



Bendigo Kangan Institute

—Annual Report 2020



Annual Report Objectives

This Annual Report is the principal medium through which Bendigo Kangan Institute (BKI) communicates its accountability to the Hon. Gayle Tierney, MP, Minister for Training and Skills, and Minister for Higher Education, Victorian Parliament and other stakeholders, in providing a summary of BKI's operations, achievements and financial affairs for the 2020 calendar year.

The Annual Report has been prepared in accordance with the relevant legislation, Ministerial Directions, instructions and applicable Australian accounting standards, including but not limited to the following:

- *Education and Training Reform Act 2006* (ETRA)
- *Constitution of the Bendigo Kangan Institute Order 2016*
- *Directions of the Minister for Training and Skills and Minister for Higher Education (or their predecessors)*
- *Commercial Guidelines* - TAFE institutes
- *Strategic Planning Guidelines* - TAFE institutes - 2013
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Public Interest Disclosures Act 2012*
- *Local Jobs First Act 2003*

The financial statements in the Annual Report have been approved by the BKI Board following their review and endorsement by the Board's Audit and Risk Management Committee.

Acknowledgment of Country

Bendigo Kangan Institute's footprint spans the ancestral lands of the Gunung-Willam-Balluk and Wurundjeri peoples, the Jaara people of the Dja Dja Wurrung and the Wollithiga people of the Yorta Yorta Nation.

Bendigo Kangan Institute pays its respects to the traditional custodians of these lands and to their cultural heritage, and extends that respect to all Aboriginal and Torres Strait Islander Elders, past and present.

Table of Contents

Introductory Material

Annual Report Objectives	2
Acknowledgment of Country	3
Contents page	4

Our year in reflection

By The Numbers	6
Adapting Through COVID-19	8
Chair's Report	12
Chief Executive Officer Report	13

Our Organisation

About Us	14
Financial Summary	16
Organisation Structure	18
Operations and Governance	20
Our TAFE Students	26
Awards and Achievements	28
Delivering against the 20>25 Strategy	32
Improving our Offering	34
Improve our Experience	37
Improve our Places	42
Digitally Enable our Operations	45
Build a United TAFE	47
Build a Professional and Financially Sustainable Organisation	49
Overseas Operations	52
Workforce data	54

Compliance Information

Occupational Health and Safety	57
WorkCover Claims	58
<i>Freedom of Information Act 1982</i>	59
<i>Public Interest Disclosures Act 2012</i>	59
Financial Management Compliance Attestation	60
<i>Compliance with Carers Recognition Act 2012</i>	60
Compliance with Child Safe Standards	60
National Competition Policy	61
Compulsory Non-academic fees, Subscriptions and Charges	61
Building and Maintenance	61
Environmental Performance and Impacts	62
Local Jobs First	64
Major Commercial Activities	65
Advertising Expenditure	65
Consultancies Expenditure	65
Information Communication Technology Expenditure	65
Financial Statements	66
Performance Statement	142
Disclosure Index	148

By the Numbers

10
CAMPUSES



22,057



STUDENTS

\$1.5m

INVESTMENT IN THE PROFESSIONAL DEVELOPMENT OF OUR TEACHING AND PROFESSIONAL SUPPORT STAFF

OVER

160,000



CLASSES TAUGHT VIA VIDEO CONFERENCE

OVER

3,000

LAPTOPS & TABLETS PROVISIONED

316

COURSES



\$375m

PHYSICAL ASSET VALUE



1,478

STAFF AS AT DECEMBER 2020

STUDENTS PROVIDED WELLBEING SUPPORT

551



WALK-INS: 53,905
ELIBRARY HOMEPAGE: 40,006



93,911

LIBRARY VISITS

254

WORK FROM HOME RELATED TUTORIALS

1,200

ATTENDANCES



Adapting through COVID-19

The COVID-19 pandemic impacted all areas of BKI, bringing significant challenges and change, but also new opportunities. In a year that called for resilience, innovation and flexibility, BKI staff and students proved to be both resourceful and adaptable.

