



celebrating success



**every
student,
every
opportunity
for success.**

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Copies of this Annual Report are available from
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downloading from [swtafe.edu.au/about-us/publications](https://www.swtafe.edu.au/about-us/publications)

welcome

CEO and Chair Report 2020	4
Formal Status	8

performance

Performance Statement Certificate	10
VAGO Independent Auditor's Report	11
Statement of Performance	12
Capital Works	13
Projects	13
Environmental Sustainability	13
Environmental Data	14
Business and Financial Performance	15
Summary of Operating Results	15
Movement in Net Assets and Working Capital Ratio	16

overview

2020 AT A GLANCE	18
Who we are	19
What we do	19
Our history	19
South West Victoria Map	19
2020 Strategic Plan	20
Our ambition	20
Our purpose	20
Our values	20
Our strategic focus	20

governance

Institute Board	22
Major Achievements of the Board	22
Review of Annual Financial Statements	22
Board Committee Structure	22
Audit, Risk and Compliance Committee	22
Innovation and Industry Committee	23
Infrastructure Committee	23
Nominations and Remuneration Committee	23
South West TAFE Board Members	24
Board and Committee Membership	27
Board Remuneration	27
Executive Management Group	28
South West TAFE Organisational Structure	30

innovation and quality in education

Teaching and Learning Strategy	32
Education Support	33
Digital Innovation	33
Government Funded Education Projects	34
Regional and Specialist Training Fund (RSTF)	34
Workforce Training Innovation Fund (WTIF)	35
Glenormiston Training facility and Hamilton Campus	36
Victorian Skills Commission (VSC)	36
Learning and Library Hub	36
F Building Refurbishment	37
Local Jobs First Act 2003	37

students

Training Outcomes	39
Student Outcomes	39
Student Contact Hours Delivered	40
Student Feedback	40

VET Delivered to Secondary School Students	41
School Based Apprentices and Trainees	41
Brotherhood of St Laurence	41
South West Disability Services (SWDS)	42
Disability Support	42
Learning Support	42
Student Awards and Achievements	43

our people

Workforce Statistics	46
Internal Communications	48
People and Culture	48
Employee Wellbeing	49
Organisational Development	49
Workforce Capability	50
Training and Development	51
Approved Staff Development Applications	51
Surveys	52
Traineeship Program	54
Industrial Relations	54
Recruitment	54
Employee Award Nominations	54

stakeholder engagement

Introduction	57
The Hive at South West TAFE	57
Industry Connect and Community Liaison	57
Pathways	58
Worldskills South West Victoria Region	59
Graduation and Awards Ceremony	59
Trades Awards	60

community

Introduction	62
VCAL Projects and Partnerships	63
Colac, Portland and Hamilton projects	63
Warrnambool VCAL Groups	63
Community-based Scholarship Program	63

compliance

Occupational Health and Safety	64
Performance Indicators	65
Activity Table	66
Financial Management Compliance	
Attestation Statement	68
Freedom of Information	69
Public Interest Disclosure	69
Building and Construction	69
National Competition Policy	69
Compliance with <i>Victorian Carers Recognition Act 2012</i>	69

financial position

Declaration by Board Chair	71
Independent Auditor's Report	72
Auditor-General's Independence	
Declaration	74
Financial Statements	75

disclosure index

Compliance with other legislation and subordinate instruments.	119
Further information	119

the year in review

South West TAFE reached the pinnacle in 2020 while successfully dealing with a once-in-a-century worldwide crisis.

In a year that will be remembered for the global impact of COVID-19, South West TAFE was able to navigate the challenges and emerge with solid enrolments and continued excellent outcomes for students, thanks to the flexibility and professionalism of our teaching and support staff.

In a significant milestone, we became the toast of the nation in November when named Australia's Large Training Provider of the Year at the Australian Training Awards. The national awards recognise and celebrate excellence and showcase best practice in vocational education and training.

This was the first time South West TAFE had reached the finals of this prestigious national honour and to win was beyond our wildest expectations.

This success is great recognition not just for the past 12 months but for our long-term commitment to and engagement with students, staff, key stakeholders, schools and our region. It is a proud achievement for the entire TAFE community and it will further enhance South West TAFE's reputation as the region's leader in education and training.

South West TAFE has built and maintains a positive culture which builds the platform for attracting and retaining the best staff to achieve the best possible outcomes for students.

We also congratulate apprentice plumber Shona McGuigan, who completed her Certificate III in Plumbing at South West TAFE and won the Victorian Apprentice of the Year title.





TOAST OF THE NATION

SOUTH WEST TAFE PROVIDED SERVICES TO MORE THAN **4,500** STUDENTS

COVID-19

Like every other organisation, South West TAFE had to adapt to COVID-19 and change the way we operate.

In the early days of the pandemic, we established a response team to ensure we followed new protocols and maintained communication with staff and students.

Our teaching delivery moved to a remote, flexible model, with emphasis on supporting students to continue as planned in 2020. Thanks to the goodwill and fantastic efforts of our teaching and support staff, the vast majority of students were able to continue and successfully complete their studies.

There have been many notable achievements throughout the year, but being able to continue providing relevant and valuable education and training during this difficult period may be our most significant.

We have liaised with employers and industry to make sure they understand what is happening with their apprentices and trainees and that we are ready to respond to their needs as opportunities open and we emerge from the pandemic.

Staff have been off site for most of the pandemic but training continued and some reception and support points remained open. Throughout the lockdown period, constant checks were made to ensure students were coping and progressing. Students returned to our campuses later in the year and work placements were again made available.

Despite these unique challenges, we were pleased there was only a modest fall in enrolments and very few withdrawals. South West TAFE again provided services to more than 4,500 students for the year.

All staff were properly briefed to reduce anxiety levels and the Board was proactive in ensuring we complied with government directions and protected the safety of staff, students and community while continuing to provide our essential education and training.

Board meetings moved to virtual in April, creating some travel advantages for Directors from across the region. However, there are benefits from meeting in person and we expect to have a mix of virtual and live meetings in 2021.

The continued implementation and roll out of Free TAFE again provided significant growth for our region, with a broader offering in 2020.

There were also positive increases in short course enrolments such as first aid and information technology in the second half of the year and it was pleasing that we were able to ramp up and respond to this community demand.

Future vision and infrastructure growth

South West TAFE's vision is for each of our campuses to become recognised as education and cultural precincts. Significant groundwork took place to advance this goal during 2020, especially with plans for the new \$20 million learning and library hub at the Warrnambool campus.

By early next year we expect to go to tender with construction to start mid-year and completion targeted for mid-2022. This will be a terrific asset and further solidify our connection with the community.

We were also successful in securing \$4.9 million for the refurbishment of F Building through the 2020 Asset Maintenance Program. This will upgrade health and safety requirements and create better learning environments for VCAL programs.

The staircase at the front of the 6000-square metre building will be remodelled into a foyer area for students, and the end result will be more aesthetically pleasing to match the new learning and library hub.



FUTURE



This is also set to happen in 2021 and we have planned to ensure we can deliver training as usual.

To address potential risk, the Board approved a major upgrade of IT infrastructure to ensure we remain a secure organisation.

At Hamilton, the Board approved plans to purchase the former RMIT site and at the time of writing final documentation is being prepared for this significant development.

The Hammond Street facility in Hamilton is now leased by Southern Grampians Adult Education that also provides pre-accredited training from our Warrnambool campus.

South West TAFE continues to strengthen relationships with Learn Local and Adult Community and Further Education providers as part of our commitment to providing important pathways from pre-accreditation training to accredited training and on to jobs or university.

As a delivery location, we further expanded our offerings at Glenormiston and are seeking funding for upgrades of the site.

Our new site in Colac is already well utilised and growing, opening potential opportunities for partnerships with like-minded organisations if demand continues.

During 2020, our new entrepreneurial start-up hub, The Hive, was officially opened, giving potential entrepreneurs a place to share information and work on new initiatives.

Governance

South West TAFE continues to enjoy a close relationship with The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, who visited Colac, Hamilton, Portland and Warrnambool campuses during the year. We are fortunate to have that connection.

The Board has been strong in advocating for regional and rural education, including our response to the Victorian Government Macklin Review of the VET Sector.

South West TAFE has specific challenges, including distance, small class sizes and the number of campuses in a largely disadvantaged area. We are pleased that the Victorian Government is aware of these factors and that there is a cost to providing top quality education and training in rural and regional areas and that the excellent outcomes we achieve for our students more than justify that investment.

One of our values is responsiveness, and we are proud of how we responded to the challenges in 2020 and pledge to continue that commitment into the future. South West TAFE not only responded in a positive way, but has been quick to implement federal and state government initiatives, such as Job Trainer and infection control programs, as a result of the pandemic.

At the Board level, we farewelled Director Bill Brown during the year and Director Ann Ellis ended her term in December 2020. We thank both Bill and

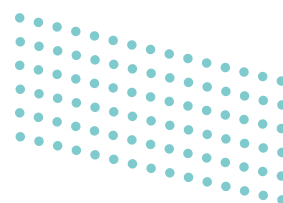
Ann for their invaluable contribution, expertise and commitment to South West TAFE.

We will welcome two new Board members in 2021, Kirsten Diprose who has been a Board observer and brings media, communication and agricultural knowledge, and Eva Tsahuridu, who has a strong background in ethics and integrity and will be a valuable contributor to the accountability of the Board.

Kirsten was the first person to participate in our Observership Program. Despite difficulties presented by COVID-19, Kirsten took full advantage of this educational opportunity and is now well placed to contribute to the Board.

We will continue the Observership Program in 2021 and suggest that other organisations in the region follow our lead to strengthen the number of people qualified for these roles.

Due to the pandemic, we were required to change many of our graduation programs to virtual events. While these were a success, we understand that students like to graduate in person, and we will be reviewing how we host graduations in 2021 based on the status of the pandemic.





Steven Waterhouse

Chair

23 February 2021

Mark Fidge

Chief Executive Officer

23 February 2021

Innovation and a bright future

The New Work Mindset project, responding to the needs of the aged care sector concluded this year. We were able to demonstrate that micro credentialling can help to provide the skills needed by the aged care sector. With industry partner Western District Health Service, we would like to take that to the next level to respond to the Aged Care Royal Commission's call for skills training to add value to the sector. There is potential to take this concept across the state.

A new course on scope in powder coating and blasting at Portland also has potential to go Australia-wide, developing skills and opportunities to work on new and emerging technologies.

The year 2020 has thrown up many challenges and there are many unknowns as we move into 2021. While we hope and plan for things to return to normal, we are also prepared for any obstacles along the way.

Our success comes from maintaining a positive culture that encourages everyone to contribute to the success of our students. We continue to promote an inclusive ethos, recognising staff who embody the values of the organisation with monthly awards, and delivered care packages to all staff while they worked from home during the pandemic.

Now we turn our attention to delivering on the Victorian Government's vision that TAFEs will be the backbone of the state's recovery from the pandemic.

We are actively working with industry in developing courses that will help build the economy next year and to continue our excellent track record in creating positive student outcomes and job opportunities.

The Board and executive team would like to take this opportunity to thank our team who, despite the most trying of circumstances, have helped South West TAFE achieve great success in 2020 and we look forward to our organisation playing an integral role in creating a bright future for our region.

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.



performance

**PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

In our opinion, the accompanying Statement of Performance of the South West Institute of TAFE, in respect of the year ended 31 December 2020, is presented fairly.

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

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

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

Steven Waterhouse
Board Chair
17 March 2021

A handwritten signature in black ink, appearing to read 'Mark Fidge'.

Mark Fidge
Chief Executive Officer
17 March 2021

A handwritten signature in black ink, appearing to read 'Robert Van Duynhoven'.

Robert Van Duynhoven
Chief Finance and Accounting Officer
17 March 2021

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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 2020
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration by the board chair, chief 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 2020 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.

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.

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
26 March 2021

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

PERFORMANCE

Statement of Performance

The Statement of Performance below shows the Institute's performance levels against 2020 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 2020.

Indicator title	Description and methodology	Measure	2020 Target	2020 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by:				A major contributor to variances in training revenue diversity was the reclassification of the government funded student fee contributions (TAFE Free tuition fees and concession payments) since budgeting. This increased government funded and reduced student fees and charges from prior year results. Additional government funding was also received to support the Institute through the COVID 19 pandemic. As an outcome of COVID 19 restrictions fee for service activity was reduced which resulted in lower than budgeted revenue.	
	• Government Funded (GF)	%	66.0%	84.6%		81.5%
	• Fee for Service (FFS)	%	11.0%	6.9%		7.3%
	• Student Fees and Charges	%	23.0%	8.5%		11.2%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue				Employment costs have risen in 2020 to meet the increased demands due to COVID19 which included working from home allowance payments. Staff were also unable to take planned leave.	126%
	<i>(Employment costs – Workforce reduction expenses + 3rd party training delivery costs) / Training revenue</i>	%	120.0%	122.0%		
Training revenue per teaching FTE*	Training revenue (excl. revenue delivered by third parties) per Teaching FTE*	\$	\$150,000.00	\$173,963.00	Increased performance due to a combination of a slight reduction in teaching FTE and additional government COVID-19 funding.	\$150,018.00
	<i>Training revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*</i>					
Operating margin percentage	Operating margin %				In 2020, South West TAFE received \$1.363 million in crisis response funding to assist with its immediate response to the pandemic, and \$1.945 million in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels. This resulted in a favourable result compared to target.	(15.2%)
	<i>EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)</i>	%	(29.7%)	(21.2%)		

Capital Works

Significant projects conducted in 2020 include:

- Sherwood Park – Concentrated effort and expenditure to address a suite of improvements/maintenance issues
- Replaced mercury lighting in Sherwood Park with LED lighting
- COVID-19 precautionary measures upgrade of all campus reception areas
- Florence Collins landscaping upgrade
- Major remedial works to Florence Collins completed
- Significant volume of painting both internal and external at all campuses
- Thorough testing and verification of building security systems
- Air conditioning improvements and maintenance at all campuses
- 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*

Projects

Significant Projects in 2020 include:

- Stronger TAFE \$1.3M funding – 45 separate improvement project items completed through 2020
- Asset Maintenance \$5M – F Building Refurbishment Project commenced

- Learning and Library Hub Project \$22.25M – progressed through to Detailed Design and will secure Heritage Victoria Permits to proceed to the construction phase.
- Decanting of Warrnambool Building E (Orderly Room) commenced, with an alternative location sourced and identified the Arts area, with additional provision to facilitate NDIS course delivery.

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.

The number of new initiatives was limited by resources being predominantly focused on pandemic response this year. The following energy performance initiatives and savings were achieved in 2020:

- Replacement of old halogen and mercury lighting across campuses under the VEET Scheme (installation received a 60% rebate meaning cost of installation return estimated at 0.7 years) saving average 172 Watts per fitting.
- Replacement of T5 halogen tube lighting in the Sherwood Park offices with new LED light panels under the VEET Scheme (installation received a 51% rebate meaning cost of installation return estimated at 0.8 years) saving 3.36 Watts per fitting

Green waste collection commenced at Sherwood Park from November 2020 to service horticulture courses, decreasing the overall volume of Transportation.

Further campuses are scheduled for environmental sustainability measures during 2021.

TRANSPORTATION

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

Total kilometres travelled decreased to 512,237km 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's energy use was lower in 2020 due to lower usage of the site, particularly through evenings and weekends meaning plant was not running as frequently.

WASTE MANAGEMENT

South West TAFE continues to take all opportunities to explore alternative recycling options regarding waste material and waste contracts, and implemented a green waste initiative with horticulture in 2020.

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.

PERFORMANCE

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						264
GAS AND ELECTRICITY						
E1 Total energy usage segmented by primary sources (including green power)				Megajoules - Gas		8,503,243
				Megajoules - Electricity		1,449,868
E2 Greenhouse gas emissions associated with energy use, segmented by primary source				Tonnes CO ² -e Gas		485
				Tonnes CO ² -e Electricity		1691
E3 Percentage of electricity purchased by Green Power					%	10%
E4 Units of energy per FTE				Megajoules/FTE		37,701
E5 Units of energy per unit office/ teaching space				Megajoules/m ²		335
WASTE PRODUCTION						
Ws1 Total units disposed of by destination				Landfill (kg)		54,542
				Recycled (kg)		22,691
				Greenwaste (kg)		not recorded
Ws2 Units disposed per FTE by destination				Landfill (kg/FTE)		207
				Recycled (kg/FTE)		86
Ws3 Recycling rate (% of total waste by weight)					%	29%
Ws4 Greenhouse gas emissions associated with waste disposal				Tonnes CO ² -e		88.97
PAPER USE						
P1 Total units of A4 equivalent carbon neutral copy paper used (reams)				Reams		5,020
P2 Reams of A4 equivalent carbon neutral copy paper used per FTE				Reams/FTE		19
P3 Percentage of recycled content in copy paper purchased					%	10%
WATER						
W1 Total units of metered Water consumed by water source				Kilolitres		3,709
W2 Units of metered Water consumed in offices per FTE				Kilolitres/FTE		14
W3 Units of metered Water consumed in offices per area				Kilolitres per m ²		0.12
TRANSPORTATION						
			ULP	Diesel	Hybrid	Total
T1 Total energy consumption by operational vehicles	GJ					not recorded
T2 Total vehicle travel associated with entity operations	km		322,994	159,818	29,425	512,237
T3 Greenhouse gas emissions associated with operational vehicle fleet	Tonnes CO ² -e		71	24	3	98
T4 Greenhouse gas emissions from vehicle fleet per 1,000kms	Tonnes CO ² -e		0.22	0.15	0.10	0.19
T5 Total distance travelled by air	km					940
T6 Employees regularly using public transport, cycling, walking to and from work (%)						8
GREENHOUSE GAS EMISSIONS						
G1 Total Greenhouse gas emissions associated with energy use				Tonnes CO ² -e		2,176
G2 Total Greenhouse gas emissions associated with vehicle fleet				Tonnes CO ² -e		98
G3 Total Greenhouse gas emissions associated with air travel				Tonnes CO ² -e		10
G4 Total Greenhouse gas emissions associated with waste disposal				Tonnes CO ² -e		89
G5 Greenhouse gas emissions offsets purchased				Tonnes CO ² -e		-
G6 Total Greenhouse gas emissions: energy, waste, vehicle				Tonnes CO ² -e		2,373

business and financial performance

Summary of Operating Results

In 2020 South West TAFE returned a deficit of \$6.7 million. Total government grants decreased by \$3.3 million to \$25.6 million in 2020, these grants incorporated additional funds received to assist the Institute through the COVID19 pandemic. Overall Institute expenditure reduced by \$2.7 million, with non salary expenditure decreasing by \$4.8 million and salary expenditure increasing by \$2.1 million.

Comparative Results 2016-2020

ITEM	2016	2017	2018	2019	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Income From Transactions	31,677	33,192	37,493	33,530	29,573
Total Expenditure From Transactions	31,576	32,660	33,361	38,628	35,850
Net Results From Transactions	101	532	4,132	-5,098	-6,277
Total Other Economic Flows	19	2	-42	147	-435
Net Result	120	534	4,090	-4,951	-6,712
Current Assets	10,715	16,388	19,041	13,046	9,943
Non Current Assets	59,047	54,139	52,629	52,993	50,728
Current Liabilities	4,843	6,611	6,822	5,308	6,295
Non Current Liabilities	4,108	6,150	2,992	3,827	4,241
Net Assets	60,811	57,766	61,855	56,904	50,135
Working Capital Ratio	2.21	2.48	2.79	2.46	1.58
Net result	0.38%	1.61%	10.92%	-14.77%	-22.70%
Liquidity	2.21	2.48	2.79	2.46	1.58
Capital replacement	1.76	0.48	0.47	1.27	0.19
<i>depreciation</i>	2,079	2,490	2,188	2,293	2,276
<i>cash outflows for PP&E</i>	3,661	1,203	1,026	2,911	426
Internal financing	77%	591%	380%	-132%	-660%
<i>purchase of assets</i>	3,661	1,203	1,026	2,911	426
<i>net operating cash flow</i>	2,817	7,115	3,901	-3,835	-2,811

Movement in Net Assets and Working Capital Ratio

South West TAFE had a decrease in its net asset base from \$56.9 million to \$50.1 million over the past year. This was due to a combination of a reduction in total assets of \$5.4 million and an increase in liabilities of \$1.4 million. A factor in the reduction of assets was a decrease of \$3.4 million in cash deposits held at year end. A major contributor to the increase in liabilities was an increase of \$0.7 million in employee entitlements. The movements in cash held and employee entitlements have negatively affected working capital ratio with a decrease in the ratio from 2.46:1 in 2019 to 1.58:1 in 2020.

