board Member	Ann Ellis	1 January 2019 – 31 December 2019
Board Member	Sharna Westley	1 January 2019 - 30 June 2019
Board Member	Christopher Holloway	1 July 2019 – 31 December 2019
Board Member	Jacinta Ermacora	1 January 2019 – 31 December 2019
Board Member	Bill Brown	1 January 2019 - 31 December 2019
Board Member	Denise Lovett	3 December 2019 - 31 December 2019

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of South West TAFE during the reporting period was in the range: \$250,000 – \$259,000 (\$240,000 – \$249,000 in 2018).

Income Range - Responsible persons

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

	Total remuneration	
	2019	2018
Less than \$10,000	2	2
\$10,000 - \$19,999	4	6
\$20,000 - \$29,999	5	2
\$40,000 - \$49,000	-	1
\$240,000 - \$249,000	-	1
\$250,000 - \$259,000	1	-
Total number of members	12	12
Total remuneration of responsible persons (\$'000)	436	462

Compensation of responsible persons

Remuneration	Total remuneration	
	2019 \$'000	2018 \$'000
Short-term employee benefits	390	420
Post-employment benefits	39	40
Other long-term benefits	7	2
Total remuneration	436	462

8. GOVERNANCE DISCLOSURES

8.2 Remuneration of executives

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

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

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

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

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

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

Remuneration	Total remuneration	
	2019 \$'000	2018 \$'000
Short-term employee benefits	505	516
Post-employment benefits	53	49
Other long-term benefits	18	7
Termination benefits	9	12
Total remuneration	585	584
Total number of executives	5	5
Total annualised employee equivalents⁽ⁱ⁾	3.31	3.13

(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. GOVERNANCE DISCLOSURES

8.3 Related parties

Related parties of SWTAFE include:

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

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

Key management personnel of SWTAFE includes the Minister of Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney, Board Members, the CEO Mark Fidge, and members of the Executive Team, which includes:

- Executive Manager, Corporate Services, Shannyn Carter;
- Executive Manager, Corporate Services, Jason Ernst (resigned 30 August 2019);
- Executive Manager, Education, Louise Cameron;
- Executive Manager, Education, John Flett;
- Executive Manager, Stakeholder Engagement, Geraldine Lewis;

Transactions and balances with key management personnel and other related parties

Other related transactions and loan requiring disclosure under the Directions of the Assistant Treasurer have been considered and there are no matters to report.

Compensation of Key Management personnel

	2019 \$'000	2018 \$'000
Short-term employee benefits	895	936
Post-employment benefits	92	89
Other long-term benefits	25	9
Termination benefits	9	12
Total remuneration	1,021	1,046

8.4 Auditors remuneration

	2019 \$'000	2018 \$'000
Remuneration of the Victorian Auditor-Generals Office for:		
Audit of the financial statements	28	17
Remuneration of Internal Auditors		
Internal Audit Services	11	108
Total remuneration of auditors	39	125

The Victorian Auditor-Generals Office did not provide any other services.

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

	2019 \$'000	2018 \$'000
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	31	2
Total other gains/(losses) from other economic flows	31	2

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

9.2 Other equity reserves

	2019 \$'000	2018 \$'000
Physical asset revaluation surplus ¹		
Balance at 1 January	24,050	24,050
Revaluation increment on non-current assets	-	-
Balance at 31 December	24,050	24,050

Note:

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

9.3 Ex-gratia expenses

	2019 \$'000	2018 \$'000
In-Lieu-of-notice and gratuity payments	33	29
Total ex-gratia payments	33	29

All ex-gratia payments made during 2019 related to departing employees.

9.4 Events after reporting date

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

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

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

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

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective

The following amended standards and interpretations are not expected to have a significant impact on TAFE's consolidated financial statements.

Accounting Standard	Nature of Change	Effective Date
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	AASB 2018-6 amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.	1 January 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	1 January 2020
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	AASB 2019-1 amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the revised Conceptual Framework for Financial Reporting (Conceptual Framework).	1 January 2020