The Student Experience

In just three weeks from when the Victorian Government announced lockdown restrictions in March 2020, BKI transitioned to 98% online or remote delivery supporting more than 14,000 students who were enrolled at the time the COVID-19 pandemic began. 168 online courses were delivered through the lockdown period with 112 of these facilitated through the BKI in-house learning platform, and the remaining 56 remotely facilitated through email and video conferencing platforms.

The needs of the student population and as such, the demands on staff, changed significantly during the course of the lockdown and a number of measures were undertaken to meet these:

- Students who did not have access to computers were provided with laptops through a new loan scheme.
- Every BKI international student was contacted directly to determine their welfare needs. For those most isolated, food vouchers were provided and information about support services was readily and regularly made available to them.

- International students' fee payments were deferred and apprentices whose industry positions were paused were offered deferred payment plans.
- A new forum, TalkCampus, was delivered for all students six months ahead of schedule. TalkCampus is a 24/7 global anonymous group chat that lets students connect with their peers around the world in 25 different languages in a moderated environment, giving international students another avenue to reach out for support.

As a result of these measures, course attendance rates were not significantly impacted, remaining between 80-100% for all courses.

However, the significant impact of the lockdowns on students cannot be underestimated, particularly for those in the final stages of their studies. At the height of the COVID-19 pandemic, BKI had almost all practical training placements cancelled or postponed by industry placement hosts.

Of the courses underway at the time COVID-19's lockdown began, 168 online courses continued to be delivered, with 112 of these facilitated through the BKI in-house learning platform, and the remaining 56 remotely facilitated through email and video conferencing platforms. The balance of the 316 courses delivered annually had not commenced or were not impacted.

At the end of the year, 57% of all practical placements had been completed, leaving 414 placements outstanding for students who had otherwise completed their studies. Practical placements are a mandatory requirement for the successful completion of a number of courses. Placement areas most impacted by COVID-19 were: Community Services, Early Childhood and Education, Individual Support, Vet Nursing, Allied Health and Animal Studies.

Stringent measures were put in place to assure student safety when practical placements recommenced. This included COVID-19 risk assessment checklists being required to be completed by placement hosts; a pre-placement student COVID-19 declaration; and ongoing engagement throughout placements to identify potential issues or risks.

“The communication with my trainer has been great, regular emails and video links.”

“Had a few internet connection hiccups but having video tuition is OK.”

“It’s OK, but I’d rather be in class.”

“I have been isolating since the holidays and I really miss normal class life.”

“I would like a combo of both types of learning, in class and remote.”

“Not a fan of online format. I can’t concentrate properly like I can in a classroom, and I feel I am missing out on my learning.”

STUDENT SURVEYS DURING 2020

Assess

In response to the emerging COVID-19 pandemic, the BKI Crisis Management Team (CMT) was established. This 66-member, cross-functional group included Executive Team members and senior leaders from across the organisation, both professional and academic, and began operation in February 2020.

The CMT established a Crisis Management Plan, created the crisis management operating rhythm, coordinated internal and external communications and engagement, and identified and managed critical issues by working with a team representing each area of BKI.

Staff were surveyed using Wellbeing Pulse Checks that found 81% of respondents felt informed about the evolving situation while 72% said they trusted BKI's senior leadership in its decision making.

Adapting through COVID-19

Adjust

THE STAFF EXPERIENCE

The management of the COVID-19 pandemic was underpinned by the following principles:

- Protecting the safety and wellbeing of our staff and students.
- Prioritising vulnerable and disadvantaged students support.
- Meeting the emerging needs of students and the community in new and innovative ways.
- Rebuilding our community and economy as part of the broader TAFE and government commitment.
- Promoting the strengths of our organisation.
- Strengthening our allegiance with our business partners and employers, balancing their needs and obligations during this challenging time.
- Building our long-term financial sustainability and desired future delivery model

Stabilising BKI's operations while planning and preparing for the 'COVID-normal' underpinned all major programs of work throughout the year.