Consultancies

In 2020, nineteen consultancies were used with fees payable to each of \$10,000 or more. The combined amount for these services in 2020 was \$833,193 (ex. GST). Consultancy details are made available on the Institute's website: <https://swtafe.edu.au/about-us/corporate-information/consultancies>. Thirty six other consultancy services were utilised during the year with respective fees payable of under \$10,000, with the combined total of \$128,470 (ex. GST).

Information Communication Technology (ICT) Expenditure

For the 2020 reporting period, South West TAFE had total ICT expenditure of \$3,279,714 made up of the following:

Business As Usual (BAU) ICT expenditure (Total)	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)	Operational Expenditure	Capital Expenditure
\$ 3,279,714	-	-	-

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.



SOUTH WEST TAFE

**Join our
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getting ahead.**

9 out of 10 careers
predicted to offer
the greatest growth
in new jobs can be
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overview



**SOUTH
WEST
TAFE**
HAMILTON CAMPUS



**SOUTH
WEST
TAFE**

**COLLIS
CAMPUS**



**SHERWOOD PARK
CAMPUS**

← **Building Industry Centre**

← **Horticulture Industry Centre**

2020

AT A
GLANCE

AUSTRALIAN
TRAINING
AWARDS
2020
WINNER
2020 LARGE TRAINING
PROVIDER OF THE YEAR

2020
VICTORIAN
TRAINING AWARDS
WINNER
2020 LARGE TRAINING
PROVIDER OF THE YEAR

5163
students

410
total number of staff
employed across south
west Victoria

1008
graduates (Certificate 1
to Advanced Diploma)

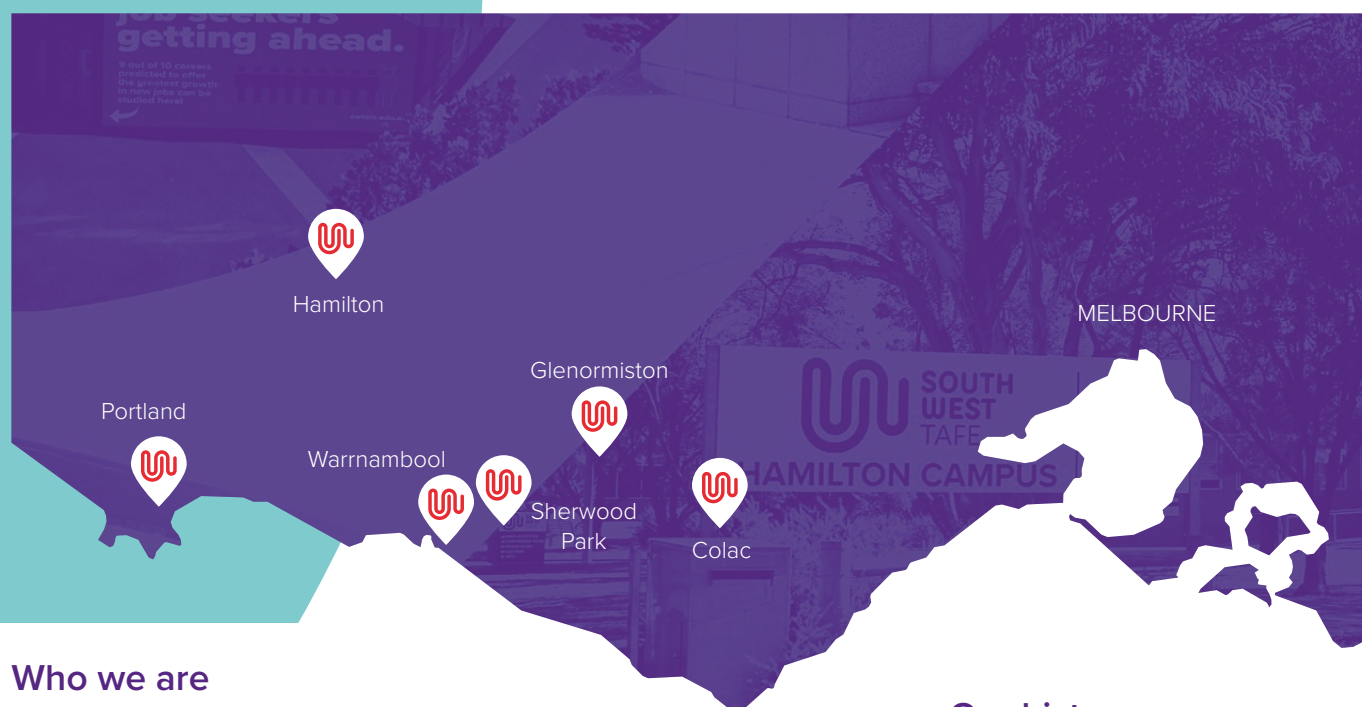
122
accredited training
products delivered

No. 1
Number one for
Employer Satisfaction
in Victoria

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

← Building Industry Centre
← Horticulture Industry Centre

South West Victoria



Who we are

As the largest provider of education and training in south-west Victoria, and recognised as Australia's Large Training Provider of the Year in 2020, South West TAFE plays a crucial role in the region's future. Our focus is on providing accessible and equitable training for individuals, communities and industry partners and delivering quality learning experiences that equip them with the skills needed for the jobs of today and tomorrow.

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 2020, South West TAFE delivered 130 different training products and short courses (including non-accredited) to more than 5100 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 high chance of finding employment and excelling in their chosen fields.

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

South West TAFE strives to be an employer of choice and expand and modernise its delivery options. We seek to better understand and meet our students and clients' needs, and monitor this through student, staff and industry satisfaction levels. The organisation continues to engage with industry, government and other educational providers to lead the ongoing economic and social development and prosperity of our region.

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, providing 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.

2020 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





Training for careers the world needs & jobs in demand

governance

institute board

South West TAFE is governed by a Board of Directors. The Board is responsible for overseeing and governing South West TAFE'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 Higher Education and Skills Group, 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 2020 included:

- Monitoring the progress on achieving strategic initiatives detailed in the 2019-2021 Strategic Plan
- Development of the 2021-2023 Strategic Plan

- Completion of milestones within the Learning and Library Hub major project
- Assessed the performance of the CEO
- Oversight of the planning and implementation of Free TAFE for priority courses from 1st January 2020
- Closely monitoring the organisation's financial performance and cash flow requirements
- Attested to compliance with the Minister for Finance's Standing Directions
- Completion of several Regional and Specialist training fund projects and a Workforce Training and Innovation program to align with industry and government expectations
- Oversight of COVID-19 risk mitigation strategies and safety plans
- Actively participated in several key State and federal reviews into Vocational Education Training such as the Macklin review
- Awarded 2020 Australian Large Training Provider of the Year
- Oversight of several key infrastructure projects including approval of the ICT Infrastructure major upgrade to commence in 2021, sought funding and approval for F Building upgrades, Glenormiston (title and sale transfer)
- Participation in the 2020 Observership Program which provided training and practical experience in board leadership for an Observer paired with South West TAFE.

Review of Annual Financial Statements

The Board reviewed and approved the Institute's Annual 2020 Financial Statements at their meeting on 23 February 2021.

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: Brian Crook

Committee members: Brian Crook, Steven Waterhouse, Bill Brown, Jacinta Ermacora, James Downing (Independent external member)

Innovation and Industry Committee

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

- Provide information and strategic direction to the 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 and/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, Brian Crook, Mark Fidge

Infrastructure Committee

The main responsibilities of the Infrastructure Committee are to:

- Oversee the development of an Asset Management Plan(s) prior to recommending it to the Board for approval, based on the current Asset Management Strategy.
- Oversee the implementation of the Asset Management Plan approved by the Board including:
- Oversee SWTAFE's compliance against the Asset Management Accountability Framework (AMAF) on an annual basis.
- For all projects of value greater than \$500,000, oversee the management and monitor progress of approved Capital Works (building) programs, unless otherwise directed by the Board.
- For all projects of value greater than \$500,000, oversee the management and monitor progress of approved significant ICT projects.
- Review the findings and recommendations of any examinations by external agencies and regulatory bodies monitor management's implementation of any recommendations made.

Committee Chair: Sandy Burgoyne

Committee members: Sandy Burgoyne, Ann Ellis, Bill Brown, Chris Holloway, Mark Fidge

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 Direction and the Victorian Government's Public Entity Executive Remuneration Policy administered by the Victorian Independent Remuneration Tribunal.
- 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 included in the contract of 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 Board.
- Oversee the recruitment process for the election of a staff member as an elected director to the Board.
- Oversee the process to appoint an independent person as a member of a Committee.

Committee Chair: Steven Waterhouse

Committee members: Steven Waterhouse, Susan Brumby, Jacinta Ermacora

South West TAFE board members



Steven Waterhouse
BOARD CHAIR

Commenced as a Ministerial appointment on the South West Board in 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 in 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 previously a Board Member of South West Academy of Sport.



Mark Fidge
DIRECTOR

Commenced on the South West TAFE Board in July 2016

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

Mark is currently the Chief Executive Officer of South West TAFE, a position he has held since 2015 after initially joining the Institute as Finance Manager in 2003. He was appointed to the role of Executive Manager, Corporate Services in 2005, incorporating the role of Chief Finance Officer and appointed as the Institute 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.

In 2020, Mark was the Chair of the South West Local Learning and Employment Network and represents South West TAFE on several other like-minded community Boards, such as Foodshare.



Susan Brumby
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board in 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)

Susan Brumby has been on the South West TAFE Board since September 2013. Susan chairs the Innovation and Industry Committee and is a member of the Nominations and Remuneration Committee.

Susan has extensive experience in nursing, agriculture, research and higher education, and is committed to promoting positive educational opportunities and economic growth in the South West.

Susan was the founding Director of the National Centre for Farmer Health and an executive staff member of Western District Health Service. She holds a PhD, Master of Health Management and a Graduate Diploma of Women's Studies. Susan is a Graduate of the Australian Institute of Company Directors, Life Fellow of the Australian Rural Leadership Program and Director of the Western Victoria Primary Health Network.



Ann Ellis

DIRECTOR

Commenced on the South West Board in October 2016

Resigned on 31 December 2020

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

Ann Ellis has been on the South West TAFE Board since October 2016. She is a member of the Innovation & Industry Committee and Infrastructure Committee.

Ann commenced her career as a primary school teacher and 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 in October 2016

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

Sandy Burgoyne has been on the South West TAFE board since October 2016 and is Chair of the Infrastructure Committee.

Sandy brings 25 years of executive education and commercial experience in developing and leading business strategy, marketing, change and business transformation within the telecommunications, information technology, retail and not-for-profit sectors. Sandy 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, Smart Urbanism Lab. Sandy is a member of several advisory boards and a board member at Place Leaders Asia Pacific.



Brian Crook

DIRECTOR

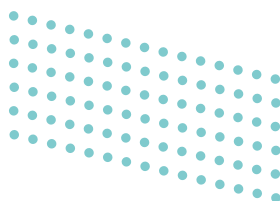
Commenced as a Ministerial appointment on the South West TAFE Board in December 2017

Diploma of Teaching (Primary), Certificate A Teaching (4th Year)

Brian was a Ministerial appointment to the SWTAFE board in December 2017. He is currently Chair of the Audit, Risk and Compliance Committee and a member of the Innovation and Industry Committee.

Brian's career has spanned over 40 years in primary, secondary and alternative education. He retired from teaching commitments at Trinity College Colac in December 2018. Brian was instrumental in opening up TAFE opportunities for all VCAL students through the VET in schools program and was a key player in the delivery of a Trade Training Centre for the Colac Otway Shire. Brian has also had a career in Local Government serving the Colac Otway Shire as Mayor and Councillor for over 15 years between 2002 and 2020. He did not contest the 2020 council election.

Brian is about ensuring government's long-term commitment to keep investing in SWTAFE which in turn creates employment opportunities for the people of South West Victoria. He is very proud of and thankful for SWTAFE's recent State and National recognition as the quality training provider in the TAFE sector. With support from state and federal governments, Brian believes we have a chance to further build our industry and school-based partnerships to further create opportunities for the young people of the South West.



GOVERNANCE



Jacinta Ermacora DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board in 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 Ermacora has been on the South West TAFE Board since July 2018. She is a member of the Nominations and Remunerations Committee and Audit Risk and Compliance Committee.

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 Glenelg Hopkins Catchment Management Authority, The Great South Coast Group, Regional Cities Victoria, was the founding Chair of the Victorian Women in Water Directors Network and was Mayor and Councillor of Warrnambool City Council.

Jacinta is currently Chair of Wannon Water Corporation and a Great South Coast Regional Partnerships Board member. She is also the Chair of the Wollaston Campus Committee Merri River School.



Bill Brown DIRECTOR

Commenced on the South West TAFE Board in January 2019

Resigned on 31 July 2020

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

Bill commenced on the South West TAFE Board on 1 January 2019.

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.

Denise is also the appointed Aboriginal Respected Person to the Koorie Court Division of the Magistrate's and Children's Court of Victoria (Warrnambool, Portland and Hamilton Circuit) and the County Court of Victoria (Warrnambool County Court). Denise is also the Budj Bim Council Member for the Co-operative Management Agreement between the Gunditj Mirring Traditional Owners Aboriginal Corporation and the State of Victoria.

Denise has served on a number of committees and boards including Winda Mara Aboriginal Corporation, Palwarra Aboriginal Community Justice Panel and the Indigenous Reference Committee for the Commonwealth Government for Fisheries, Research and Development.



Christopher Holloway DIRECTOR

Commenced on the South West TAFE Board in 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 1st July 2019 as the elected staff member for the organisation. He is a member of the Infrastructure Committee.

Chris is a co-ordinator, trainer and assessor to several Secondary schools in the region for VET DSS in building and construction, pre-apprentices, apprentices and qualified tradespeople completing the Certificate IV to become registered builders.



Denise Lovett DIRECTOR

Commenced on the South West TAFE Board in December 2019

Denise is the Koorie Academy of Excellence Liaison Officer for the Department of Education's South West region. Prior to this, she was a Liaison Officer supporting Koorie students at South West TAFE.

board and committee membership

The South West TAFE Board met 11 times during the year. Committees met 14 times to review and monitor various aspects of the Institute's operations. During 2020, 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	4	n/a
Susan Brumby	Director	1 July 2019 – 30 June 2022	11	n/a	3	3	n/a
Bill Brown	Director	1 January 2019 – 31 July 2020	6	2	n/a	n/a	1
Sandy Burgoyne	Director	1 January 2019 – 31 December 2021	10	n/a	n/a	n/a	3
Brian Crook	Director	1 August 2020 – 31 July 2023	10	3	3	n/a	n/a
Ann Ellis	Director	1 July 2020 – 31 December 2020	10	n/a	3	n/a	2
Jacinta Ermacora	Director	1 July 2018 – 31 August 2021	11	4	n/a	4	n/a
Chris Holloway	Director	1 July 2019 – 30 June 2022	10	n/a	n/a	n/a	2
Denise Lovett	Director	3 December 2019 – 2 December 2022	5	n/a	n/a	n/a	n/a
Mark Fidge	Director	1 July 2016 (ex officio)	11	4	2	4	3
Total number of meetings for 2020			11	4	3	4	3

IB Institute Board

ARC Audit, Risk and Compliance Committee

I&I Innovation and Industry Committee

N&R Nominations and Remuneration Committee

INF Infrastructure Committee

Board Remuneration

Director's fees paid in 2020 is \$172,650.

**Education doesn't
change the world,
it changes the people
that change the world**

executive management group

Day-to-day management of the Institute 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 Chief Executive Officer (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 organisation, as determined by the Board and ensuring efficiency across the Institute to meet the requirements of Government, enterprises and individuals.



Shannyn Martin
EXECUTIVE MANAGER
CORPORATE SERVICES

Commenced November 2019

Bachelor of Management (Human Resources, Commercial Law, Accounting), Certified Practising Accountant (CPA), 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 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, student support services, disability support and is the Executive Sponsor for the \$20M Learning and Library Hub Project, in partnership with the Warrnambool City Council.



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 and opportunities for young people through Vocational Training to gain employment outcomes.

Louise's portfolio includes; Business Design and Personal Services, Land, Food and Fibre, Building, Construction and Smart Technologies, Health and Community Services and School of Education.



Karen Ellen

ACTING EXECUTIVE MANAGER EDUCATION SUPPORT

Commenced February 2020

Master of Education (Adult Education) (Hons), Bachelor of Training and Development, Diploma of Quality Auditing, Diploma of Business, Diploma of Management, Diploma of Training and Assessment, Certificate IV Training and Assessment.

Karen commenced at South West TAFE as a team leader for the Centre of Education and Foundation studies in 2011. From 2017 to 2020 Karen was the People and Culture Manager. During this period South West TAFE introduced new values to lead and engage the staff which has resulted in attracting and retaining highly capable staff with highly reviewed recruiting, induction, onboarding and organisational development initiatives.

Karen has a strong background in educational management and governance in a range of previous committees including Chairperson SA Workplace Assessors Network and Chairperson ACFE Regional Council

Barwon South Western region. She was the Training Quality Manager for St John Ambulance in South Australia for seven years prior to commencing at South West TAFE. Karen has studied change management intensively and has led several National VET training projects including Assessment Quality and Workforce development initiatives.

Karen is currently active in the Victorian TAFE Association networks including HR Managers and sub-committees including MEA approved qualifications and Regional TAFE alliance projects. She is a highly skilled and experienced Organisational Development and Workforce developer, with a passion in Educational Quality and Innovation. Her professional interests include Aboriginal Education and Health, Change Management, Environment and Wellbeing.