DISCLOSURE INDEX

Item No.	Source	Summary Of Reporting Requirement	Page Number
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1.	FRD 22H 5.4	Manner of establishment and the relevant Minister <i>The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education</i>	5
2.	FRD 22H 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4-8, 14-15, 27-33, 42-48
3.	FRD 22H	Nature and range of services provided including the communities served	15, 42-48
MANAGEMENT AND STRUCTURE			
4.	FRD 22H 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	17-26
FINANCIAL AND OTHER INFORMATION			
5.	FRD 03A	Accounting for Dividends	N/A
6.	FRD 07B	Early adoption of authoritative accounting pronouncements	91
7.	FRD 10A	Disclosure Index	92-94
8.	FRD 17B	Long Service leave and annual leave for employees	65
9.	FRD 22H 5.11c	Operational and budgetary objectives, including performance against objectives and achievements	4-7, 10-11, 13-14, 16
10.	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	49-51
11.	FRD 22H 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	34-41
12.	FRD 22H 5.11a	Summary of the financial results, with comparative information for the preceding four reporting periods	13
13.	FRD 22H 5.11b	Summary of significant changes in financial position	13
14.	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	4-7, 16-17, 27-32, 37-39, 42-47
15.	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	90
16.	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	53
17.	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	10-13, 29-30, 42-46
18.	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	NA
19.	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	NA

Item No.	Source	Summary Of Reporting Requirement	Page Number
20.	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	53
21.	FRD 22H 5.18 g	Statement on the application and operation of the <i>Carers Recognition Act 2012 (Carers Act)</i> , and the actions that were taken during the year to comply with the <i>Carers Act</i>	53
22.	FRD 22H 5.18 c	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act	53
23.	FRD 22H 5.18 h & FRD 24D	Summary of Environmental Performance	11-12
24.	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period 	13
25.	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	95
26.	FRD 22H 5.17	An entity shall disclose the following in the report of operations: <ol style="list-style-type: none"> d) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and e) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX). 	13
27.	FRD 25D	Local Jobs First	NA
28.	AASB 16	Leases	68-70
29.	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.	52
30.	FRD 119A	Transfers through contributed capital	59, 79
31.	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	54
32.	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	5, 7
33.	CG 10 Clause 27	Summary of Major Commercial Activities	13
34.	CG 12 Clause 33	TAFE Institute Controlled Entities.	NA
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984			
35.	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; 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. 	54

Item No.	Source	Summary Of Reporting Requirement	Page Number
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS / FINANCIAL MANAGEMENT ACT 1994			
36.	SD 5.2.2(a) and FMA s49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> the Accountable Officer; subject to Direction 5.2.2(c), the CFO; and for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	54
37.	FRD 30D	Rounding of Amounts	61
38.	SD 3.2.11(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament 	17-18
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39.	FRD 11A	Disclosure of ex-gratia payments	36, 90
40.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	87, 90
41.	FRD 102A	Inventories	59
42.	FRD 103H	Non-financial physical assets	59, 71-73, 75, 86
43.	FRD 105B	Borrowing costs	79
44.	FRD 106B	Impairment of assets	71-73
45.	FRD 107B	Investment properties	59, 75
46.	FRD 109A	Intangible assets	74
47.	FRD 110A	Cash flow statements	60, 78, 82
48.	FRD 112D	Defined benefit superannuation obligations	65
49.	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	NA
50.	FRD 114C	Financial instruments	80-83
51.	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	57-91
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
52.	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> <i>Education and Training Reform Act 2006 (ETRA)</i> TAFE institute constitution Directions of the Minister for Training and Skills (or predecessors) TAFE institute Commercial Guidelines TAFE institute Strategic Planning Guidelines <i>Public Administration Act 2004</i> <i>Financial Management Act 1994</i> <i>Freedom of Information Act 1982</i> <i>Building Act 1993</i> <i>Protected Disclosure Act 2012</i> <i>Local Jobs First Act 2003</i> 	94-95
53.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	NA
54.	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	95
55.	Key Performance Indicators	See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting. Institutes to report against: <ul style="list-style-type: none"> Employment costs as a proportion of training revenue; Training revenue per teaching FTE; Operating margin percentage; Training revenue diversity. 	10
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
56.	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	<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. 	NA

Compliance with other legislation and subordinate instruments and Policies

South West TAFE complies with all relevant legislation and subordinate instruments, including, but not limited to, the following:

- *Education and Training Reform Act 2006 (ETRA)*
- TAFE institute constitution
- Directions of the Minister for Training and Skills (or predecessors)
- TAFE institute Commercial Guidelines
- TAFE institute Strategic Planning Guidelines
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Protected Disclosure Act 2012*
- *Local Jobs First Act 2003*
- *Victorian Public Service Travel Policy*

Further information

Consistent with the requirements of the *Financial Management Act 1994*, information is available on request from the Accountable Officer,

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

Training Facilities

Sherwood Park

Glenormiston

Pure - Hair Beauty &
Wellness Academy

Campus Locations

Warrnambool

Hamilton

Portland

Colac

Contact Us

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