During the early stages of the pandemic, the Bendigo TAFE engineering team shared supplies from building, construction and engineering training courses with Bendigo Health, amounting to hundreds of safety glasses and face masks. As a regionally based TAFE, our staff and students are embedded in their communities and our driving principles emphasised the importance of working with community groups in responding to the pandemic.

When restrictions eased, processes were implemented to bring eligible students back onto campus for practical assessments. This required new COVIDSafe Plans to be put in place at all campuses, with staff and students being required to follow specific rules when on campus. These requirements evolved as Government directions eased, but included temperature testing, social distancing requiring changes to class attendee numbers and more class times scheduled to manage reduced class sizes.

A robust campus tracker system was introduced to ensure all staff and students on campus at any time were registered as being on campus, and their on-campus movements were recorded.

Enabling our staff to work from home required a significant rollout of equipment and by April, more than 400 laptops had been disseminated to staff.

The move to digital engagement platforms meant adopting new ways of working that were new to most staff. To support this, BKI conducted 254 targeted digital delivery and remote working webinars between March and May, attracting over 1,200 attendances. These sessions gave staff the opportunity to increase their digital skills, not only for work, but to help colleagues stay connected.

Importantly, during this period, in line with Government policy no staff members were stood down; any staff member with a depleted workload was reassigned to support other teams.

“Overall, it has been a positive experience in these difficult times. My thanks to the senior team to walk us through this crisis smoothly so we can help others in our ways.”

“Very satisfied with my managers. Both have responded with calm, clear, caring positivity and strong leadership.”

“Communications are what I need to adapt, which I have found BKI have done an amazing job.”

“As always the webinars are fun and engaging. Thank you. I really appreciate the time and effort put into these webinars. The enthusiasm for us, as participants, is tangible.”

“Thank you, I certainly have learnt a lot from the discussion as well as the YouTube sites suggested to watch. Valuable information towards our constant wellbeing.”

STAFF SURVEYS 2020

Advance

Throughout the COVID-19 pandemic, BKI undertook a critical role in supporting the Victorian response to the crisis, building and supporting the learning management system required to support job seekers, leveraging our digital and assessment capability in BKI's VETASSESS and eWorks businesses.

Responding to a request from the Victorian Government, the Return to Work short course platform, with accompanying training courses were developed and delivered within five days. The platform hosts courses in hospitality and personal services and has allowed thousands of Victorians whose jobs were impacted by COVID-19 to learn new skills, especially in dealing with COVID-19 related situations.

BKI staff developed an innovative digital delivery model for the training of prisoners managed by

BKI's Corrections Department; worked with the Skills Organisation to review training packages and units of competency for emergency training; and provided content designed for people working in care roles, tailoring units in the Certificate III in Individual Support online.

The pandemic also provided the organisation with the opportunity to begin serious planning work to best position BKI in a post-pandemic training environment. As a result, important organisational transformation work was initiated with the aim of designing a new operating model fit for future needs and embarking on a multi-year transformation project ensuring the institute is operationally and financially sustainable into the future.

This three-year organisational transformation program, named North Star, will reform the structure, systems and operations of the organisation in line with BKI's 20>25 Strategic Plan.

Chair's Report

Peter Harmsworth



I am pleased to present the 2020 Annual Report for Bendigo Kangan Institute.

This was a year of unprecedented challenges for the Institute and the wider Victorian vocational education sector in the face of the onset of the COVID-19 pandemic. I am proud of the leadership and resilience of our Chief Executive Officer, Sally Curtain, and her Executive Team, as they worked hard to maintain the high-quality of training that is expected by students attending Bendigo TAFE and Kangan Institute and by the industries we serve.

Ironically, COVID-19 provided the Institute the platform on which to accelerate a strategic goal of increased digital and remote delivery, and 168 courses were converted to online delivery within weeks. It also challenged the way our staff worked showing us that they could remain productive working from home and demonstrated a real capacity to swiftly solve new and emerging complex issues. Our monitoring of student and staff morale showed positive trends in the cohesive and mutually supporting way students and staff alike responded to the crisis.