Geraldine Lewis

EXECUTIVE MANAGER STAKEHOLDER ENGAGEMENT

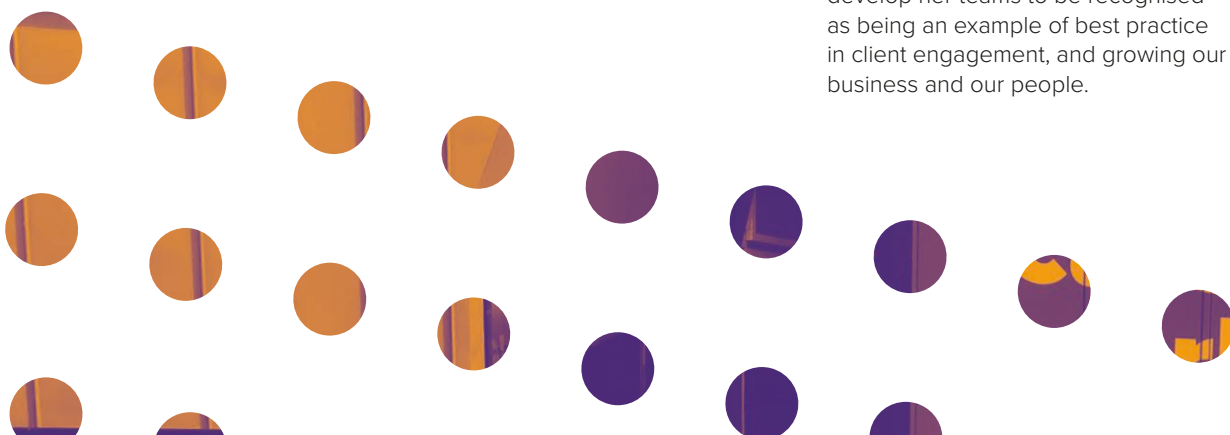
Commenced September 2018

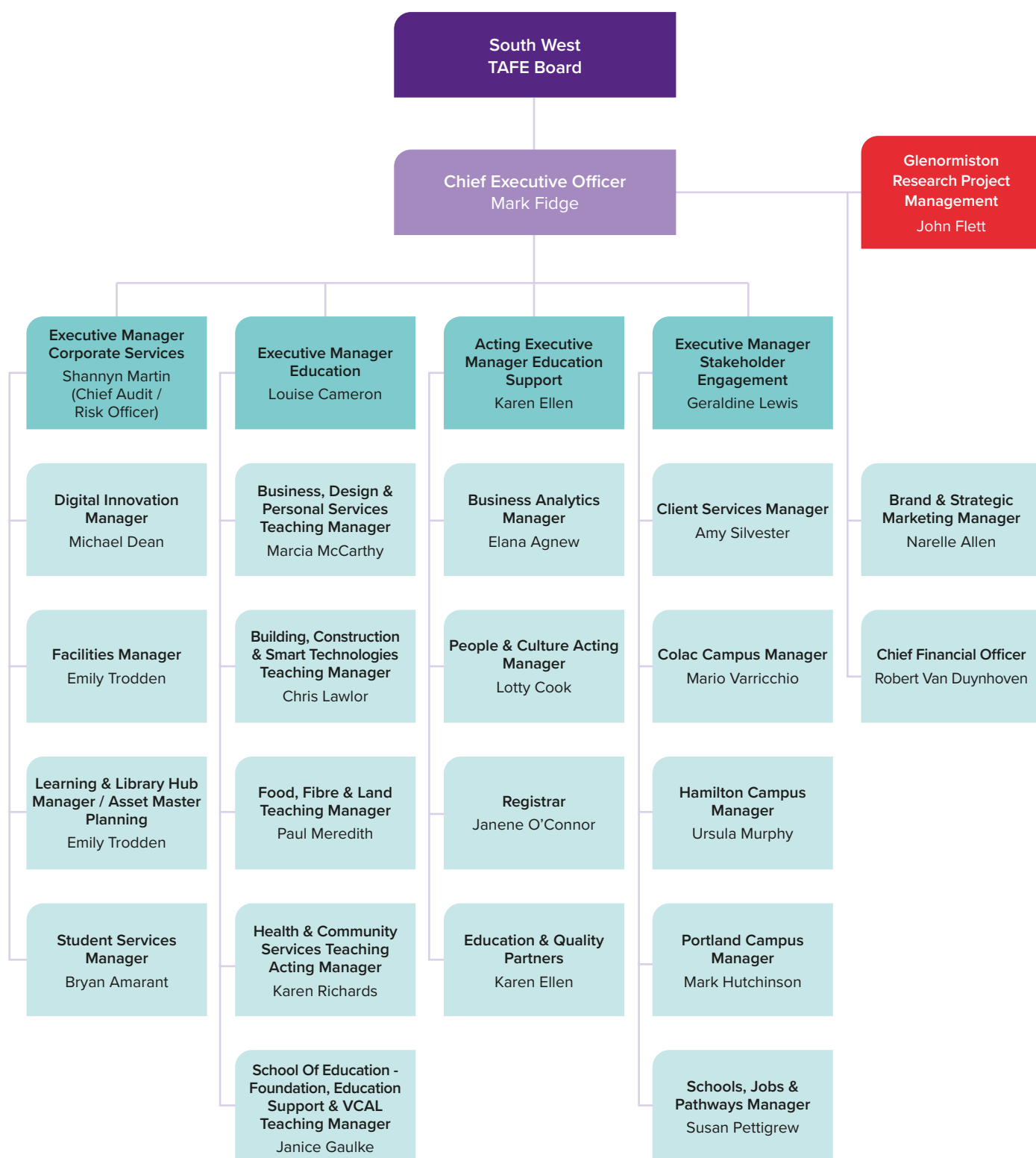
Ceased employment in December 2020


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 ten 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 being an example of best practice in client engagement, and growing our business and our people.







innovation and quality in education

teaching and learning strategy

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 2020 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 by coordinating internal and external professional development activities across the year
- Supporting teaching areas with assessment tools and content resource development and review. At various times in 2020 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 2020 there was a course review undertaken to identify courses that needed to improve the quality and enhance the learner's experience. The review identified a number of courses that will become flagship courses for South West TAFE and provide a strategic plan to develop new courses and review courses to open up further opportunities for local industries.

In preparation for re-registration, a quality assessment project has been implemented across all teaching departments to review all quality documents. During 2020, fifty percent of all units were quality checked.

Both of these initiatives will lift the quality of our students' experience. Further work is to be done on identifying student retention factors as part of the student engagement strategy, that covers the full student lifecycle.

During COVID-19, the COVID Student Engagement Committee was formed to support students' learning and wellbeing needs during the pandemic. The committee members were from key stakeholder areas of the organisation and were considered the masterminds of maintaining student engagement and successfully meeting SCH budgeted targets.

Other achievements across the year include: refining the Teaching and Assessment Strategy Panel and pre-training review processes; delivering in the virtual classroom; and improving the connection between the teaching areas and the Skills and Jobs Centre's activities. Students during the pandemic who were identified as high risk of withdrawing were provided extra support through student services and the Skills and Jobs Centre to ensure the student had the support to continue in their chosen course of study.



**Full size Holstein Cow
simulator – (RSTF funded
Certificate IV Agriculture)**

Education Support

EDUCATION AND QUALITY PARTNERS

During 2020 the Teaching Quality Centre was transitioned into the Education and Quality Partner team to reflect a realignment of collaboration and partnership with multiple teaching related areas and staff to build our workforce capability to enhance Quality Education and Innovation. South West TAFE online is an integral piece of support to our teaching teams to facilitate online teaching in addition to a workforce platform for training. During COVID-19 there was a significant move to and focus on maintaining our course delivery to our students using South West TAFE on line and other digital methods. There were 1,173 South West TAFE online course shells available for use throughout 2020 across 62 qualifications.

The requests for South West TAFE online tripled in 2020 with a marked increase in requests for interactive items and online communication. Many teaching teams embraced weekly online sessions in South West TAFE online which included a range of self-guided activities, teacher created videos and live facilitated sessions.

The Education and Quality Partner team were also leading the Teaching Capability Project funded by the Department of Education Organisational Capability Department that focused on both digital skills development and teachers as mentors, and this will continue into 2021. A new position was created to enhance Innovation and Digital Teaching Practices which will future secure dynamic and student focussed course design in 2021.

The small team of VET specialists in this team are supporting numerous previous and new initiatives to model and monitor high quality course delivery. These include the Training and Assessment panel, intensive partnering to each teaching division for new and revised course production reviews and staff support, Centre for Technology and Innovation classroom delivery support, as well as mentoring and induction of new teaching staff at South West TAFE.

DATA ANALYTICS

Underpinned by its data strategy, South West TAFE fostered interdisciplinary collaboration across the organisation in 2020. Through embedded partnerships, South West TAFE drove innovation and continued its transformation into a data-led culture. Innovative dashboards were conceptualised, developed and evolved, linking diverse data systems across the organisation. These systems provided valuable insight into our student application and enrolment journey, as well as monitoring student engagement and retention that supported the organisation's COVID-19 training responses). Additional dashboards were developed to provide a holistic approach to the management of our Training and Assessment Strategies, and to show our progress in reviewing our teaching assessments. A comprehensive suite of dashboards is used to monitor key performance indicators and financial performance.

Digital Innovation

South West TAFE's commitment to embedding digital competency and capability in its DNA ensured that we were well positioned to transition to digital learning platforms during 2020. The COVID-19 pandemic and directives to diversify our learning models highlighted the commitment to progressing the SWTAFE Digital Strategy and enabled us to capitalise on our expertise and experience delivering learning programs via technology platforms.

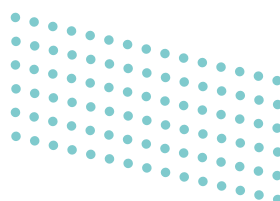
Throughout early 2020, South West TAFE transitioned learners to a mix of on-campus and off campus delivery models using the Smart Classroom and integrated WebEx platforms, with an eventual migration to virtual classroom spaces in the Cisco WebEx Training platform.

South West TAFE also made a move to online collaboration using the WebEx Teams application that enabled entire departments, work teams, project teams and even the entire organisation to communicate via an app on their computer or mobile device. Teaching departments leveraged the WebEx Teams collaboration space to maintain learner engagement and promote peer support models that decreased the turnaround time for students to receive replies to queries.

The operations of the organisation also transitioned to digital platforms to maintain business continuity throughout 2020. Employees at SWTAFE adapted to the suite of digital tools with a well delivered support structure which connected all employees from all of our worksites to maintain connection with each other. A number of staff wellbeing initiatives were delivered digitally, with events held, digital social gatherings and a number of special interest sessions delivered that kept employee morale up during times of limited movement.

South West TAFE has now advanced significantly along its digital strategy, presenting our strategy and progress at the Cisco hosted virtual event "Re-Imagining Education in a Post COVID-19 World". SWTAFE will build on its digital success in 2021.

Significant projects were completed in 2020, including the delivery of a new staff communications hub, ECHO, as well as the release of bespoke applications to ensure that we continue to meet our compliance requirements. Significant infrastructure and software platform projects were advanced and will be completed in 2021.



SUCCESS



“Aqua Jack” maritime training vessel – officially launched by The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education in March 2020 (Certificate II in Maritime RSTF project)

Government Funded Education Projects

REGIONAL AND SPECIALIST TRAINING FUND (RSTF)

In 2020 South West TAFE finalised the six remaining Regional and Specialist Training Fund (RSTF) projects that covered maritime, horticulture, bakery and equine courses. The resources and programs were delivered across Warrnambool, Hamilton, Portland and Glenormiston campuses

Major highlights for 2020 include the installation and commissioning of state-of-the art bakery centre at the Warrnambool Campus to meet a wide variety of industry needs. Another significant milestone was commissioning the newly refurbished Aqua Jack maritime vessel which will service our Maritime programs at Portland, along with a new set of training simulators and workshop equipment to complement the sea-based activities.

South West TAFE was successful in completing three projects funded by the \$1.2 million election promise to meet the needs of the skill shortages within the shearing industry. The three projects consisted of a contextualised TAE program for the shearing training packages, a scholarship program to support ten new shearing teachers and the development of a new resource to support the three qualifications for the shearing industry.

All three programs were completed within the timeframe and all projects delivered within the budget requirements and milestones. The resource which is housed in an app, has provided an interactive platform including a VR training component, self-recording function, eBook and instructional videos which students can operate off their own devices to support the learnings from their accredited training courses. The projects were delivered and developed with industry training providers, Shearing Contractors Association of Australia (SCAA), and Rural Industry Skills Training. The programs will support ongoing delivery opportunities for both organisations in resourcing teaching staff and learning resources to meet the diversity of today's learners.

South West TAFE students have access to one of only three life-sized cow simulators in Australia, designed to create teaching tools that are realistic in appearance, highly functional and meet the needs of veterinary and agricultural students and teachers. This will benefit students across the region in accessing a life size model that is designed to learn and practice before handling a live animal.

WORKFORCE TRAINING INNOVATION FUND (WTIF)

The *Applying the New Work Mindset (NWM)* in South West Victoria project implemented from August 2018 to October 2019, aimed to assist current and future workers, aged care employers and SWTAFE to plan for, and thrive in, the changing world of work in South West Victoria. It sought to do so by encouraging a skills-focused approach to training and progression, or a “New Work Mindset”.

The project was implemented by a partnership of South West TAFE (SWTAFE), the Foundation for Young Australians (FYA) and three aged care providers, Lyndoch Living (in Warrnambool), Eventide Homes (in Stawell) and Western District Health Service (WDHS) (in Hamilton). The Victorian Department of Education and Training’s Workforce Training Innovation Fund (WTIF) provided funding of \$3.68 million.

The project’s original design reflected a multi-faceted way of thinking about how educators and employers could encourage the New Work Mindset, with multiple ‘products’ intended: a research report on workforce needs, a functioning prototype digital career planning tool, the development of the micro-credential training programs, a new approach to workforce planning in aged care and the construction of an innovation hub at South West TAFE.

In late 2019, the Department agreed to a no-cost extension to June 2020 so partners could trial the impact of projects products in industry to better establish the outcomes of the project. This date was later changed to December 2020 due to COVID-19 disruptions. Governance of the extension was led by industry (WDHS as Chair and Eventide Homes as a member) and the implementing partners were WDHS, SWTAFE and FYA.

The extension objectives (outlined below) were clear and were set to establish scalability of products and value to industry going forward.

2020 Extension objectives:

EXTENSION OBJECTIVE 1

Improve the employability of current and future workers in the aged care sector in South West Victoria by equipping them with future-focused skills and offering opportunities for progression or growth.

EXTENSION OBJECTIVE 2

Increase the attraction and retention of workers in the carers cluster (including in aged care) in South West Victoria.

PROJECT AIM

Assist current and future workers, employers and SWTAFE to plan for, and thrive in, the changing world of work in South West Victoria by encouraging a skills focused approach to training and progression in the aged care sector, or a “new work mindset”.

Most of the extension trial was being carried out during the pandemic, requiring adaptability of resources and a strong commitment from SWTAFE and our Industry partners. From this experience new learnings were found with a sustainable delivery model and a strong resilience to educational training along with a robust industry partnership.

In December 2020 the project had its final outcome meeting with glowing reports from our lead industry partner WDHS, the CEO and the Department of Education and Training.

A full summary of the NWMS Evaluation and project can be found at: <https://www.swtafe.edu.au/about-us/projects/new-work-mindset-project>

South West TAFE’s experience during the extension has demonstrated the value of innovative training approaches and partnerships to assist TAFE’s to meet their goal of equipping students to be workforce-ready. The extension has demonstrated that TAFE’s teaching capability and community reach (to employers and schools) can deliver value for the organisation and the community beyond the delivery of certified training packages. It was found that this value was greatest when SWTAFE worked closely with industry (and other partners, such as research bodies like FYA) to design, trial and refine training approaches that are relevant to industry needs in their region.

The WTIF project has officially been signed off, however the products and commitment to further micro-credential training is progressing with a strong industry focus and interest from the Department of Education and Training and Department of Health for future development and delivery. This has been a truly innovative project.

“The micro-credentials pathway is an effective organisational program to formally recognise the knowledge, skills and attributes that staff develop while at work. Historically, there hasn’t been a platform which could be used in this way. The transferability of these skills across diverse staff groups and the recognition staff get makes this a particularly attractive program for the healthcare industry.”

Rohan Fitzgerald

Chief Executive, Western District Health Service



INNOVATION AND QUALITY IN EDUCATION

GLENORMISTON TRAINING FACILITY AND HAMILTON CAMPUS

In November 2020 the Board approved the title transfer of the Glenormiston Agriculture College site from the Department of Education and Training (DET) to South West TAFE.

The Glenormiston transfer and sale transactions were completed in December 2020, while the Hamilton purchase will be finalised in early 2021 following approval from the Minister for Planning and the Victorian Government Land Monitoring unit.

Complementing the transfer and sale negotiations has been a \$2M State Government grant to assist in the refurbishment of Glenormiston's training, accommodation, and specialist equipment requirements. The business case and operational plan prepared for the Glenormiston site detail the expansion of existing agriculture courses and programs; and the introduction of a range of horticulture, civil construction, engineering and electro-technology courses and programs by September 2021.

As part of this process the organisation will also take ownership of the former RMIT site on Ballarat Road, Hamilton.

VICTORIAN SKILLS COMMISSION (VSC)

South West TAFE has overseen the production of a set of training and assessment resources for the Certificate III in Aquaculture. The new course materials are to be used in future programs with industry participants such as Yumbah Aquaculture in 2021. The project has also enabled upskilling for existing SWTAFE staff, as well as the new learning resources.

Engineering initiatives supported by the VSC have concluded with staff at South West TAFE and Keppel Prince Engineering completing a non-destructive testing program, with a group of around 20 existing workers there starting their Certificate III in Surface Coating and Protection.

LEARNING AND LIBRARY HUB

The Learning and Library Hub is a joint project between The Department of Education and Training (DET), South West TAFE (SWTAFE) and Warrnambool City Council (WCC). The Library and Learning Hub will be located in the heart of the SWTAFE precinct. Combining both WCC and SWTAFE libraries, it will provide contemporary library services and facilities for current and future generations of library members, SWTAFE staff, students and members of the public.

This will involve Victorian State Government funding from DET of \$16.3M, Warrnambool City Council contributing \$2.75M and South West TAFE contributing \$830,000 in land value. An additional \$370,000 has been realised through philanthropic and other sources of funding.

The Learning and Library Hub will support the collection, technology and programming requirements of a contemporary public library, and provide modern learning spaces inclusive of Science, Technology, Engineering and Maths, as well as interactive community spaces to cater for meetings, exhibition, study, play and digital media. A dedicated children's area, garden, and parent facilities will be both an attraction to the facility for library users as well as providing unique opportunities for Early Years course delivery. Maker space, youth zone, gaming area and sound recording studios will all be additional offerings the new facility will provide to the residents, students and visiting members of the public. Extensive landscaping to the SWTAFE campus will also offer gathering spaces and outdoor learning spaces for all to use.

The facility will be operated and maintained by WCC, as part of a new Service Level Agreement with South West TAFE, but will be integrated into the organisation campus and offer combined programs and access for all. The project is running to program and on budget, with an expectation that tender for the building contractor will be awarded in March 2021 and the facility to be completed by mid-2022.





F BUILDING REFURBISHMENT

South West TAFE was successful in its application for funding as part of the Victorian Government's 2020 Asset Maintenance Program and was granted \$4.90 million to refurbish the F Building at the Warrnambool Campus.

The project is currently underway and will be completed by mid-2021. F Building currently accommodates the Pure Academy (Hair, Beauty & Massage), School of Education (VCAL, Disability, Reconnect and ESL), Automotive and Plumbing apprenticeship programs. Due to the age of the building it requires significant refurbishment to provide accessible and fit-for-purpose facilities, and meet compliance requirements for both students, visitors and employees.

The project will also address the increase in demand for the School of Education programs, industry-relevant training, trades and apprenticeships, and look to assist in the growth of all of these areas. With the new proposed entrance offering a public frontage to the new Learning and Library Hub facility which will result in an increase in pedestrian traffic, it is also expected that Pure Academy will experience significant increase in demand.

This refurbishment project will also address the lack of student circulation areas within South West TAFE's busiest teaching building, providing a space where student can meet, gather, break out to or use for study for extended hours. The upgrades will provide a safe and comfortable space for disadvantaged students, offering a place where they are able to access food as well as accessible and ambulant facilities. Greater DDA compliance across the building and access will also be able to be achieved with the refurbishment works.

LOCAL JOBS FIRST ACT 2003

There were no Local Jobs First projects within the 2020 reporting period.

students



training outcomes

Training Outcomes

South West TAFE (SWTAFE) delivered a total of 1,300,657 Student Contact Hours (SCH) in 2020. The table below provides a detailed breakdown of SCH delivery in 2020.

STUDENT CONTACT HOURS DELIVERED

OUTCOMES	SCH
Skills First Non Apprenticeship/Traineeship	799,526
Skills First Apprenticeship/Traineeships	343,340
Full Fee Paying	8,922
Fee For Service (Includes TAFE In Schools, Overseas Students, Interstate Apprenticeships And Short Courses)	148,869
TOTAL DELIVERY	1,300,657

MOVEMENT IN STUDENT CONTACT HOURS OVER THE PAST FIVE YEARS				
2016	2017	2018	2019	2020
1,262,951	1,297,549	1,120,473	1,385,914	1,300,657

Student Outcomes

The teaching departments achieved outstanding results considering the conditions teachers and students had to adapt to during the COVID-19 Pandemic. There was a high increase in skill sets with Civil Construction having a 9.5% increase in SCH.

During 2020, South West TAFE delivered training to 5,100 individual enrolments which equated to just on 1,300,657M enrolled student contact hours (SCH). With the continuation of the Victorian Government's 'Free TAFE' initiative student enrolments in Skills First funded courses decreased by 5% in comparison to 2019.

The Department of Education and Training, along with individual student tuition fee contributions, funded 88% 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, and the trade courses that were included in the program. Early Childcare courses were added to the Free TAFE courses in 2020 with an increase of 72% compared to 2019 SCH.

This SCH figure underlines the impact that Free TAFE has had, as well as South West TAFE's dedication to delivering high quality training programs in a year of complex changes to the vocational education and training industry. Also reflecting the organisation's strategic intent to continue to grow in line with regional demand, 37% of our students undertook studies at campuses other than Warrnambool.

In 2020 there were a total of 783 apprentices and 373 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. There was a total of 343,340 Student Contact Hours delivered across these programs.

STUDENT CONTACT HOURS DELIVERED

BY FUNDING SOURCE	SCH
Government Profile Excludes Trainees/ Apprentices	799,526
Government Contracted Apprenticeships/ Traineeships	343,340
Full Fee Paying	8,922
Fee for Service	51,115
TAFE in Schools	85,767
Adult Migrant English Program	5,638
Other (incl. Interstate Apprenticeships, Short Courses)	6,349
TOTAL	1,300,657
BY CAMPUS	
Colac	65,510
Hamilton	125,989
Portland	125,139
Warrnambool	813,162
Sherwood Park Training Facility	148,144
Glenormiston Training Facility	22,713
TOTAL	1,300,657
BY DEPARTMENT/CENTRE	
Division of Business Development and Industry Relationship	1,762
Division of Business, Design and Personal Services	189,036
Division of Construction, Engineering and Licensing	299,481
Division of Food, Fibre and Land	192,679
Division of Primary Health Care	377,201
Division of Foundation Further Education	240,498
TOTAL	1,300,657

Student Feedback

During 2020, students were closely monitored to provide the extra support during the COVID pandemic. Students were surveyed to provide feedback to gain an understanding as to what support they needed to allow them to successfully complete their qualifications in such a difficult environment. The final survey that was undertaken in November 2020 captured the voice of 826 students. 76% of those students wanted to continue in a hybrid delivery model for 2021. The results have demonstrated the adjustment and support offered to the students during the pandemic has provided new opportunities for the delivery of courses across the organisation.

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, South West TAFE 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. Unfortunately, due to the pandemic resulting in a series of annual industry engagement workshops being cancelled, the Industry feedback survey data was not completed.

During 2020 LOOP and Survey Monkey continued to be the main real time platforms 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

There were 23 secondary schools from across the region that partnered with South West TAFE to provide students with VET learning subject options covering 12 different industry sectors. Despite COVID and the additional few weeks of training required, it was another successful year for South West TAFE with 450 secondary students beginning their vocational pathway with the Institute. The teachers did an amazing job of ensuring the students stayed engaged the best way possible in line with secondary school restrictions and requirements. In the end the program was extended an additional 3 weeks to allow for practical assessments to be completed. With limited withdrawals this is a real credit to the teaching staff at South West TAFE.

The 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, IDMT, Automotive and Community Services were the top four choices of study from secondary school students across the region in 2020.

School Based Apprentices and Trainees

School Based Apprenticeships and Traineeships are a great way for students to engage with industry and undertake vocational training, whilst still attending secondary school and working towards their VCE or VCAL studies.

In 2020 South West TAFE had 33 school-based apprentices and 63 school-based trainees. In comparison, in 2019 we had 28 school-based apprentices and 46 school-based trainees. Of the 63 school-based trainees, 24 chose to utilise their TAFE Fee Free option.

School-Based Trainee enrolments were spread across Agriculture, Horticulture, Automotive, Engineering, Civil Construction, Hairdressing, Butchery 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 has continued its strong relationship with Brophy Family and Youth Services and the Brotherhood of St Laurence in relation to the Certificate I in Developing Independence program which is co-delivered between South West TAFE teaching staff and youth workers at The Foyer Warrnambool.

The 2020 program exceeded the initial target and allowed 11 young people in our community who were homeless or at risk of homelessness to complete the qualification, with two more students commencing the program who soon after transitioned into independent housing. Five of the students who completed the Certificate 1 in Developing Independence were concurrently engaged in other courses such as VCAL and Automotive, and two others had previously completed courses with the institute.

The Certificate I in Developing Independence provides students with recognition for the skills and talents they have and want to grow, benefiting the students and their community. Conversations with the Department of Education and Training in regards to designing an ongoing sustainable model for the program are ongoing.

South West Disability Services (SWDS)

In 2020 South West Disability Services introduced new NDIS group-based programs due to the increased demand for services. Whilst the COVID-19 pandemic did impact our ability to continue to provide group-based programs it also provided an opportunity to deliver programs in a new virtual environment, with the introduction of online sessions for participants.

Participants embraced the new learning platform and were given the opportunity to engage in art, life skills, communication and social activities for group and individual support. SWDS completed the year resulting in 6446 hours of individual support and 11,664 hours of group-based supports.

In December, SWDS participated in Stages 1 and 2 of the Re-certification Audit with HDAA in a fully remote business model and assessments were conducted to their "Technology Assisted Assessment" (TAA) methodology. We are looking forward to receiving endorsement from the NDIS Quality and Safeguards Commission in early 2021. The team at SWDS wish to thank participants, families and carers for their continued support throughout 2020. We recognize the resilience, determination and courage that they all showed in what was a challenging year.

Disability Support

South West TAFE Disability Support division continued to work holistically with students, carers, families, trainers and the community to promote and enhance access and equity across all areas. The team at South West TAFE were committed to providing ongoing high-level support to the students in an ever changing environment. The team reviewed the way in which they

engaged and supported students to improve outcomes. Accessibility features were shared and additional online tutoring support was provided.

The Disability Support team engaged with over 370 students across all learning areas to provide reasonable adjustment course modification, assistive technology, scribes and tutoring sessions to maintain their engagement and ensure they had every opportunity to succeed in their education, with a total of 11,258.5 hours of direct support provided.

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 continues to be an integral component in supporting South West TAFE student retention and course completions across all campuses in 2020.

Teachers evaluate the pre-training review and use the data in conjunction with the learning support unit 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 2020 there were 6,033 students who completed the ACSF Level 3 LLN Online Quiz from 31 January 2020 to 31 October 2020.

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 1,211 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. Overall the learning support unit worked with students in over 52 different courses.

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.

During COVID-19 the learning support unit continued to offer support services to South West TAFE students in either a virtual capacity, via phone calls, emails or in some cases 1:1 in a COVID-safe manner. The learning support unit secured a contract at 0.6 over 5 days to ensure the coordination of the program was being fully supported on all campuses and provided a consistent level of support to the staff in the unit.

L-R: Mark Fridge (CEO), Sean O'Keefe, Shona McGuigan, Tahlia Warren-Brand, Joshua Hicks, Darren Byrne, Steven Waterhouse (Board Chair)

student awards and achievements

Outstanding Student Awards - March 2020

- **Darren Byrne**, Vocational Student of the Year
- **Joshua Hicks**, Youth Student of the Year
- **Tahlia Warren-Brand**, Koorie Student of the Year
- **Sean O'Keefe**, Trainee of the Year
- **Shona McGuigan**, Apprentice of the Year

Trades Awards - November 2020

- **Jos Medley**, Outstanding Trade Apprentice of the Year
- **Hayden Stares**, Automotive Apprentice of the Year
- **Fabian Rarere**, Cabinet Making Apprentice of the Year
- **Joseph Wensley**, Carpentry Apprentice of the Year
- **Jos Medley**, Electrical Apprentice of the Year

- **Benjamin Huff**, Plumbing Apprentice of the Year
- **Darcy Holmes**, Engineering - Mechanical Trade Apprentice of the Year
- **Jack Cocks**, Engineering - Fabrication Trade Apprentice of the Year

Pure Awards - December 2020

- **Delaney Waller**, VET DSS Salon Assistant Student of the Year
- **Paige Griffin**, VET DSS Retail Cosmetics Student of the Year
- **Marnie Astbury**, Certificate IV in Massage Therapy Student of the Year
- **Molly McKinnon**, Diploma of Remedial Massage Therapy Student of the Year
- **Natasha Quarrell**, Hairdressing Student of the Year
- **Mikayla Duro**, Hairdressing School-based Apprentice of the Year

- **Joanne Lowerson**, Hairdressing Third Year Apprentice of the Year
- **Taylah Fischer**, Barbering Student of the Year
- **Elizabeth Hurley**, Barbering Apprentice of the Year
- **Pyper Templeton & Angela Peace**, Pure Living Hair & Beauty Excellence Award Scholarship
- **Taylah Hughes**, Certificate III in Beauty Services Student of the Year
- **Sarah Brasher**, Certificate III in Beauty Services - Night Class Student of the Year
- **Stacey Cosgrove**, Certificate IV in Beauty Therapy Student of the Year
- **Laura Glennen**, Diploma of Beauty Therapy Student of the Year
- **Georgia Pilgrim**, Beauty Services Trainee of the Year
- **Patricia Howden**, Nail Technology Student of the Year
- **Louise Delaney**, Make-Up Student of the Year

STUDENTS

Shona McGuigan – Apprentice of the Year, Victorian Training Awards



Shona McGuigan, 2020 Apprentice of the Year at the Victorian Training Awards and Finalist for the Apprentice of the Year Award at the Australian Training Awards, with The Hon. Gayle Tierney, Minister for Training and Skills and Minister for Higher Education

“I want to be a role model for my own child and to everyone else who considers a trade career.” Ms McGuigan said she remained indebted to South West TAFE for its support.

VCAL Awards - November 2020

FOUNDATION STUDENT OF THE YEAR AWARDS

- **Alexander Steel**, Warrnambool
- **Jana Pao**, Portland
- **Dylan Turnbull**, Colac
- **Sophie Trotter**, Hamilton

INTERMEDIATE STUDENT OF THE YEAR AWARDS

- **Teegan Ashworth**, Warrnambool
- **Cody Marshall-White**, Portland
- **Kiara Burnet**, Colac
- **Mitchell Cragg**, Hamilton

SENIOR STUDENT OF THE YEAR AWARDS

- **Angelina Atkinson-Jans**, Warrnambool
- **Camryn Woodward**, Portland
- **Angus Rogers**, Colac
- **Nicole McNamara**, Hamilton
- **James Clisby**, Merri River School VCAL Student of the Year
- **Lily Walker**, VCAL Young Parents Student of the Year

South West TAFE was extremely proud to have our plumbing apprentice, Shona McGuigan named the 2020 Apprentice of the Year at the Victorian Training Awards and a finalist at the Australian Training Awards.

Ms McGuigan, who completed her training through South West TAFE, is the first female plumbing apprentice at Cri-tech.

Ms McGuigan had to overcome some sceptics to become an apprentice plumber but went on to win two VET in School awards at South West TAFE and secure a four-year apprenticeship at Cri-tech.

While currently on maternity leave, Ms McGuigan aims to return to work with Cri-tech as soon as practical and has long-term aims to start her own business.

our people



OUR PEOPLE

Workforce Statistics

Performance and Accountability Framework FTE Table (December 2019 – December 2020)

	YEAR ENDING 31 DECEMBER 2019							YEAR ENDING 31 DECEMBER 2020						
	Full Time		Part Time		Casual		Total	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	64	18	23.91	11.25	NA	19.22	136.4	71	18	24.8	7.5	NA	15.5	136.8
Executive	0	5	0	0	NA	0	5	1	4	0	0	NA	0	5
Other	0	0	0	0	NA	0	0	0	0	0	0	NA	0	0
Teacher	55	16	25.3	10.1	19.9	NA	126.3	64	8	23.9	12.1	14.5	NA	122.5
Total	119	39	49.21	21.35	19.9	19.22	267.7	136	30	48.7	19.6	14.5	15.5	264.3

Workforce Disclosures (December 2019 – December 2020)

	DECEMBER 2019								DECEMBER 2020							
	All employees		Ongoing				Fixed term and casual		All employees		Ongoing				Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE
Gender																
Women Executives	3	3	0	0	0	3	3	3	3	1	0	1	2	2		
Women (total staff)	252	182.8	69	75	114.0	108	68.8	289	166.2	75	72	119.5	142	46.7		
Men Executives	2	2	0	0	0	2	2	2	2	0	0	0	2	2		
Men (total staff)	142	84.9	51	8	56.2	83	28.7	148	98.1	61	8	65.3	79	32.8		
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Age																
15-24	13	9.1	4	1	4.4	8	4.7	21	10	4	0	4	17	6		
25-34	54	40.7	22	8	25.8	24	14.9	61	42.5	24	7	27.6	30	14.9		
35-44	63	43.4	18	19	29.2	26	14.2	73	41.9	21	16	30.6	36	11.3		
45-54	140	92.6	43	30	60.6	67	32	149	91.2	46	32	65.2	71	26		
55-64	101	70.7	31	19	44.3	51	26.4	109	70	38	20	51.2	51	18.8		
Over 64	23	11.2	2	6	5.9	15	5.3	24	8.7	3	5	6.2	16	2.5		
Total employees	394	267.7	120	83	170.2	191	97.5	437	264.3	136	80	184.8	221	79.5		

Note: The information represents staffing information as at 31st December 2020



Facilities Team L to R – Steven Buckle, Phil Dwyer, Ashleigh Hoy, Emily Trodden (Manager), Jesse Mitchell, Jess Slattery, Clinton Hall, Michael Webster, Leigh Kane

The Human Resource Information Management System is the source of information for all employee reporting requirements. Regular 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 South West TAFE. Reports, as required, are provided to relevant external authorities.

Employee figures for 2020, including an analysis by employment status, age and classifications are represented in the tables provided. The organisation believes employees have been correctly classified in the workforce data collections.

OTHER DISCLOSURES

South West TAFE made \$52K ex-gratia payments during 2020.

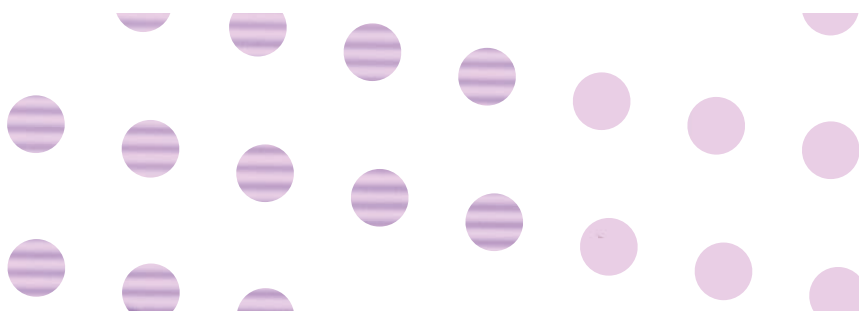
Internal Communications

During COVID-19 internal communications for our workforce via regular newsletters and events was an essential piece to support our team's engagement. During 2020 we created a Wellbeing Wednesday publication that was released weekly with wellbeing messages, links to support sites and a range of books, forums and self-check mental health apps. The Teacher E News and the All staff communications were equally important. The 2020 People Matters wellbeing survey did convey these publications were well received and supported for future continuance beyond COVID. During 2020 the new staff intranet was released and named ECHO by the staff. This has become the portal for regular communications and profiling of our staff and their achievements.

People and Culture

The People and Culture team lead the employee capability, purpose and values that assists South West TAFE in achieving its organisational Strategic Plan. We do this by:

- Leading our employee capability, purpose and values
 - Developing strategies designed to attract, retain and engage our workforce
 - Supporting our employees 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 employees
 - Managing employee payroll, work cover 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 employee capability building and increased leadership capability for Managers.
- 2020 People and Culture initiatives included:
- Supporting the organisation as a whole with multiple adapted incentives, as a result of the unprecedented COVID-19 pandemic.
 - Continuing to cultivate a strong diversity and inclusion culture, aimed at attracting and retaining diverse talent and boosting the performance of the organisation. This is reflected in our strategy, which was published on our intranet in 2020.
 - Regular communications via eNews and mail chimp, promoting upcoming professional development opportunities, upcoming important dates, new employee welcomes/farewells, eCard birthday wishes for employees, supporting workforce development activities and co-ordinating the monthly values award nomination process for all employees.
 - During 2020, 77 new employees completed People and Culture's onboarding and induction program. Due to the ongoing COVID-19 restrictions, this program was transferred from a face-to-face experience to a WebEx hosted program from August onwards. During the virtual induction, new starters were presented with South West TAFE's values and operations and enjoyed a virtual meet and greet with the Executives and the People and Culture Manager. They also completed the 2020 Onboarding Modules, Security Modules and COVIDSAFE Workplace Agreement. People and Culture continued to work with the Education and Quality Partners Team to ensure that all new teaching staff also received a teacher-focused induction presentation on their first day. We continue to lead the way with our Induction program, receiving positive feedback on the value that new starters place on their first day experience.
 - Negotiations commenced for working towards a new Enterprise Bargaining Agreement for all Specialist staff. At the end of 2020, the state of play is that we continue to work through the remaining clauses in an attempt to reach an agreement.
 - A new look employee Kiosk was launched in September, to include a more user-friendly interface, simplified timesheet entry and stream-lined leave requests.
 - As part of the first phase of South West TAFE's uniform refresh, eligible full-time and part-time teaching staff in the Land, Food and Fibre, Building Construction and Smart Technology, as well as staff in our Facilities departments received an allocation of South West TAFE branded polo shirts, funded by the People and Culture Department. These items were supplied by a company in Warrnambool, in order to support a local business.
 - Our Recruitment and Selection guidelines were further updated to ensure our process is more stringent, with training rolled out at a Manager's breakfast forum to ensure all hiring managers understand the process. Our recruitment vacancy email was also revamped to ensure we are piquing the interest of employees and highlighting the most important information relating to internal opportunities.



Employee Wellbeing

The highlight of 2020 was that we conceptualised a care-package program to support employees in an unprecedented, disruptive year of work. Creating 380 care packages, (containing coffee/tea/hot chocolate packs, homemade gluten-free yoyos, confectionery items, keep-cup, a fun 'encouragement and connection' poem, and most importantly contact numbers for support services that all employees could access. Every employee received a care package at their home (even those living in isolated areas) on the same day as R U OK Day. The message behind the package was that whether you are currently working on one of our campuses, or working from home, we all remain connected and better times are ahead when we return to "COVID normal". Over 200 employees expressed their 'live' gratitude as the surprise packages were delivered.

A number of campus events could not go ahead this year, however we successfully adapted to hold virtual events instead. These events included:

- Three trivia morning teas;
- A number of 'Coffee Roulettes', whereby employees were put into random virtual rooms and they got to interact with colleagues who they may not otherwise have had the opportunity to speak to;
- A virtual Breast Cancer Awareness morning tea, with a talk from McGrath Nurse Rebecca Hay (always well received), who also judged our virtual pink cake baking skills;
- Guest speakers who attended our virtual monthly Munch and Mingle events (including the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education);
- Multiple scheduled catch ups with the CEO, during which he gave people the key updates on things happening within the organisation and had a Q & A session.

SEPTember continued to be another highlight for employees, with 80 South West TAFE employees walking over 27 million logged steps. In 2020 we raised \$4,765 for the Cerebral Palsy Alliance, which will go to much needed research and equipment. A focus on a healthy lifestyle and the importance of exercise was even more poignant in a year where a lot of people were working remotely, potentially not moving around as much as they would on campus.

As an outcome from the Staff Wellbeing and Development Group was to support social connection and engagement during COVID-19 lockdown and remote working conditions, employees were encouraged to bring forward ideas for virtual clubs and hobbies that they would like to be involved with. This resulted in 24 clubs being offered (including an art class, 'photo a day' challenge and a book club) with positive feedback received from those involved.