Our strong relationships with industry and Victorian Government proved to be invaluable in responding to the significant changes and the adoption of a new business operating model. The Institute has been able to assess, adapt and advance to our advantage. It was pleasing to see the Government's \$60m investment in the Bendigo City Campus Revitalisation Project continued apace in spite of COVID-19 with new campus facilities to be completed by mid 2021.

While the Institute's enrolments of domestic students declined marginally, the closure of Australia's borders internationally impacted on international student enrolments and on our VETASSESS business, which assesses the qualifications and work experience of prospective migrants.

The year has delivered us a unique opportunity to test and adapt the direction of our 20>25 Strategic Plan resulting in some refinement and streamlining.

With strong Board support, the CEO embarked on a major transformation program for the Institute with the primary aim of ensuring the Institute will be operationally and financially sustainable in future years. It is a multi-year program that will impact on every aspect of the Institute's operations and requires substantial investment but will realise a bright future.

During the year, the Institute made a substantive submission to the Victorian Government's Macklin Review of Victoria's post-secondary education and training sector. It worked closely and collaboratively with the Minister and Department officials in dealing with the pandemic and in positioning the TAFE system for future years.

On behalf of the Board, I would like to acknowledge and thank the Executive Leadership Team for their tireless efforts throughout the year and our fantastic staff who strived every day to ensure our students were provided with the best experience and outcomes, no matter what the circumstances.

Finally, I would like to thank my Board colleagues for their support, commitment, wisdom and strategic guidance over the year. The Board welcomed the reappointment by the Minister of Board Members Professor Hal Swerissen and Ms Anne Brosnan. The Board also co-opted Board members Mr Michael McCartney and Dr Margaret Salter for further three-year terms.

It has been a privilege to be working with such a dedicated and committed group whose single focus is making Bendigo Kangan Institute a leading provider of education and training within Australia.

Peter Harmsworth AO
Board Chair
25 February 2021

Chief Executive Officer Report

Sally Curtain



The past 12 months have been incredibly challenging but there has also been much to celebrate and recognise. Regardless of the changes and challenges within our learning environment, our students and staff shone brightly during 2020 and were acknowledged through various nominations and awards.

Like every sector, we had to adapt our practices to reflect the ongoing COVID-19 impacts. While this brought significant change and challenge, it also gave us an opportunity to reassess and fine-tune the way we work.

For us, the initial impact of COVID-19 created the most disruption. Our campus-based training model was no longer able to operate yet our students still needed their training to continue. We learnt very quickly that we were extremely adaptable as an organisation and within three weeks we had moved 98 per cent of our face-to-face teaching delivery to online/remote delivery, enabling us to continue supporting more than 14,000 students who were enrolled at the time the COVID-19 pandemic began. In total 168 of our courses were consistently delivered through all iterations of Victoria's COVID-19's lockdown.

In total 168 of our courses were consistently delivered through all iterations of Victoria's COVID-19's lockdown.

Key to this was the phenomenal job our IT team members did to ensure we could quickly and reliably transition to teaching and working from home. This meant making significant digital investments with the rollout of new devices to all staff, and updating applications, products and online infrastructure.

This was delivered quickly through necessity but in effect has seen us futureproof our organisation so we can continue to successfully deliver to our students and communities via digital platforms long after the COVID-19 pandemic is over.

This year, for the first time, our Bendigo TAFE and Kangan Institute open days, orientation days and graduation ceremonies were delivered virtually. This also required some adaptability but resulted in our delivery of these important events to engage and celebrate with prospective and current students respectively.

The COVID-19 pandemic had little impact on our campus upgrades, with our \$60m Bendigo City Campus Revitalisation project making huge progress since its first sod was turned in February. This project, which is due for completion in mid-2021, includes new buildings and the refurbishment of existing heritage buildings creating vibrant and modern learning and teaching facilities that our regional students so richly deserve.