Other significant events included: employees managing to conclude the Morton Cup tennis and Family Tennis night at the start of the year, as well as the Corporate Lawn Bowls tournament. The Community Chest gift-giving program continues, as did our Food Share drive; all provided employees with opportunities for personal development, team bonding, recognition and overall organisational cohesion.

The annual South West TAFE Christmas video was released on the 22nd December, showing employees playing pass-the-parcel with an organisation branded Christmas present which is revealed at the end to contain the Australian Training Award trophy. The video featured approximately 100 people from across the organisation and was shared on SWTAFE's social media pages. Employees said they enjoyed how the video portrayed the comradery and light-hearted side of working at South West TAFE.

Organisational Development

In 2020 we continued to focus on the quality and improvement of People and Culture's response to the needs of the Managers and employee support. Training and implementation of any new processes, systems and programs remains a key deliverable to ensure employees embrace and adapt to the changing workforce support being led by the People and Culture team.

The major projects supported by People and Culture were:

- Leadership training and coaching
- Supporting Professional Profile
- COVID-19 support for online and remote delivery training and workforce maintenance
- Strategic mid-year management forum held virtually
- New look employee Kiosk
- Position descriptions internal audit
- MEA Award support with teaching managers and teaching employees
- Clearer data reporting through Tableau

Workforce Capability

- People and Culture Advisors and Managers in 2020 participated in regular monthly forums geared to support and equip our leaders with current information, processes and training relevant to improving management capability. This converted to a virtual platform for the majority of 2020.
- In response to COVID-19, a specific Managers Wellbeing Program was rolled out in September/October to provide leaders with the tools to have supportive, appropriate and culturally positive conversations with their team members that will help everyone develop their resilience and compassion toolkit.
- Continued investment in a sustainable leadership program offering individual profiling one-to-one coaching for leaders.
- Continued investment in our employees and emerging leaders through participation in the Leadership Great South Coast Program, VET Development Centre projects, key conferences and professional development activities. The Wayne Smith Fellowship was postponed in 2020 due to pandemic restrictions.
- Occupational health and safety training delivery was paused for a significant period in 2020, with our external training providers closed down due to COVID-19 (due to reopen in 2021). The OHS training plan was reviewed in September to resume training where possible, prioritising First Aid and CPR training. Mental Health First Aid programs were also offered to employees.
- Corporate inductions were held fortnightly for all new starters. New teachers are also provided with an additional teacher induction session tailored to their needs, carried out by our Education and Quality Partners team.

Craig Kelson was our successful 2020 Leadership Great South Coast Program candidate. Craig has had a big year stepping up to every LGSC challenge and opportunity (despite it changing to a virtual platform), as well as internal opportunities at South West TAFE. Craig reflects:

“I have gained valuable project management skills as well as heightened inter-personal skills. Most of all I have made a special connection with my three project team members whom I now consider treasured friends. Lastly though not least, I am so grateful to my employer South West TAFE for supporting me during the year – thank you. You were there with me every step of the way and several staff – by proxy – lived through the program as well.”

Craig Kelson, Management Accountant, SWTAFE (2020 LGSC Final Report)

There is a continued focus on employees to remain engaged in their own professional development, producing excellent outcomes for our students.

2020 realised the completion of the two-year Workforce Solutions Plan and Implementation Plan. In September, work commenced on developing a new workforce strategy for the next three years. The plan is underpinned by the corporate values which is a cornerstone to every part of our business decisions, workforce recruited and retained and how we operate. Our three-year plan to support our team members to be agile, creative and highly skilled sets us apart from other training providers.

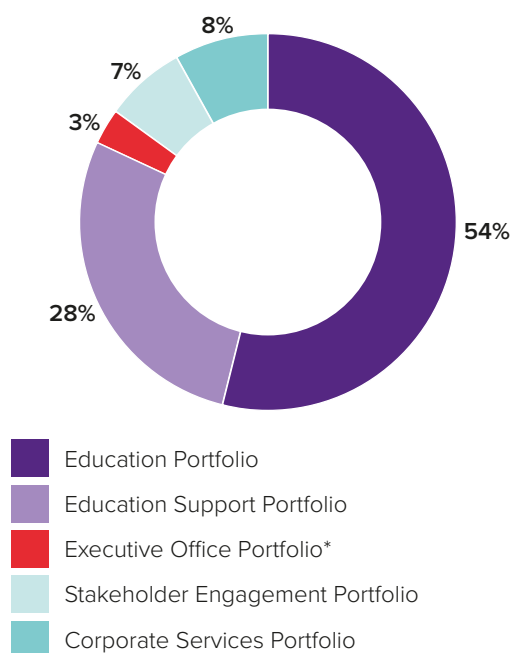
Training and Development

The impact of the COVID-19 pandemic brought about a change to the delivery format of many activities and events. Some were either postponed or transferred to an online format, significantly reducing associated professional development costs in 2020. The professional development provided across a range of programs in 2020 cost \$50,373 for various activities throughout the year.

In addition to the portfolio figures shown below, other funded activities that provided for workforce development included the annual conference, additional in-house group training activities, OHS group training delivery and specific project funded professional development allocated through projects.

A total of 155 professional development applications were submitted in 2020, with 122 approvals for workforce development funding support.

APPROVED PROFESSIONAL DEVELOPMENT APPLICATIONS



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 conference PD, OHS compliance training and project funded professional development.

In addition to individual professional development applications, internal training records indicate that 344 employees have participated in and benefitted from professional development activities delivered in-house throughout 2020. These include group workshops with both external facilitators and sourced internal expertise, webinars, focus groups, mentoring and support, forums and skills training sessions.

Total Distance in Km travelled by Air

Due to the COVID-19 pandemic in 2020, lockdown restrictions prevented air travel.



surveys

PEOPLE MATTER SURVEY

South West TAFE has voluntarily participated in the Victorian Public Sector Commission annual survey since 2013. This was our eighth year of participation but the timing and format was different as a result of the COVID-19 pandemic. The key focus of the shortened survey was on wellbeing, to establish the level of support employees have received from their organisation during an unprecedented year.

The 2020 People Matter Survey Wellbeing Check closed on 30 October, with our organisation reaching 87.9% response rate. In total, 191 organisations took part in the survey, equating to 46,000 employees across the Victorian public sector who have had their say, in response to the focus of this year's survey on wellbeing.

Due to the survey roll-out in late 2020, 2021 will see the development of an action plan to meet key areas of improvement needed.

The 2019 People Matter Survey Action Plan was fully delivered in 2020 in response to survey results for organisational improvements.

Key aspects of the Action Plan included:

- Role clarity
- Recruiting – fair and just appointments
- Communication improvements
- Leadership training and coaching
- Annual staff conference to highlight The People Matter Survey - importance and why
- Stress and wellbeing
- Change management process
- Soft rollout on skills and negative behaviours in Values workshops in 2020
- 2020 annual conference included 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.

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

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

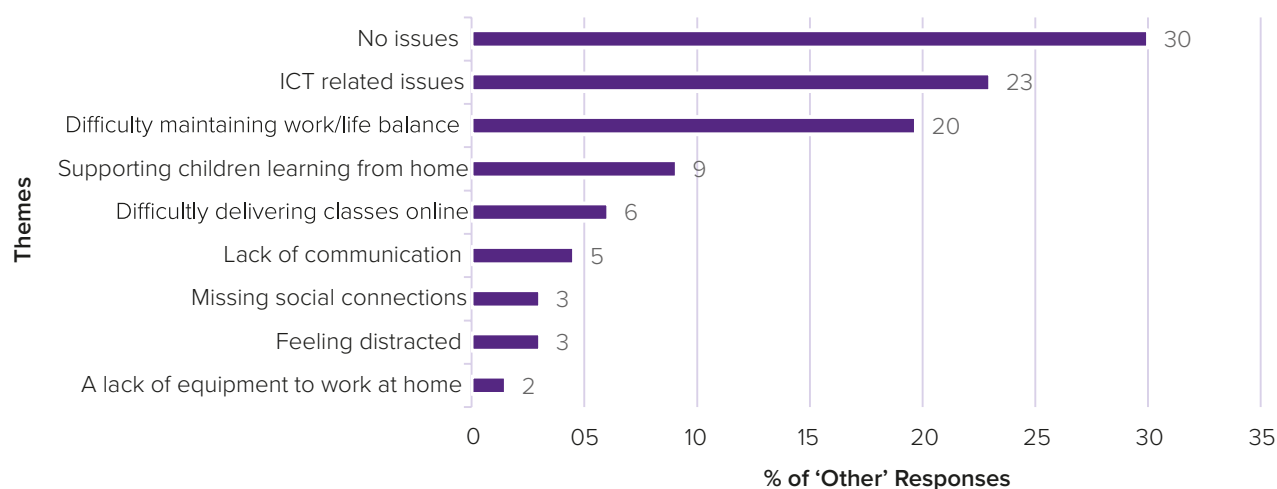
PULSE SURVEYS

Employees were asked to complete two pulse surveys during 2020. Between 17th and 22nd April, employees who were working from home were asked to complete a 4-minute survey related to their experience of this change. The purpose of the survey was to take a 'pulse check' on the attitudes of staff working from home and to identify any broader concerns or issues across the organisation. The key question to engage wellbeing of staff was regarding any issues and challenges staff were facing.

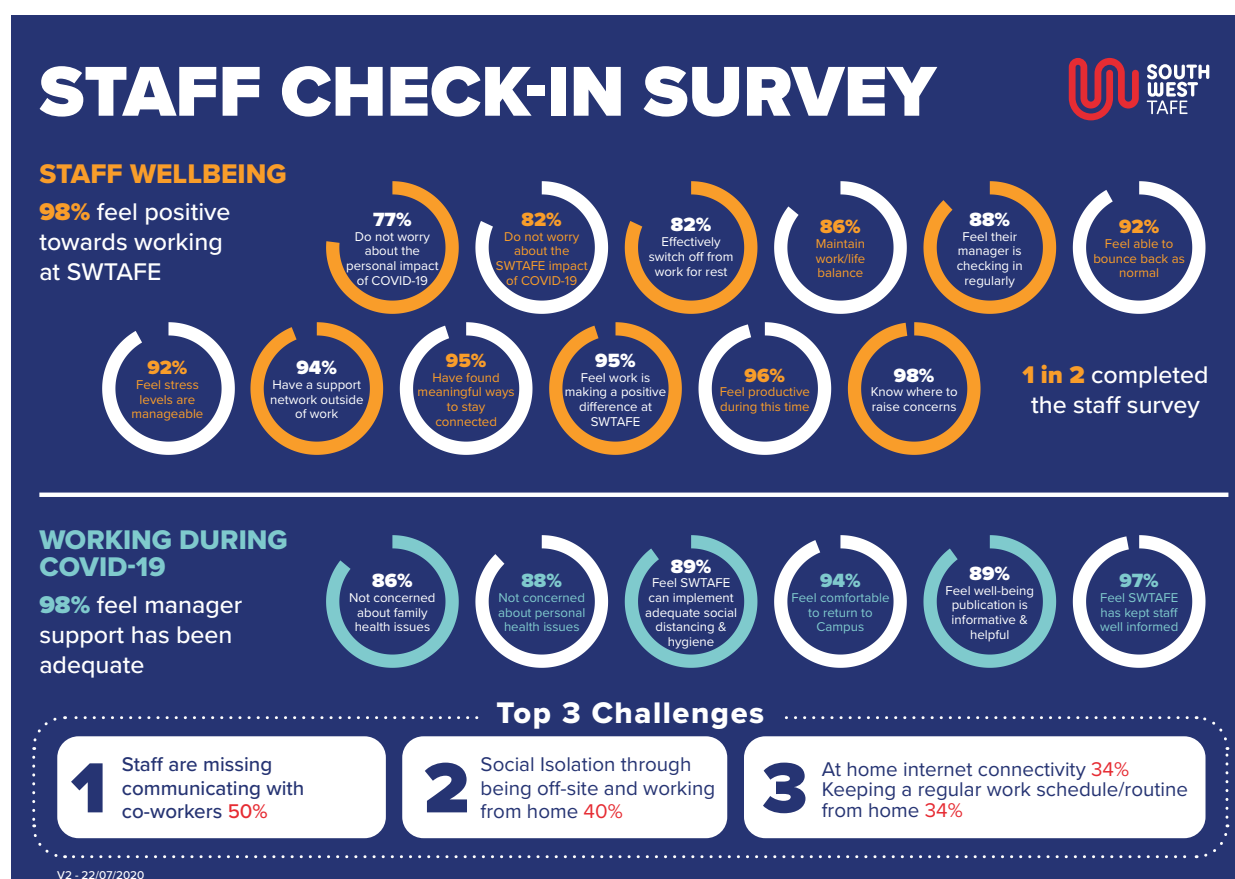


Key themes identified were:

THEMES OF 'OTHER' RESPONSES TO ISSUES AND CHALLENGES STAFF ARE FACING



A second survey was rolled out on week commencing 22nd June. An overwhelming 98% of employees reported feeling positive about working for South West TAFE. The three key concerns from staff was that they missed the face-to-face interactions with their peers, they missed social interactions in their personal lives, and they have struggled with some internet connectivity at home:



Traineeship Program

South West TAFE's traineeship program has continued throughout 2020 and is an opportunity to support community members to gain relevant work experience whilst achieving a qualification. Working in partnership with WestVic Staffing Solutions, six trainees completed their traineeships in Business (1 in ICT) in 2020, with some continuing their careers at South West TAFE into 2021. In an effort to promote diversity and inclusiveness in recruiting for our 2021 round of traineeships, SWTAFE 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 2021.

Industrial Relations

There were no days lost at South West TAFE due to industrial action in 2020.

Recruitment

Platforms for vacancies included Seek and newspaper classifieds, comprising \$17,878 in costs for 77 advertisements during the year. We also utilised our Instagram page for more creative roles, or when we had a high volume of vacancies.

In all, we employed a total of 60 new staff recruits ranging from part time, full time, contract, fixed term and casual employment.

Employee Award Nominations 2020

In February 2020, People and Culture proposed a number of changes to the South West TAFE Staff Awards program with the goal of increasing staff participation and their sense of ownership of the organisational values. Each month staff were encouraged to submit a nomination via the intranet and asked to select one of the five values that aligned best with their colleague's achievements. Munch & Mingle was scheduled on different days throughout the week to make it more accessible to a variety of staff schedules and confirmed in advance to ensure the availability of the Executive Managers.

As a result, the total number of nominations grew dramatically from 66 in 2019 to 118 in 2020 - an increase of 79%. Specialist staff received 62% of the nominations, Teaching staff received 36% and there was a small number of nominations for teams. The most popular value staff nominated their colleagues for was 'Responsiveness' (48% of nominations), followed by Leadership (25% of nominations). The organisational division with the highest percentage of nominations was Education with 41%, while the campus with the most nominations was Warrnambool with 81%. Throughout the year, 17 staff selected by the Executive as Values Champions, each received a gift voucher of their choice which came to a total value of \$1650.00.

VALUE AWARD NOMINATIONS BY CATEGORY

MONTH	NUMBER OF NOMINATIONS	NUMBER OF AWARDS
February	6	1
March	9	1
April	5	1
May	22	2
June	9	2
July	6	2
August	11	2
September	12	2
October	17	2
November	21	2
Total	118	17

STAFF AWARD NOMINATIONS BY SPECIALISTS/TEACHERS

AWARD	NOMINATIONS	AWARD WINNERS
Specialist (incl. Trainees)	73	8
Teacher	42	8
Team (Mix of SPEC & TCH)	3	1
Total	118	17

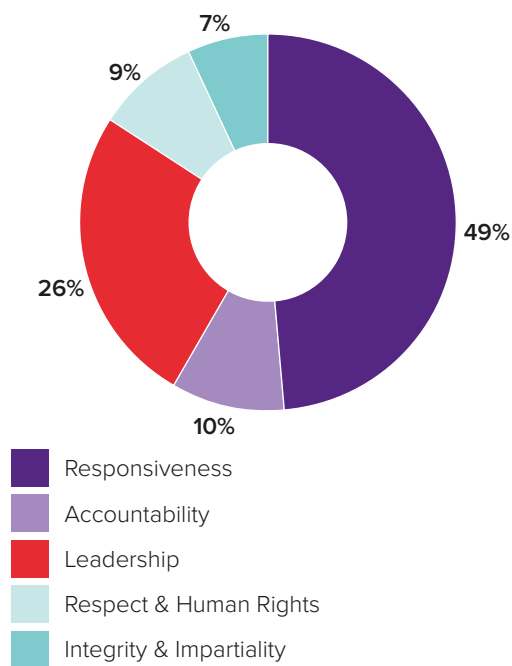
VALUES NOMINATIONS/AWARDS BY VALUE

MONTH	NUMBER OF NOMINATIONS	NUMBER OF AWARDS
Integrity & Impartiality	8	1
Respect & Human Rights	10.5	0
Leadership	30	6.5
Accountability	11.5	0
Responsiveness	57	9.5
Total	118	17

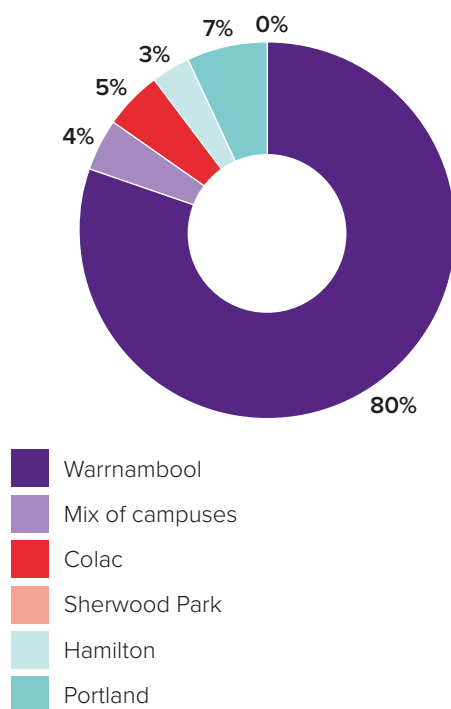
STAFF AWARD NOMINATIONS BY CAMPUS

CAMPUS	NOMINATIONS	AWARD WINNERS
Colac	6	1
Hamilton	4	1
Portland	8	1
Sherwood	0	0
Warrnambool	95	14
N/A (mix of campuses)	5	0
Total	118	17

VALUES CHAMPION NOMINATIONS BY VALUE (%)



VALUES CHAMPION NOMINATIONS BY CAMPUS (%)





stakeholder engagement



Introduction

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

The Stakeholder Engagement Portfolio is a grouping of client focused professionals consisting of the Business Development team, Client Services Division, 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 education that creates a lifetime of opportunity for all.

Our remit is to appropriately and professionally represent the organisation's 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 work 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, Human Rights, Leadership, Accountability and Responsiveness in every client engagement.

We aim to grow strategic and mutually rewarding partnerships with communities, industry and government through a strong commitment to developing and broadening commercial training and consultancy services, delivering real outcomes to commerce, community, industry and governments.

Operating within a strong business model, the Stakeholder Engagement portfolio places a high value on finding flexible, responsive and innovative solutions to deliver quality outcomes for the client. SWTAFE 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 for private and public sector organisations.

The Hive at South West TAFE

The Hive at South West TAFE celebrated its first anniversary under the guidance of newly appointed Coordinator, Paul Dillon.

A collaboration with Warrnambool City Council, the purpose-built co-working space, the "third space" between the office and home, encourages and supports entrepreneurial community in south west Victoria. Designed as a membership and user pay space for our community to utilise, it is designed as a small business incubator, a place to learn, to develop and grow.

In 2020 The Hive hosted online sessions, live chat events and developed a partnership with Fishburners to provide exclusive free access for members to a virtual platform of events, access to mentors, learning content and a large online community.

A highlight of the year was the hugely successful, Digital Innovation Festival held in September. Over 1,300 primary and secondary school students and teachers in the south west engaged in online STEM activities in the live streamed event featuring Ruben Meerman, The Surfing Scientist.

As well as providing a modern and professional workspace located in the heart of Warrnambool, the Hive will continue to grow in 2021.

Industry Connect and Community Liaison

Industry Connect has been providing an invaluable link for our teaching areas to connect with industry groups for the past five years, delivering a diverse program of forty plus events annually, across all campuses.

Two events were held in the beginning of the year including a meeting for the Coordinators of VET delivered to Secondary Schools and another for the providers of Early Childhood Education and Care. An additional two events were hosted on behalf of the National Electrical and Communications Association and the Early Years Division of the Victorian Curriculum and Assessment Authority.

Without warning, the full program of events from March onwards was greatly impacted as South West TAFE, industry and students adjusted considerably and rapidly to the changing landscape of COVID-19.

Community engagement ensures the South West TAFE is part of the solution to local social needs. Partnerships and support services for community groups such as Foodshare and the Healthy Well Corangamite Leadership Group continue to be a strong focus, with growth in our level of volunteering and support for these services providing staff with an understanding of issues affecting our communities.

pathways

Every student begins their journey when they decide to enrol at South West TAFE. A pathway can look very different to many people. Through our partnerships with primary and secondary schools, Deakin University and our Learn Local, vocational training at South West TAFE is the important link that allows people to reach their potential.

Due to the COVID restrictions enforced during the global pandemic the primary school 'aspirations' program was greatly affected, along with our Try a Career Day for Year 9's, campus tours, Deakin engagement events and community projects and programs. Although disappointing, it did allow us to think differently about how we connect with our community and students. Online resources were developed that continue to be used in our 'new' way of doing things. Overall, through our strong marketing campaign on creating skills for life, in jobs that will always be required, the organisation's VET pathway to employment message was

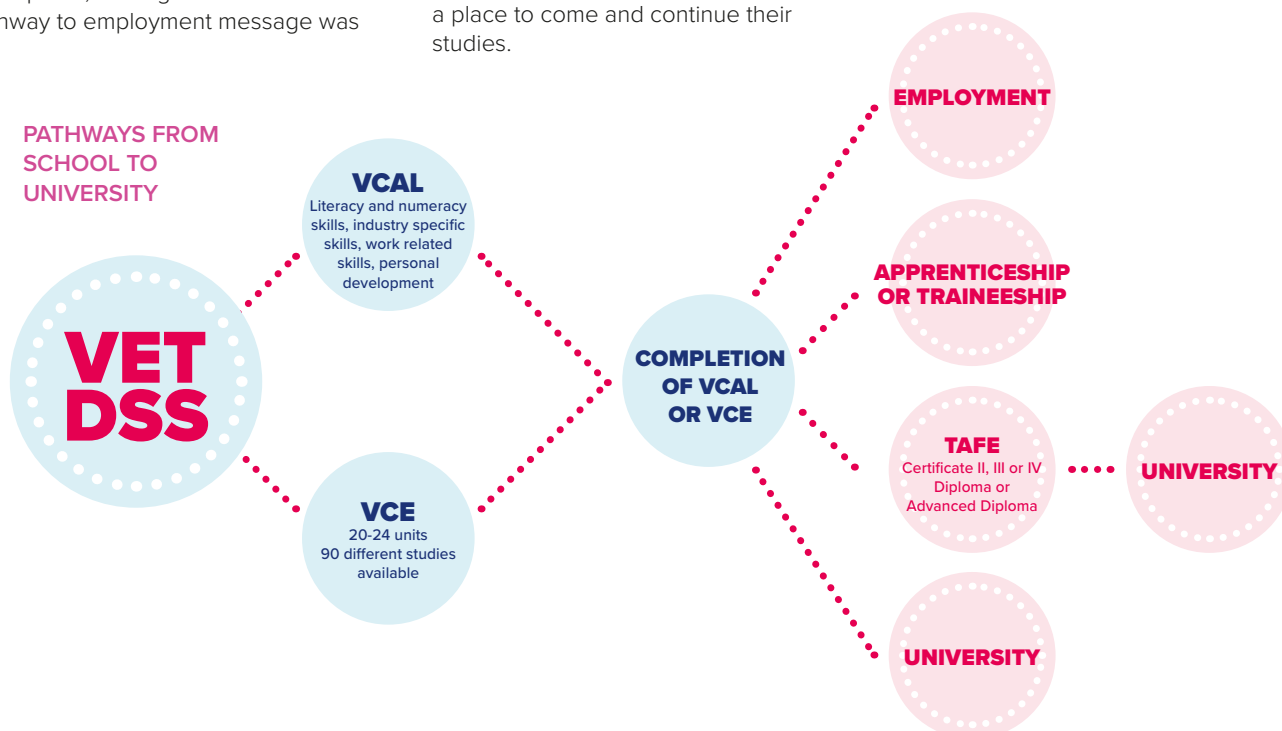
well received with students continuing to enrol and work towards their end goal of employment or further study.

Community members in the south west appreciated the continuous improvement and progressive thinking around our Foundation programs to Diploma courses and all options in between, and that South West TAFE provided many students with a chance to succeed and continue their pathway to success during the challenging year of 2020.

In 2020 The Skills and Jobs Centre proved to be agile, responsive and adaptive to the changing landscape of work and the needs of South West TAFE's students and teachers. The centre was transformed into a 'drop off and pick-up point' for student work and became the much needed COVID safe conduit between teachers and students. It also enabled students who couldn't access online learning from home a place to come and continue their studies.

During this period the services of the Skills and Jobs Centre continued to provide high quality, independent and inclusive career advice via an online virtual format. Overall, it still managed to service 1,567 individual clients, ran 65 workshops, had 53 sessions with school groups and managed the 536 referrals for the traffic management up-lift program. The qualified career advisors also played an important role with current and graduating South West TAFE students. Through class room visits, online chats and one-to-one counselling sessions the students were 'primed' to be work ready for when they leave and enter the world of work or move into higher education.

A 'pathway' is a journey someone can take that creates a lifetime of opportunities. In 2020 the organisation still managed to change the lives of many.





2020 Rotary Club of Warrnambool East First Year Apprentice Award presentation.

L-R: Rotary Club of Warrnambool East Treasurer - Mark Taylor

Rotary Club of Warrnambool East President - Cliff Heath

Award winner - Teashene Struth

Rotary Club of Warrnambool East Vocational and Youth Service - Wendy Mitchem

Rotary Club of Warrnambool East International Service - Bill Hewitt

Worldskills South West Victoria Region

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

Worldskills is 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 4,000+ 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.

As a result of COVID-19 the National competition that was due to be run in Perth in September 2020 did not take place and was postponed to 2021. During 2020 South West TAFE CEO Mark Fidge become the Chair of Worldskills Victoria, further enhancing and demonstrating our region's commitment to Worldskills.

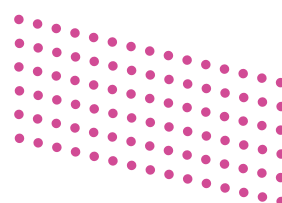
Graduation and Awards Ceremony

COMMUNITY COLLABORATION AWARD - ROTARY CLUB OF WARRNAMBOOL EAST

The Community Collaboration Award recognises an organisation for their support in assisting young people in our region to achieve their best possible education outcomes.

The 2019 Community Collaboration Award was awarded to the Rotary Club of Warrnambool East at the Graduation and Awards Ceremony in March 2020.

The Rotary Club of Warrnambool East has been helping and encouraging South West TAFE apprentices for the past 19 years. Each year Rotary presents an award to the best first year apprentice from South West TAFE. The students are nominated by their teachers for excellence in their trades and commitment to their studies and then interviewed by Rotary members to select a winner. The ongoing support of the Rotary Club of Warrnambool East and the encouragement this award gives to our first-year apprentices is fantastic.





2019 Industry Collaboration Award Winner – Western District Health Service.

L-R: WDHS Education Manager - Erin Campbell

WDHS Chief Executive - Rohan Fitzgerald

Susan Pettigrew - SWTAFE Manager of Schools, Jobs & Pathways, also overseeing New Work Mindset project in partnership with WHDS

Mark Fidge - SWTAFE CEO

Belinda Kim - Former SWTAFE Manager of the Teaching Quality Centre

INDUSTRY COLLABORATION AWARD - WESTERN DISTRICT HEALTH SERVICE (WDHS)

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 2019 Industry Collaboration Award was awarded to Western District Health Service (WDHS) at the Graduation and Awards Ceremony in March 2020.

Western District Health Service and South West TAFE have formed a strong partnership over the years providing many benefits to students in our health courses.

Our Diploma of Nursing students have had the opportunity for placements in aged care, sub-acute, acute, community and mental health areas and our Individual Support students have also completed placements at WDHS.

WDHS representatives also regularly attend our Nursing Advisory Group meetings and provide industry representation for our ANMAC accreditation.

Not only does the organisation assist in improving our courses and taking students for placements, it also offers a graduate year and employment opportunities for our Diploma of Nursing students.

WDHS has also supported the running of careers in health days at South West TAFE's Hamilton campus. Our students have also been involved in Western District Health's Life 4 Life project and the Community for Youth Board.

More recently Western District Health Service has been the lead industry partner in trialling and implementing the products of the New Work Mindset in an aged care, health focused workforce. We have partnered for micro-credential Skills Solutions' training and in implementing an online platform for enterprise skills training in industry.

TRADES AWARDS INDUSTRY PARTNERSHIP AWARD - MM HEARN CONSTRUCTIONS

Michael Hearn and his team build prestige homes in our region and Michael employed his first apprentice 38 years ago. Since then he has employed new local apprentices every year and believes that training is the success of his business.

Michael is enthusiastic in his approach towards the professional development of his staff and last year he engaged 5 of his employees in the Certificate IV in Building and Construction course to improve the running of his business.



community

2019
From
Reika C
2019 E require around the world can be united as one. Unity keeps us strong in
ourselves and each other
...are all connected. Water Flows through our
all sit around one circle, one
...are all connected. Water Flows through our
all sit around one circle, one



South West TAFE continues its strong and genuine commitment to the Great 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. In 2020 the COVID-19 pandemic impacted a number of normal activities however many great things were still done with and through our local communities.

Community and Industry Partnerships is a key pillar of South West TAFE's strategic plan, and demonstrates the Institute's commitment to working closely with communities and industries across the region. Despite the challenges faced by everyone during 2020 we made significant progress on our goals to build 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. Similarly supporting our students in their transition to a blended learning model has assisted rural and remote students to continue their studies in their own homes and communities. Prior to COVID-19 restrictions on group numbers we were able to celebrate our 2019 students' success in March at a number of graduation events, supported by family and friends.

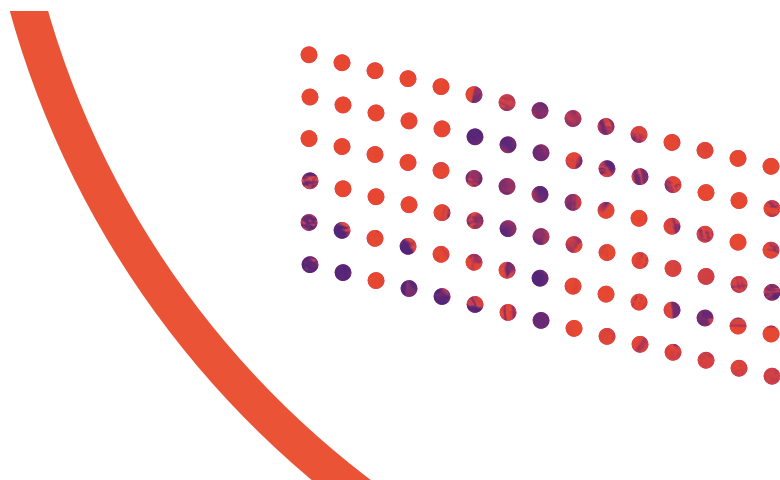
Our indigenous communities play a vital role in the region and within South West TAFE. Cultural events such as NAIDOC and Reconciliation Week normally held on each campus were acknowledged in virtual ceremonies this year. Through our Aboriginal Advisory Committee, we have a forum to discuss how better to support our Koorie students, and share their unique cultural knowledge within their students' groups.

The Committee has representatives from Gunditj Mirring Aboriginal Traditional Owners Corporation, Winda Mara Aboriginal Corporation, Gunditjmara Aboriginal Co-op and a Department of Education and Training Regional Koorie Education Support Officer.

We enjoy the privilege of employing Indigenous Community Leaders in student support roles at South West TAFE and look to further strengthening our engagement with indigenous organisations in the coming year. The Reconciliation Action Plan will continue to guide our 2021 activities with new goals and priorities to be developed.

In 2020 we were able to continue with a number of community connections and activities across the region, sometimes virtually or with smaller groups, including:

- Idahobit Day Rainbow Day
- International Day of People with a Disability
- Anzac Day wreath laying service
- Warrnambool Standing Tall mentoring program – administrative support and mentors
- Warrnambool Foodshare – food donation, administrative support and volunteers.





Mitchell Cragg, VCAL Intermediate
Student of the Year – Hamilton campus

VCAL Projects and Partnerships

South West TAFE's VCAL programs provide a valuable alternative to mainstream school VCAL courses in the region and provide an opportunity for early school leavers to re-engage with formal education. A feature of our VCAL programs is their applied learning approach that uses the design, development and implementation of community-based programs as a vehicle for learning. COVID-19 restrictions resulted in some regular activities being parked in 2020 but the creative VCAL teaching team was still able to work with their students and local communities on a range of terrific activities as shown below.

Colac, Portland and Hamilton VCAL projects:

- Welcome to TAFE days in Colac, with food and activities for 2 days
- Personal health and wellbeing plans – project
- Staying healthy in isolation - small group projects including:
 - Gift boxes to Colac Area Health workers
 - Sewing blankets and face masks
 - Cooking for neighbours
 - Creating posters about mental health issues and COVID-19
 - Sports day – project
- Garden/courtyard – project

- Making Bird boxes
- Making COVID-19 masks
- Hope boxes
- High teas for the elderly in aged care
- Little book boxes.

Warrnambool VCAL Groups:

- Senior VCAL – Beach Clean Up
- Intermediate – Share the Dignity Project assisting women in poverty
- Intermediate VCAL – Merrivale Garden Project.

During 2020 we worked with the following key partners in the education community who have directly or indirectly supported our students and their outcomes:

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

Community-based Scholarships Program

Each year South West TAFE provides a number of scholarships to students who are excelling in their chosen vocation or who aspire to be future leaders in their industry. Community partners and philanthropic organisations such as the DemoDAIRY Foundation and Glenormiston Foundation have provided generous scholarships up to \$5,000 in value to students studying dairy, agriculture or horticultural programs.

South West TAFE also funds three regional scholarships acknowledging an outstanding student contributor at each of the Portland, Hamilton and Colac campuses. These scholarships recognise the additional challenges faced by students in our more rural and remote communities. We also provide scholarships for an outstanding Warrnambool and Sherwood Park campus student.

South West TAFE takes great pride in its role as a community leader and our community engagement contributions are an integral part of who we are.

compliance

Occupational Health and Safety

Despite the challenges presented by the COVID-19 pandemic and workplace restrictions, 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 and Facilities Compliance Officer, Disability Services Co-ordinator, People and Culture Advisor and 16 Health and Safety Representatives (HSRs) representing 437 employees in 16 Designated Work Groups (DWGs) across South West TAFE's six campuses.

The HSR roles included:

- Assisting with review of Safe Operating Procedures for the Organisation's plant and teaching equipment.
- 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 the 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 Occupational Health Safety and Emergency Planning Committee.

Due to COVID-19 restrictions HSR training was curtailed throughout 2020 and will resume in 2021.

The Occupational Health Safety and Emergency Planning Committee met six times during the year, of which five were held via Webex due to COVID-19.

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

- Development of more than 30 COVID-19 guidance documents, procedures, templates and videos.
- 280 COVID-19 Risk Assessments for face-to-face delivery, plus 115 reviews completed.
- Improved formats for the OHS Incident Register and statistics reporting, Hazard Register and OHS Board Report.
- Evacuation Diagrams updated for all buildings across all campuses.
- 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.
- First aid training for nominated First Aid Officers.
- Office ergonomic assessments and installation of reasonable adjustments for staff relocating or working from home due to COVID-19 restrictions.
- Influenza Vaccinations.

A total of 74 OHS incident reports were received during 2020, summarised as follows:

- 45 incidents involved students. Two were reportable to Worksafe and no Improvement Notices issued. By comparison there was one reportable student incident for 2019 and two in 2018, with no Notices issued for either year.
- 20 incidents for South West TAFE employees, one of which was reportable to Worksafe and 6 resulted in Workcover claims. In 2019 there were no Worksafe reportable employee incidents and no new Workcover claims. There were two reportable employee incidents in 2018 which resulted in 2 Workcover claims.
- 5 incidents involved members of the public (not reportable to Worksafe).
- 2 contractor incidents (not reportable to Worksafe). This compares with one contractor incident in 2019 (not reportable) and two in 2018 (one reportable).
- 2 Facilities-related incidents, one involving a gas leak and the other where a back-up generator failed to start during a power outage. Both issues were rectified promptly.
- 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 2020, 2019 and 2018.
- There were no Worksafe Prohibition Notices for 2020, 2019 and 2018.
- One Worksafe Inspection Report was received following a Notifiable Incident in quarter 3. One Worksafe Entry Report was received during 2019 and four in 2018 in relation to High Risk Work Licence training, and following up incident reports.

Performance Indicators

Statistics for reported hazards and incidents are listed below:

HAZARDS AND INCIDENTS	2018	2019	2020
Total full-time equivalent staff numbers at the last pay in December	242	268	264
Total Hazards Reported	21	41	24
Total Incidents Reported	72	86	74
Hazards per 100 full-time equivalent staff numbers	8.7	15.3	9.1
Incidents per 100 full-time equivalent staff numbers	29.8	35.5	28
Number of time lost standard claims per 100 full-time equivalent staff numbers	1.6	0	2.3
Time lost (hours)	326.8	0	277.4
Number of claims (standard and minor)	4	0	6
Number of fatalities	0	0	0

WORKCOVER CLAIMS	2018	2019	2020
Average cost per claim for the year	\$ 8,636	\$17,085	\$0
Payments to-date	\$ 4,814	\$20,676	\$0
Estimate of outstanding claim costs	\$21,095	\$30,578	\$0

COMPLIANCE

Activity Table

For the year ended 31 December 2020

		2020	2019
	Note	\$'000	\$'000
NOTE A1 - OPERATING STATEMENT			
Total Operating Expenses			
Delivery provision and support activity	A2	20,331	24,052
Administration and general services activity	A3	8,175	7,437
Property plant and equipment services activity	A4	6,055	5,794
Student and other services activity	A5	1,289	1,397
Total Operating Expenses		35,850	38,680
NOTE A2 - DELIVERY PROVISION AND SUPPORT ACTIVITY			
Salaries, wages, overtime & allowances		15,559	14,359
Superannuation		1,695	1,513
Payroll Tax		284	394
Other salary related costs		37	116
Consumables		1,033	1,217
Fees		520	436
Travel and motor vehicle expenses		122	216
Depreciation		442	456
Other direct delivery expenses		639	5,345
Total expenses from transactions		20,331	24,052
NOTE A3 - ADMINISTRATION AND GENERAL SERVICES ACTIVITY			
Salaries, wages, overtime & allowances		5,302	4,640
Superannuation		579	451
Payroll Tax		91	112
Other salary related costs		54	144
Consumables		260	393
Communication expenses		767	751
Fees		367	119
Travel and motor vehicle expenses		34	158
Depreciation		22	23
Other expenses		699	646
Total expenses from transactions		8,175	7,437

		2020	2019
	Note	\$'000	\$'000
NOTE A4 - PROPERTY PLANT AND EQUIPMENT SERVICES ACTIVITY			
Salaries, wages, overtime & allowances		1,230	1,095
Superannuation		131	123
Payroll Tax		22	30
Consumables		41	41
Equipment		148	77
Energy costs		474	498
Contract Services		1,298	1,204
Rent / leasing charges		48	42
Repairs & maintenance		554	729
Depreciation		1,804	1,859
Other expenses		305	96
Total expenses from transactions		6,055	5,794
NOTE A5 - STUDENT AND OTHER SERVICES ACTIVITY			
Salaries, wages, overtime & allowances		976	1,044
Superannuation		106	106
Payroll Tax		18	26
Other salary related costs		-	1
Travel and motor vehicle expenses		3	23
Other expenses		186	197
Total expenses from transactions		1,289	1,397



FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT
1 January to 31 December 2020

I Steven Waterhouse, on behalf of the Responsible Body, certify that the South West Institute of TAFE has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

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

Steven Waterhouse
Board Chair

25 February 2021

POSTAL ADDRESS:

PO BOX 674
WARRNAMBOOL
VIC 3280
AUSTRALIA
ABN: 76 750 969 979

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 the 2020 reporting period.