Nor could the pandemic dampen our pride in winning the bronze medal in the 'Sustainable Development' category at the World Federation of Colleges and Polytechnics 2020 Awards of Excellence. This award is in recognition for our Kangan Institute partnership with the Australian Red Cross for our annual sustainable and circular fashion design program.

We were also well represented in the Victorian Training Awards with two students and two teachers reaching the finals.

As you will read in this Annual Report, 2020 was a year of immense adaptability. I am hopeful, as you will be, that 2021 will see us return to life that we are more familiar with, while taking the best of what we learnt from last year forward. There will be new practices at our campuses to keep us all healthy and safe, but as the world adapts to a new COVID-normal, so will we. We have much to look forward to.

Sally Curtain
Chief Executive Officer, Bendigo Kangan Institute
25 February 2021

OUR ORGANISATION

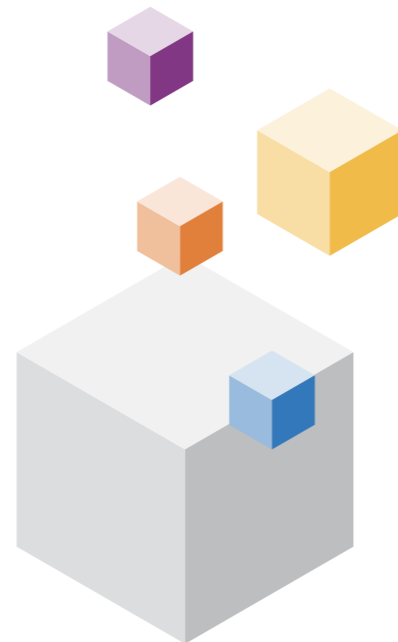
About Us

The Victorian Government has demonstrated its commitment to TAFE through its Skills First policy, recognising that improving workforce participation in training and skills development provides a critical foundation to Victoria’s ongoing economic growth.

In contributing to the Government’s goal for TAFE, BKI is committed to delivering training that results in real jobs.

BKI is aware that ongoing change and disruption in almost every industry, especially in 2020, means that the needs of employers are rapidly changing. Hence we need to work closely with our industry partners to provide workplaces with appropriately skilled, energised and experienced employees ready to embrace their work and succeed in their chosen field.

Our 20>25 Strategy has been designed to achieve the Government’s policy goal by establishing BKIs position as a leader in our field, offering a best-in-class working environment and state-of-the-art campus facilities.

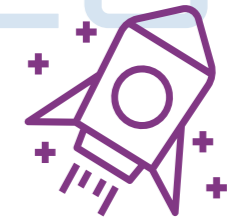


20>25 STRATEGY



OUR MISSION

To empower people and industry with the skills to create a bright future.



OUR VISION

To be acknowledged as a leading educator and trainer in work and life skills, making a real difference for students and industry across the communities we serve.



OUR STRATEGIC GOALS:

Make the student the central focus of what we do

Capture a bigger and more diverse market share

Build a reputation for academic quality and relevance with students and industry

Become recognized as a strong and responsive partner with industry

Build innovative training resources and practices

Maintain a highly professional, efficient and engaged workforce and organisation

Become a financially sustainable TAFE

Financial Summary

The Institute has reported a surplus of \$37.096 million in the current financial year. The Institute is committed to its goal of financial sustainability with a structured approach focusing on improving TAFE financial performance whilst growing other revenue streams and maintaining cost control initiatives.



	2020 \$'000	2019 \$'000	2018 \$ 000's	2017 \$ 000's	2016 \$ 000's
Total income from transactions	211,679	164,365	161,231	167,194	140,883
Total expenses from transactions	-175,461	-172,117	-159,444	-156,497	-137,272
Total other economic flows	878	-820	397	-2,551	229
Net results	37,096	-8,572	2,184	8,146	3,840
Changes to asset revaluation surplus	-4,881	2,270	-	76,926	11,897
Comprehensive result	32,215	-6,302	2,184	85,072	15,737
Total assets	515,275	482,177	456,248	456,694	361,570
Total liabilities	78,214	77,331	40,100	42,730	32,678
Net assets	437,061	404,846	416,148	413,964	328,892

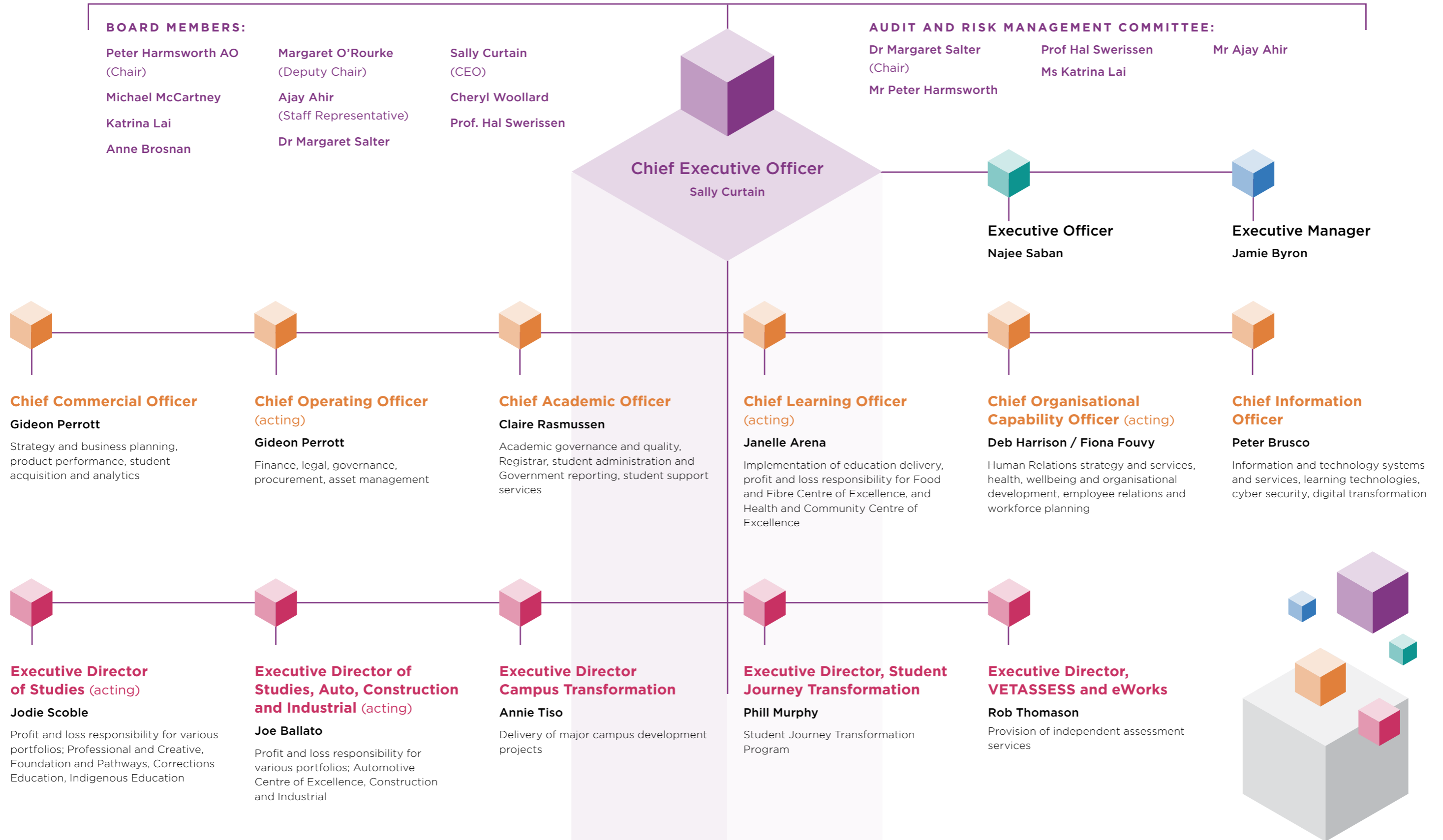
- The net result for 2020 was a surplus of \$37.096 million compared to a deficit of \$8.572 million for the year ended 31 December 2019.
- This is due to Department of Education and Training funding to support revenue impacts due to COVID, increased grant funding, reduced operational expenditure savings offset by higher employment costs driven by negotiated increases for teaching and PACCT staff
- Income recognition of revenue for capital works projects based upon construction completion percentage for the Bendigo City Campus Revitalisation Project