Public Interest Disclosure Act 2012

South West TAFE retained its policy in relation to the Public Interest 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 2020 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 Occupational 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.
- Requirements for all relevant Planning Authorities, Local Authorities, Australian Standards, Regulations and Codes including the Building Code of Australia;
- NPWC3 Australian Cost Management Manual Vol.1 (AIQS);
- Ministerial Directions and Instructions for Public Construction Procurement in Victoria (effective 1 July 2018);
- Guidance for Public Construction Procurement in Victoria (effective 1 July 2018);
- Practitioners Toolkit - Standard form contracts;
- Practitioners Toolkit - Fact sheets for public construction procurement;
- Occupation Health and Safety legislation, and
- Victorian Industry Participation Policy (Victorian Government Purchasing Board).

The Department's standard NATSPEC Education facilities construction reference specification - (The NATSPEC reference specification must be used for contract preliminaries and all trade specifications, as appropriate).

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.

The 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.

Two additional project staff were employed to assist in the coordination and progression of the two large construction projects taking place on the Warrnambool Campus, The Learning and Library Hub Project and the F Building Refurbishment Project. The additional resources ensure project program is met and both site safety and operational effectiveness is not impacted during the extensive works which will take place in a live environment.

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;

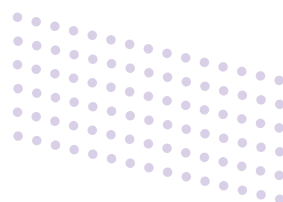
- National Competition Policy
- Victorian Government policies on competitive neutrality
- Ministerial Directions on Fees and Charges
- Legislation and guidelines relating to the Goods and Services Tax (GST)
- Guidelines, rulings and interpretations made by the Australian Competition and Consumer Commission (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 to our community. The organisation ensures that its policies and procedures are in line with the requirements of the Victorian Carers Recognition Act 2012 and National Employment Standards (NES) contained in the Fair Work Act 2009 (including Amendment Acts).

In 2020, 62 staff utilised carers leave at South West TAFE.





financial position

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

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

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

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

Steven Waterhouse
Board Chair
17 March 2021

A handwritten signature in black ink, appearing to read 'Mark Fidge'.

Mark Fidge
Chief Executive Officer
17 March 2021

A handwritten signature in black ink, appearing to read 'Robert Van Duynhoven'.

Robert Van Duynhoven
Chief Finance and Accounting Officer
17 March 2021

POSTAL ADDRESS:

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Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of South West Institute of TAFE

Opinion	<p>I have audited the financial report of South West Institute of TAFE (the institute), which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the board chair, chief executive officer and chief finance and accounting officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the institute as at 31 December 2020 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I confirm that the independence declaration required by the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, 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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute 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
26 March 2021


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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 2020, 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
26 March 2021

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

South West TAFE - FINANCIAL STATEMENTS

How this report is structured

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

Financial statements	Comprehensive operating statement	76
	Balance sheet	77
	Statements of changes in equity	78
	Cash flow statement	78
Notes to the financial statements	1. About this report	
	1.1 Basis of preparation	79
	1.2 Compliance information	80
	1.3 Impact of COVID19	80-81
	2. How we earned our funds	
	2.1 Government contributions	82-83
	2.2 Revenue from fees, charges and sales	84-85
	2.3 Other income	86-87
	3. How we expended our funds	
	3.1 Employee benefits	88
	3.2 Superannuation	88-89
	3.3 Supplies and services	89-90
	3.4 Other operating expenses	90
	4. The assets we invested in	
	4.1 Property, plant and equipment	91-93
	4.2 Intangible assets	94
	4.3 Investments properties	95
	5. Balances from operations	
	5.1 Receivables	95-96
	5.2 Prepayments	96
	5.3 Payables	97
	5.4 Contract liabilities	98
	5.5 Employee benefits in the balance sheet	98
	6. How we financed our operations	
	6.1 Cash and deposits	99
	6.2 Borrowings	100
	6.3 Contributed equity	100
	6.4 Leases	101-102
	7. Managing risks and uncertainties	
	7.1 Financial instruments	103-106
	7.2 Contingent assets and contingent liabilities	107
	7.3 Fair value determination	107-110
	8. Governance disclosures	
	8.1 Responsible persons	111
	8.2 Remuneration of executives	112
	8.3 Related parties	113
	8.4 Auditors' remuneration	113
	9. Other disclosures	
	9.1 Other economic flows included in net result	114
	9.2 Other equity reserves	114
	9.3 Ex-gratia expenses	114
	9.4 Joint venture	114
	9.5 Events after reporting date	114
	9.6 Application of standards issued but not yet effective	115
	9.7 New or amended Accounting Standards and Interpretations adopted	115

FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2020

		2020	2019
	Note	\$'000	\$'000
Continuing operations			
Income from transactions			
Revenue from government contributions	2.1.1	25,570	28,860
Revenue from fees, charges and sales	2.2	3,642	3,933
Interest income		43	173
Other income	2.3	318	564
Total income from transactions		29,573	33,530
Expenses from transactions			
Employee benefits	3.1.1	25,994	23,893
Depreciation and amortisation	4.1.2	2,276	2,293
Supplies and services	3.3	5,506	5,936
Other operating expenses	3.4	2,074	6,506
Total expenses from transactions		35,850	38,628
Net result from transactions		(6,277)	(5,098)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.1.1	1	(185)
Net (loss)/gain on investment property revaluation	4.3	(341)	301
Other (losses)/gains from other economic flows	9.1	(95)	31
Total other economic flows included in net result		(435)	147
Net result from continuing operations		(6,712)	(4,951)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.2	(57)	-
Comprehensive result		(6,769)	(4,951)

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

FINANCIAL STATEMENTS

BALANCE SHEET

As at 31 December 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	6,944	10,384
Receivables	5.1	2,276	1,743
Total financial assets		9,220	12,127
Non-financial assets			
Inventories		50	44
Prepayments	5.2	673	875
Property, plant and equipment	4.1	46,134	47,600
Right of use asset	6.4	89	153
Intangible assets	4.2	1,810	2,204
Investment property	4.3	2,695	3,036
Total non-financial assets		51,451	53,912
Total assets		60,671	66,039
Liabilities			
Payables	5.3	2,982	2,728
Contract liabilities	5.4	666	48
Employee provisions	5.5	4,184	3,439
Lease liabilities	6.4	110	168
Borrowings	6.2	2,594	2,752
Total liabilities		10,536	9,135
Net assets		50,135	56,904
Equity			
Contributed capital	6.3	9,361	9,361
Accumulated surplus		16,781	23,493
Physical assets revaluation surplus	9.2	23,993	24,050
Net worth		50,135	56,904

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 2020

	Physical assets revaluation surplus	Accumulated surplus	Contributed Capital	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	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
Net result for the year	-	(6,712)	-	(6,712)
Other economic flows - other comprehensive income	(57)	-	-	(57)
Year ended 31 December 2020	23,993	16,781	9,361	50,135

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 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		27,008	28,056
User fees and charges received		3,533	3,877
Goods and services tax recovered from the ATO		869	1,319
Interest received		43	232
Other receipts		648	970
Total receipts from operating activities		32,101	34,454
Payments			
Payments to employees		(25,344)	(23,350)
Payments to suppliers		(7,561)	(13,138)
Other payments		(197)	(65)
Short term and low value leases		(82)	(200)
Goods and services tax paid		(1,722)	(1,527)
Interest paid - lease liability		(6)	(9)
Total payments		(34,912)	(38,289)
Net cash flows used in operating activities	6.1.1	(2,811)	(3,835)
Cash flows from investing activities			
Purchase of non-financial assets		(426)	(2,472)
Proceeds from sales of non-financial assets		18	112
Net cash used in investing activities		(408)	(2,360)
Cash flows from financing activities			
Repayment of borrowings		(158)	(862)
Repayment of Lease liabilities		(63)	(59)
Net cash flows used in) financing activities		(221)	(921)
Net (decrease) in cash and cash equivalents		(3,440)	(7,116)
Cash and cash equivalents at the beginning of financial year		10,384	17,500
Cash and cash equivalents at the end of the financial year	6.1	6,944	10,384

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

1. ABOUT THIS REPORT

South West Institute of TAFE (South West TAFE) 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, 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 financial information being presented. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 5.5);
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (note 6.4); and
- the recognition of revenue in relation to contracts with customers (note 2).

These financial statements cover South West TAFE as an individual reporting entity. South West TAFE had no controlled entities for the year ended 31 December 2020.

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.

South West TAFE has substantial economic dependency on Government operating and capital contributions.

South West TAFE manages funding risk by continuing to diversify and increase funding from commercial activities domestically.

There has been no significant change in South West TAFE'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), the *Australian Charities and Not-for-profits Act 2012* and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

1.3 Impact of COVID-19

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

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

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

In response, South West TAFE transferred to remote learning where possible, placed restrictions on non-essential work and implemented work from home arrangements where appropriate.

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

The key impacts on the performance is summarised as follows:

Revenue and other income

The Department of Education and Training provided crisis support funding and business continuity grants to South West TAFE. The purpose of this funding being:

- To assist South West TAFE with its immediate response to the pandemic;
- To provide support to retain staff;
- To assist with South West TAFE's transition to online and remote learning; and
- To maintain government funding at pre-pandemic levels.

This is further discussed in Note 2.1.

COVID-19 has had a direct impact on the way classes have been conducted by South West TAFE and as a consequence has had an impact on student enrolments and completions in various courses. There was a notable impact on enrolments in VCAL and Transition to Work courses. Many courses were required to transition to online and remote delivery of training. Travel restrictions had a direct impact on staff's ability to attend work sites to finalise units in the meat training and bakery apprenticeship areas. The inability to undertake practical placements in the areas of Individual Support, Community Services, Nursing and Early Childhood Education and Care also led to an increase in the number of units requiring the completion date to be extended. The financial implication of the loss of enrolments and the extension of unit completion dates was approximately \$1.475m.

Expenses

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

1. ABOUT THIS REPORT

1.3 Impact of COVID-19 (continued)

Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdowns. As a result, the leave provisions have increased by \$745k (2019: \$512). The impact of COVID-19 is further discussed in Note 5.5.

Liquidity risk

The impact of the COVID-19 pandemic on TAFE finances is expected to continue in 2021, which may require TAFEs to draw on their cash reserves to cover their operating costs. Where there is a risk of a low cash reserve position, the Department of Education and Training (the Department) has provided a Letter of Comfort to guarantee the cash solvency of South West TAFE as a state-owned entity. The Letter of Comfort provides assurance that financial assistance will be made available to South West TAFE until April 2022 (if required) and to enable South West TAFE to continue as a going concern. On that basis, the financial statements for South West TAFE have been prepared on a going concern basis.

The TAFE's ability to meet its financial obligations has also benefited from the Department of Education and Training deferring quarterly repayments due on its Government loan until 2023. Only one loan repayment of \$157k was made in 2020.

Credit risk

There is no evidence the COVID-19 pandemic had an impact on South West TAFE's ability to collect its receivables.

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

Fair value of non-financial physical assets

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

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

2.1.1 Revenue from government contributions

Grants and other transfers

Government contributions – operating

State government - contestable

State government - other contributions

Commonwealth Government - other contributions

Total government contributions – operating

	2020	2019
	\$'000	\$'000
	17,169	14,690
	7,639	13,364
	762	806
	25,570	28,860

In 2020, South West TAFE received \$1.363 million in crisis response funding to assist with its immediate response to the pandemic, and \$1.945 million in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels. The impact of COVID-19 is further discussed in Note 1.3.

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

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

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

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions (continued)

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

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales

	2020 \$'000	2019 \$'000
Student fees and charges	1,806	2,126
Fee for service - government	637	495
Fee for service - other	838	884
Other non-course fees and charges		
Sale of goods	361	428
Total revenue from fees, charges and sales	3,642	3,933

Revenue by timing of revenue recognition

	2020 \$'000	2019 \$'000
Revenue recognised over time	3,281	3,505
Revenue recognised at a point in time	361	428
Total revenue from fees, charges and sales	3,642	3,933

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

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

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

South West TAFE uses actual student contact hours, performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	South West TAFE provides educational services to the general public, nationally.	Provision of education services	Course fees and charges revenue is recognised as the course is delivered to the student and is measured as the amount the South West TAFE expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales (continued)

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

Revenue recognised in relation to contract liabilities

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

Revenue recognised in relation to contract liabilities

	2020 \$'000	2019 \$'000
Student fees and charges	-	-
Fee for service	-	-
Other	48	47
Total revenue recognised in relation to contract liabilities	48	47

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales (continued)

Transaction price allocated to remaining performance obligations

South West TAFE applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- payment plan via a third party (Debit success);
- federal government assistance (VET Student Loan); and/or
- invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 30 days).

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

2.3 Other income

	2020 \$'000	2019 \$'000
Rental income	188	151
Donations, bequests and contributions	-	6
Other revenue	130	407
Total other income	318	564

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Rental income	South West TAFE 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.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when South West TAFE's right to receive the rental is established.
Other income		Other income is recognised when South West TAFE's right to receive payment is established.	

2. HOW WE EARNED OUR FUNDS

2.3 Other income (continued)

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations or it cannot be identified when the obligation is satisfied. Typically, the stated purpose of the gift is not specific enough for the requirements of the standard. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.

2.3.1 Leases receivable

	2020 \$'000	2019 \$'000
Receivable:		
Within one year	215	155
Later than one year but not later than five years	490	89
Total leases receivable	705	244
GST payable on the above	64	22
Net operating leases receivable	641	222

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset.

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

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

Expense	2020 \$'000	2019 \$'000
Salaries, wages, overtime and allowances	22,196	20,333
Superannuation	2,314	1,954
Payroll tax	415	563
Worker's compensation	162	196
Long service leave	288	480
Annual leave	388	63
Termination benefits	197	261
Other	34	43
Total employee benefits	25,994	23,893

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.

IMPACT OF COVID-19.

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

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

3.2 Superannuation

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

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

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

3. HOW WE EXPENDED OUR FUNDS

3.2 Superannuation (continued)

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

Paid contribution for the year	2020 \$'000	2019 \$'000
Defined benefit plans:		
State Superannuation Fund – revised and new	52	60
Total defined benefit plans	52	60
Accumulation contribution plans:		
VicSuper	828	829
Other	894	851
Total accumulation contribution plans	1,722	1,680
Total paid contribution for the year	1,774	1,740

Contribution outstanding at year end	2020 \$'000	2019 \$'000
Accumulation contribution plans:		
VicSuper	107	104
Other	128	103
Total accumulation contribution plans	235	207
Total contribution outstanding at year end	235	207

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

	2020 \$'000	2019 \$'000
Purchase of supplies and consumables	1,362	1,702
Communication expenses	423	570
Contract and other services	1,719	1,602
Cost of goods sold/distributed (ancillary trading)	99	94
Building repairs and maintenance	578	844
Minor equipment	335	561
Fees and charges	990	563
Total supplies and services	5,506	5,936

IMPACT OF COVID-19.

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

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.

3. HOW WE EXPENDED OUR FUNDS

3.3 Supplies and services (continued)

3.3.1 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:

	2020 \$'000	2019 \$'000
Payable:		
Within one year	60	53
Later than one year but not later than five years	98	89
Total short-term and low value lease commitments	158	142
GST payable on the above	14	13
Net short-term and low-value lease commitments	144	129

3.3.2 Other expenditure commitments

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

	2020 \$'000	2019 \$'000
Payable:		
Within one year	196	112
Later than one year but not later than five years	99	-
Total other expenditure commitments	295	112
GST payable on the above	27	10
Net other expenditure commitments	268	102

3.4 Other operating expenses

	2020 \$'000	2019 \$'000
Marketing and promotional expenses	614	622
Utilities	474	523
Audit fees and services	111	39
Staff development	91	262
Travel and motor vehicle expenses	169	432
Bad debts from student and sundry debtors	70	-
Grants and subsidies	197	65
Interest on lease liabilities	6	9
Short term and low value leases	82	200
Other expenses	260	178
State government - contestable recoup	-	4,176
Total other operating expenses	2,074	6,506

IMPACT OF COVID-19.

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

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

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

Contestable recoup recognises that South West TAFE 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.

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

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

	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Land	6,624	6,984	-	-	6,624	6,984
Buildings	37,925	37,452	(2,139)	(1,424)	35,786	36,028
Construction in Progress	30	221	-	-	30	221
Plant and equipment	13,013	12,759	(9,976)	(9,231)	3,037	3,528
Motor vehicles	1,177	1,177	(520)	(338)	657	839
Net carrying amount	58,769	58,593	(12,635)	(10,993)	46,134	47,600

Refer to 4.1.2 for reconciliation of movements in carrying amount of property, plant and equipment.

Initial recognition

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

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

Subsequent measurement

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

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

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

For the majority of South West TAFE's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2020, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment. However as major capital works were completed on a facility which is held as part of a joint venture arrangement a revaluation was completed on that facility.

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 Assistant Treasurer.

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

Depreciation and amortisation

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

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

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

Class of assets	Useful Life	Method
Buildings	12 – 100 years (2019: 12 – 100 years)	Straight Line
Plant and equipment	2 – 20 years (2019: 2 – 20 years)	Straight Line
Motor vehicles	5 – 7 years (2019: 5 – 7 years)	Straight Line
Internal use software	5 – 15 years (2019: 5 – 15 years)	Straight Line
Right of use asset	Lease term	Straight Line

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.

4.1.1 Gain/loss on property, plant and equipment

	2020 \$'000	2019 \$'000
Net gain/(loss) on disposal of property, plant and equipment	1	(14)
Impairment of assets	-	(171)
Net gain/(loss) on non-financial assets	1	(185)

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 \$'000	Buildings \$'000	Construction in Progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Library \$'000	Total \$'000
2020							
Opening balance	6,984	36,028	221	3,528	839	-	47,600
Additions	-	43	30	353	-	-	426
Revaluations	(360)	303	-	-	-	-	(57)
Disposals	-	-	-	(17)	-	-	(17)
Transfers	-	173	(221)	48	-	-	-
Depreciation	-	(761)	-	(875)	(182)	-	(1,818)
Closing Balance	6,624	35,786	30	3,037	657	-	46,134
2019							
Opening balance	6,984	35,637	188	3,267	933	222	47,231
Additions	-	1,119	221	1,244	327	-	2,911
Disposals	-	(179)	-	(186)	(235)	(171)	(771)
Transfers	-	180	(188)	8	-	-	-
Depreciation	-	(729)	-	(805)	(186)	(51)	(1,771)
Closing Balance	6,984	36,028	221	3,528	839	-	47,600

Depreciation and amortisation

	2020 \$'000	2019 \$'000
Buildings	761	729
Plant and equipment	875	805
Motor vehicles	182	186
Library collections	-	51
Total depreciation	1,818	1,771
Right of use assets	64	64
Software	394	458
Total amortisation	458	522
Total depreciation and amortisation	2,276	2,293

4.1.3. Capital commitments

	2020 \$'000	2019 \$'000
Payable:		
Within one year	1,317	76
Total capital expenditure commitments	1,317	76
GST payable on the above	120	4
Net capital expenditure commitments	1,197	72

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

4. THE ASSETS WE INVESTED IN

4.2 Intangible assets

	2020 \$'000	2019 \$'000
Software		
Gross carrying amount		
Opening balance	4,794	5,043
Disposals	-	(249)
Closing balance	4,794	4,794
Accumulated amortisation and impairment		
Opening balance	2,590	2,381
Amortisation charge	394	458
Amortisation on Disposal	-	(249)
Closing balance	2,984	2,590
Net carrying amount at end of the year	1,810	2,204

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.