At 31 December 2020, BKI's net assets were \$437.06 million (2019: \$404.85 million). The increase in net assets was due to:

- The favourable trading result for the year;
- Construction works in progress recognised in relation to Bendigo City Campus Revitalisation Project;
- Capitalisation of development costs in relation to Student Journey Transformation project and content development.

Organisation Structure

as at 31 December 2020



Operations and Governance

BKI comprises four strategic business units:

Kangan Institute & Bendigo TAFE

Centred in Broadmeadows and Bendigo respectively: prominent providers of vocational education and training (VET) for metropolitan and regional Victoria.

VETASSESS

A leading Australian Assessing Authority and independent assessment-only registered training organisation for clients nationally and internationally.

eWorks

An e-learning platform hosting content and consultancy specialist.

As a leader in work and life skills, BKI employs more than 1,400 staff servicing over 21,000 student enrolments plus skills assessments each year. We are committed to minimising our environmental impact and supporting social initiatives that benefit our local communities, while providing quality training and development programs to both our local and international students.

TAFE Operations

Our TAFE operations offer 273 qualifications and 43 accredited courses across key training disciplines including automotive and trades, business and information technology, food and fibre, hair and beauty, health and community services, creative, culinary and hospitality, as well as specialised Indigenous and foundation courses.

BKI in-house learning platform, and the remaining 56 remotely facilitated through email and video conferencing platforms. The balance of the 316 courses delivered annually had not commenced or were not impacted.

BKI operates three training Centres of Excellence and delivers education and training services at seven prisons and a forensic mental health facility across Victoria.

Of the courses underway at the time COVID-19's lockdown began, 168 online courses continued to be delivered, with 112 of these facilitated through the

Corrections Education

Corrections Education has substantial contracts to deliver educational services within correctional settings in Victoria. The portfolio has over 120 staff employed across seven sites to deliver programs that enable both vocational skills development, literacy and numeracy development. Additional supplementary services such as Vocational Counselling and Literacy and Numeracy skills assessment assist with accurate pathways that re-integrate prisoners with education and employment pre and post release.

Delivery profiles can differ from one location to another and are designed to cater for specific populations within a prison setting, such as Aboriginal and Torres Strait Islanders, prisoners with acute brain injuries or mental health issues and those who may have been marginalised within the community prior to prison sentencing.

Regional footprint

Our regional footprint comprises three campuses in Bendigo in addition to those in Echuca and Castlemaine. Dedicated specialist facilities include the Health and Community Centre of Excellence at the Bendigo City Campus and the Food and Fibre Centre of Excellence at the Bendigo Charleston Road campus.



BENDIGO TAFE

Bendigo City Campus

Health and Community Centre of Excellence, Graphic Design, Art, Writing, IT, Hair and Beauty, Commercial Cookery, English Language Centre

Charleston Road

Food and Fibre Centre of Excellence, Building, construction and carpentry, Plumbing and Electrotechnology, Automotive

Myers Street

Victorian Certificate of Applied Learning (VCAL), Adult Education, Adult Literacy

Echuca

Building and Construction, Hair and Beauty, Cultural Arts

Castlemaine

VCAL, Building and Construction

Metropolitan footprint

Our metropolitan footprint comprises campuses in Broadmeadows, Docklands, Essendon, Moonee Ponds and Cremorne. Specialist training facilities and capabilities include the award-winning Automotive Centre of Excellence (ACE) facility in Docklands; the Indigenous Education Centre in Broadmeadows; and the Centre for Fashion and Creative Industries in Cremorne.