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

	2020 \$'000	2019 \$'000
Opening balance	3,036	2,735
Revaluations	(341)	301
Closing balance	2,695	3,036

Investment properties represent properties held to earn rentals or for capital appreciation, or both. Investment properties exclude properties held to meet service delivery objectives. 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 South West TAFE.

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

	2020 \$'000	2019 \$'000
Current		
Accounts receivable	686	525
Loss allowance on accounts receivable	(43)	(21)
Other receivables	64	47
Total receivables from contracts with customers	707	551
Statutory		
Amounts receivable from Victorian Government	1,492	873
GST input tax credit recoverable	77	319
Total receivables	2,276	1,743
Represented by		
Total Current receivables	2,276	1,743

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 other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

South West TAFE measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. ECLs are a probability-weighted estimate of credit-losses. Credit losses are measured as the present value of all cash shortfalls.

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

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	21	32
Net remeasurement of loss allowance	-	(11)
Increase in loss allowance recognised in net result	22	-
Balance at the end of the year	43	21

In respect of trade and other receivables, South West TAFE 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
2020						
Contractual receivables	750	350	28	27	345	-
Total	750	350	28	27	345	-
2019						
Contractual receivables	572	232	13	105	222	-
Total	572	232	13	105	222	-

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

	2020 \$'000	2019 \$'000
Current		
Prepayments	673	875

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

	2020 \$'000	2019 \$'000
Contractual payables		
Supplies and services	452	520
Other payables	2,161	1,944
Total contractual payables	2,613	2,464
Statutory payables		
GST payable	297	97
FBT Payable	9	11
Other taxes payable	63	156
Total statutory payables	369	264
Total payables	2,982	2,728
Represented by		
Current payables	1,806	1,352
Non-current payables	1,176	1,376
Total payables	2,982	2,728

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to South West TAFE prior to the end of the financial year that are unpaid, and arise when South West TAFE 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.

Other payable

Other payables includes a new balance repayable to Government 2019 \$1.6m. 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
2020							
Supplies and services	452	452	452	-	-	-	-
Other payables	2,161	2,161	785	-	200	1,176	-
Total	2,613	2,613	1,237	-	200	1,176	-
2019							
Supplies and services	520	520	520	-	-	-	-
Other payables	1,944	1,944	368	-	200	1,376	-
Total	2,464	2,464	888	-	200	1,376	-

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.

5. BALANCES FROM OPERATIONS

5.4 Contract liabilities

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

	2020	2019
	\$'000	\$'000
Contract liabilities – fee for service	-	2
Contract liabilities – other	666	46
Total contract liabilities	666	48

Contract liabilities

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

5.5 Employee benefits in the balance sheet

	2020	2019
	\$'000	\$'000
Annual leave	1,502	1,141
Long service leave	2,010	1,830
Total short-term benefits	3,512	2,971
Long service leave	672	468
Total long-term benefits	672	468
Total employee benefits	4,184	3,439

The leave obligations cover South West TAFE'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 \$3,512k (2019 - \$2,971k) is presented as current, since South West TAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, South West TAFE 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.

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$745k (2019: \$512). The impact of COVID-19 is further discussed in Note 1.3.

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

	2020	2019
	\$'000	\$'000
Unconditional and expected to wholly settle within 12 months	1,703	1,391
Unconditional and expected to wholly settle after 12 months	1,809	1,580
Total current employee provisions	3,512	2,971

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	2020	2019
	\$'000	\$'000
Cash at bank and on hand	6,944	10,384
Total cash and deposits	6,944	10,384

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

	2020	2019
	\$'000	\$'000
Net result for the year	(6,712)	(4,951)
Non cash movements		
Depreciation & amortisation of non-financial assets	2,276	2,293
Net (gain)/loss on sale of non-financial assets	(1)	14
Other losses/(gains) from other economic flows	95	(31)
Net loss/(gain) on invest property revaluation	341	(301)
Allowance to recoverable amounts	22	(11)
Write-off of obsolete stock	2	198
Movements in assets and liabilities		
(Increase) in receivables	(647)	(772)
(Increase) in inventories	(6)	(5)
Decrease/(increase) in prepayments	202	(333)
Increase/(decrease) in payables	254	(496)
Increase in contract liabilities	618	48
Increase in employee provisions	745	512
Net cash flows from/(used in) operating activities	(2,811)	(3,835)
Per cash flow statement	(2,811)	(3,835)

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

	2020 \$'000	2019 \$'000
Current		
Advances from government	232	862
Non-Current		
Advances from government	2,362	1,890
Total borrowings	2,594	2,752

Advances from government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

The measurement basis subsequent to initial recognition depends on whether the South West TAFE has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost.

Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The South West TAFE determines the classification of its interest bearing liabilities at initial recognition.

Maturity Analysis of borrowings

	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
2020							
Advances from Government	2,594	2,594	-	-	232	1,732	630
Total	2,594	2,594	-	-	232	1,732	630
2019							
Advances from Government	2,752	2,752	-	-	862	1,890	-
Total	2,752	2,752	-	-	862	1,890	-

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 capital

	2020 \$'000	2019 \$'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*. Capital funds provided by the Commonwealth Government are treated as income.

6. HOW WE FINANCED OUR OPERATIONS

6.4 Leases

Policy

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

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

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

As a lessee

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

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

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

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

6. HOW WE FINANCED OUR OPERATIONS

6.4 Leases (continued)

Peppercorn leases

South West TAFE has no leases that have significantly below market terms.

Right of use assets	Property \$'000	Other \$'000	Total \$'000
2020			
Balance as at 1 January 2020	125	28	153
Amortisation	(57)	(7)	(64)
Balance as at 31 December 2020	68	21	89

2019			
Balance as at 1 January 2019	182	-	182
Additions	-	34	34
Amortisation	(57)	(6)	(63)
Balance as at 31 December 2019	125	28	153

Lease liabilities	2020 \$'000	2019 \$'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	82	78
Later than one year but not later than five years	32	101
Total undiscounted lease liabilities as at 31 December	114	179
Future finance charges	(4)	(11)
Total discounted lease liabilities as at 31 December	110	168
	2020 \$'000	2019 \$'000
Current	79	74
Non-current	31	94
Total lease liabilities	110	168

Short-term and low value leases

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

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

Contractual financial assets	2020 \$'000	2019 \$'000
Financial Assets at armortised cost		
Cash and deposits	6,944	10,384
Trade receivables	643	504
Other receivables	64	47
Total contractual financial assets	7,651	10,935
Contractual financial liabilities	2020 \$'000	2019 \$'000
Loans and payables		
Supplies and services	452	520
Other payables	2,161	1,944
At amortised cost		
Advances from Government	2,594	2,752
Lease liability	110	168
Total contractual financial liabilities	5,317	5,384

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

Categories of financial instruments

South West TAFE 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 necessary impairment).

South West TAFE recognises the following financial assets in this category:

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

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

- payables (excluding statutory payables);
- lease liabilities; and
- advances from government.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

7.1.1 Financial risk management objectives and policies

South West TAFE is exposed to a variety of financial risks, market risk, credit risk and liquidity risk.

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

South West TAFE's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of South West TAFE. South West TAFE 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 South West TAFE's exposure, or its objectives, policies and processes for managing South West TAFE's financial risks or the methods used to measure the risk from the previous reporting period.

7.1.2 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 South West TAFE, which comprise cash and deposits and non-statutory receivables. South West TAFE's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to South West TAFE.

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

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

The trade receivables balance at 31 December 2020 and 31 December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

In addition, South West TAFE 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. South West TAFE'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 South West TAFE'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
2020				
Cash and deposits	6,944	-	-	6,944
Receivables	-	-	707	707
Total contractual financial assets	6,944	-	707	7,651
2019				
Cash and deposits	10,384	-	-	10,384
Receivables	-	-	551	551
Total contractual financial assets	10,384	-	551	10,935

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

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

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

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

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2020 and the past 48 months before 31 December 2019, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. South West TAFE 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.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000		\$'000	
31 December 2020				
Current (not past due)	350	1%	1	No
1–30 days past due	28	1%	-	Yes
31–60 days past due	10	6%	1	Yes
61–90 days past due	17	7%	1	Yes
More than 90 days past due	345	11%	40	Yes
	750		43	
1 January 2020				
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	

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 South West TAFE'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 South West TAFE, 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, \$22k (2019: \$11k) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

South West TAFE 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.

South West TAFE's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in note 7.1.

South West TAFE manages liquidity risk by:

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

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

There has been no significant change in South West TAFE's exposure, the Group's 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

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

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

There were no contingent assets or contingent liabilities as at 31 December 2020 (31 December 2019: nil) that may have a material effect on the financial operations of South West TAFE.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, investment property, vehicles, plant and equipment.

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

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

Fair value estimation

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

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

South West TAFE 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.

A summary of changes between levels can be found in Note 7.3(a).

The Valuer-General Victoria (VGV) is South West TAFE's independent valuation agency.

Fair value determination of financial assets and liabilities

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

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

(a) Fair value determination of non-financial assets

South West TAFE holds property, plant and equipment for which fair values are determined.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

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

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

Fair value measurement hierarchy

	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
2020				
Specialised land	6,624	-	-	6,624
Specialised land - Investment Property	181	-	-	181
Total land at fair value	6,805	-	-	6,805
Specialised buildings	35,786	-	-	35,786
Specialised buildings - Investment Property	2,514	-	-	2,514
Total buildings at fair value	38,300	-	-	38,300
Plant and equipment	3,037	-	-	3,037
Motor vehicles	657	-	-	657
Total other assets at fair value	3,694	-	-	3,694
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

Impairment

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

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Valuations of property, plant and equipment

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

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

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

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

Specialised land and specialised buildings - including Investment Property

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 a Level 3 asset.

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 South West TAFE'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 South West TAFE'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. South West TAFE 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 South West TAFE 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 2020. For all assets measured at fair value, the current use is considered the highest and best use.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land including investment property	Market approach	Community service obligation (CSO) adjustment
Specialised buildings including investment property	Depreciated replacement cost	Useful life of buildings and cost per square metre
Motor Vehicles	Depreciated replacement cost	Useful life of vehicles
Plant and equipment	Depreciated replacement cost	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 South West TAFE are as follows:

Position	Name	Dates of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2020 – 31 December 2020
Director and Chief Executive Officer (Accountable Officer)	Mark Fidge	1 January 2020 – 31 December 2020
Board Member	Steven Waterhouse	1 January 2020 – 31 December 2020
Board Member	Susan Brumby	1 January 2020 – 31 December 2020
Board Member	Brian Crook	1 January 2020 – 31 December 2020
Board Member	Christopher Holloway	1 January 2020 – 31 December 2020
Board Member	Sandy Burgoyne	1 January 2020 – 31 December 2020
Board Member	Ann Ellis	1 January 2020 – 31 December 2020
Board Member	Jacinta Ermacora	1 January 2020 – 31 December 2020
Board Member	Bill Brown	1 January 2020 - 31 July 2020
Board Member	Denise Lovett	1 January 2020 – 31 December 2020

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 (\$250,000 – \$259,000 in 2019).

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	
	2020	2019
Less than \$10,000	1	2
\$10,000 - \$19,999	3	4
\$20,000 - \$29,999	4	5
\$40,000 - \$49,000	1	-
\$250,000 - \$259,000	1	1
Total number of members	10	12
Total remuneration of responsible persons (\$'000)	433	436

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

Compensation of responsible persons

	Total remuneration	
	2020 \$'000	2019 \$'000
Remuneration		
Short-term employee benefits	394	390
Post-employment benefits	37	39
Other long-term benefits	2	7
Total remuneration	433	436

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.

	Total remuneration	
	2020 \$'000	2019 \$'000
Remuneration		
Short-term employee benefits	747	505
Post-employment benefits	71	53
Other long-term benefits	21	18
Termination benefits	64	9
Total remuneration	903	585
Total number of executives	5	5
Total annualised employee equivalents	4.85	3.31

Note: 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 South West TAFE 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 South West TAFE includes the Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, Board Members, the CEO Mark Fidge, and members of the Executive Team, which includes:

- Executive Manager, Corporate Services, Shannyn Martin;
- Executive Manager, Education, Louise Cameron;
- Executive Manager, Education Support Karen Ellen;
- Executive Manager, Stakeholder Engagement, Geraldine Lewis;
- Glenormiston, Research and Projects, John Flett;

Compensation of Key Management personnel

Short-term employee benefits

Post-employment benefits

Other long-term benefits

Termination benefits

Total remuneration

	2020	2019
	\$'000	\$'000
Short-term employee benefits	1,141	895
Post-employment benefits	108	92
Other long-term benefits	23	25
Termination benefits	64	9
Total remuneration	1,336	1,021

8.4 Auditors remuneration

Remuneration of the Victorian Auditor-Generals Office for:

Audit of the financial statements

Remuneration of Internal Auditors

Internal audit services

Total remuneration of auditors

	2020	2019
	\$'000	\$'000
Audit of the financial statements	70	28
Internal audit services	41	11
Total remuneration of auditors	111	39

The Victorian Auditor-Generals Office is not allowed to provide non-audit services.

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

Other (losses)/gains from other economic flows

Net (loss)/gains arising from revaluation of long service leave liability

Total other (losses)/gains from other economic flows

2020	2019
\$'000	\$'000
(95)	31
(95)	31

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

9.2 Other equity reserves

Physical asset revaluation surplus

Balance at 1 January

Revaluation decrement on non-current assets

Balance at 31 December

2020	2019
\$'000	\$'000
24,050	24,050
(57)	-
23,993	24,050

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

9.3 Ex-gratia expenses

In-Lieu-of-notice and gratuity payments

Total ex-gratia payments

2020	2019
\$'000	\$'000
52	33
52	33

All ex-gratia payments made during 2020 related to departing employees.

9.4 Joint venture

South West TAFE and Warrnambool City Council entered into a joint venture deed in June 1997 to purchase 27-47 Kepler Street, Warrnambool, currently known as Florence Collins Childcare Centre. Each party owns a 50% share in the Land and Buildings. This is reflected in the balance sheet of both entities. On an annual basis the Warrnambool City Council (Operator) pay South West TAFE (Manager) a fee for exclusive use of the facility. South West TAFE pay all out goings, utilities and maintain the facility. The contribution paid by Warrnambool City Council is used to offset the expenses. The balance of the funds are then apportioned 50%. South West TAFE proportion is recorded in the Profit Loss for the year. The Warrnambool City Council component is allocated to the Balance Sheet and a cumulative balance is held as a liability. The value of the transactions and share of results are insignificant for South West TAFE and therefore the summarised financial information has not been disclosed.

9.5 Events after reporting date

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

9. OTHER DISCLOSURES

9.6 Application of standards issued but not yet effective

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

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

9.7 New or amended Accounting Standards and Interpretations adopted

Transition impact on financial statements

The following accounting standards were adopted for the first time, from 1 January 2019:

- *AASB 15 Revenue from Contracts with Customers*;
- *AASB 1058 Income of Not-for-Profit Entities*; and
- *AASB 16 Leases*.

The impact to South West TAFE on transition can be found in the 2019 published financial statements.

disclosure index

Item No.	Source	Summary Of Reporting Requirement	Page Number
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1.	FRD 22H 5.4 a	Manner of establishment and the relevant Minister	8
2.	FRD 22H 5.4 b 5.5	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4-10, 19-20, 32-42, 57-63
3.	FRD 22H 5.4 c	Nature and range of services provided including the communities served	19, 57-63
MANAGEMENT AND STRUCTURE			
4.	FRD 22H 5.4 d 5.6	Organisational chart detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	22-30
FINANCIAL AND OTHER INFORMATION			
5.	FRD 03A	Accounting for Dividends	N/A
6.	FRD 07B	Early adoption of authoritative accounting pronouncements	115
7.	FRD 10A	Disclosure Index	116-118
8.	FRD 17B	Wage inflation and discount rates for employee benefits	88-89
9.	FRD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements	6-9, 12-13
10.	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	64-65
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	46-55
12.	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	15
13.	FRD 22H 5.11 b	Summary of significant changes in financial position	15
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	4-8, 13, 32-44, 49-51, 57-60, 62-63
15.	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	114
16.	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	69
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	12-16, 39-44, 57-60
18.	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
19.	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 (exclusive of GST)	N/A
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	69

Item No.	Source	Summary Of Reporting Requirement	Page Number
21.	FRD 22H 5.18 g	Statement on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	69
22.	FRD 22H 5.18 c	Summary of application and operation of the <i>Public Interest Disclosures Act 2012</i> including disclosures required by the Act	69
23.	FRD 22H 5.18 h	Summary of Environmental Performance	14
24.	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where 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	16
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	119
26.	FRD 22H 5.17	An entity shall disclose the following in the report of operations: a. Total entity ICT Business as Usual (BAU) expenditure for the full 12-month reporting period; and b. Total entity ICT Non-Business as Usual expenditure for the full 12-month reporting period; and provide a breakdown for: i Operational expenditure (OPEX); and ii Capital expenditure (CAPEX).	16
27.	FRD 25D	Local Jobs First	37
28.	AASB 16	Leases	101-102
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.	68
30.	FRD 119A	Transfers through contributed capital	77, 78, 100
31.	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	71
32.	SD 5.2.3	The report of operations must be signed and dated by a member of the Responsible Body.	4-8
33.	CG 10 Clause 27	Summary of Major Commercial Activities	N/A
34.	CG 12 Clause 33	TAFE Institute Controlled Entities	N/A

FINANCIAL REPORT

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. 	71
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Item No.	Source	Summary Of Reporting Requirement	Page Number
36.	SD 5.2.2(a)	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> the Accountable Officer; subject to Direction 5.2.2(c), the CFO; and for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	71
37.	FRD 30D	Rounding of Amounts	79
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 	22-23
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39.	FRD 11A	Disclosure of ex-gratia payments	47, 114
40.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	111-113
41.	FRD 102A	Inventories	77
42.	FRD 103H	Non-financial physical assets	77, 91-95, 107-110
43.	FRD 105B	Borrowing costs	100
44.	FRD 106B	Impairment of assets	91-95
45.	FRD 107B	Investment properties	77, 95
46.	FRD 109A	Intangible assets	77, 94
47.	FRD 110A	Cash flow statements	78, 99
48.	FRD 112D	Defined benefit superannuation obligations	88-89
49.	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	114
50.	FRD 114C	Financial instruments	103-106
51.	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period	75-115
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
52.	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> <i>Education and Training Reform Act 2006 (ETRA)</i> TAFE institute constitution Directions of the Minister for Training and Skills (or predecessors) TAFE institute Commercial Guidelines TAFE institute Strategic Planning Guidelines <i>Public Administration Act 2004</i> <i>Financial Management Act 1994</i> <i>Freedom of Information Act 1982</i> <i>Building Act 1993</i> <i>Public Interest Disclosure Act 2012</i> <i>Local Jobs First Act 2003</i> 	118-119
53.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2020	N/A
54.	Policy	Statement that the TAFE institute complies with the <u>Victorian Public Service Travel Policy</u>	119
55.	Key Performance Indicators	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. 	12
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. 	N/A

Compliance with other legislation and subordinate instruments and Policies

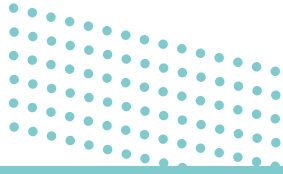
South West TAFE complies with all relevant legislation and subordinate instruments, including, but not limited to, the following:

- *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*
- *Public Interest 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

1300 648 911
learn@swtafe.edu.au

swtafe.edu.au