KANGAN INSTITUTE

Broadmeadows

Construction and industrial, Community services, Hospitality and cookery, Business, IT and justice, Indigenous Education Centre, Victorian Certificate of Applied Learning (VCAL).

Docklands

Automotive Centre of Excellence, English language programs

Cremorne

Fashion design and merchandising, Millinery, Hair and Beauty Salon, Textile and Fashion Hub, VCAL.

Moonee Ponds

Nursing, Aged Care and Integrated Health, Disability

Essendon

Aged Care and Health Services Assistance, Disability, Justice, Teacher training, Business Enterprise Centre

Operations and Governance

VETASSESS

The leading Australian assessment provider, VETASSESS has three core functions:

- Skills assessments across a range of trade and general professional occupations delivered for migration purposes to the Australian Government's Departments of Education, Skills and Employment, and the Department of Home Affairs.
- Occupational and course entry testing, including planning, designing, development and delivery.
- Consultancy services in VET and skills assessment to governments across Australia and other countries.

VETASSESS is located in Melbourne and maintains offices through partners in India, China and the Philippines and provides a number of products and services across a range of stakeholders:

- A gazetted assessing authority for skills migration assessments for more than 360 professional and 32 trade occupations. Australia's borders were closed during most of 2020 and VETASSESS saw a decline in applications, compared with a record high in 2019. Restoration of the numbers will depend on how soon international borders reopen, with which countries and the ready availability of a vaccine.
- A contracted provider of trades skills assessments for the Overseas Skills Assessment Program, the Trades Recognition Service and Job Ready program (all Commonwealth).
- The assessment authority for the Victorian Government's Overseas Qualifications Unit, independent assessment pilot project and issuer of Trade Papers on behalf of the Victorian Registration and Qualifications Authority (VRQA).
- An RTO, in its own right, for the purposes of assessment and recognition of prior learning.

HIGHLIGHTS OF THE YEAR WERE:

- VETASSESS and eWorks joined forces for the Victorian Government's Working for Victoria and Return to Work programs.
- VETASSESS partnered with the UK NARIC - providing VETASSESS with support for skills assessment of residents of the UK and Europe who want to migrate to Australia.
- Three new trade occupations added to our scope: toolmaker, fitter and turner, and fitter-welder.
- Technical interviews for trades assessment moved online due to COVID-19 border closures, together with piloting live streaming of practical assessments.
- Partnership with the China Higher Education Student Information and Career Center (CHESICC) to verify Chinese higher education qualifications for VETASSESS.
- Memorandum of Understanding signed with the Institute of Management Consultants to develop assessment standards for people who wish to migrate as management consultants to Australia.
- VETASSESS approved by the Department of Home Affairs to conduct assessments for horticulture industry workers and trade waiters under Industry Labour Agreements
- Renewal of agreement with the VRQA for the issuance of Trade Papers to Victorian tradespeople.
- The development and launch of the VETASSESS Customer Charter.
- Extension of the Victorian Government Independent Assessments pilot (suspended in 2020 due to COVID-19).

eWorks

eWorks provides Learning Management System services and bespoke online content development. It offers advice and training support in the rapidly evolving market for digital delivery.

eWorks is one of Australia's leading e-learning delivery and consultancy specialists. eWorks offers a range of products and services that help training providers maximise the benefits of technology to enhance training delivery, including:

- Consultancy services to promote best practices in online delivery.
- Development of interactive and engaging digital course content.
- LMS tailored to the VET sector, including reporting for compliance purposes such as adherence to copyright laws.
- Advice regarding the establishment and maintenance of e-learning technical standards and accessibility requirements.



Operations and Governance

Bendigo Kangan Institute Board

BKI is governed by the BKI Board established under the *Education Training and Reform Act 2006*. It reports to the Minister for Training and Skills and Minister for Higher Education.

The Board has a key role in ensuring that BKI operates efficiently and effectively, setting the strategic direction as well as overseeing and governing the operations of the Institute. The Board also ensures that BKI is fully compliant with its statutory and fiduciary obligations.

THE 2020 BKI BOARD MEMBERS WERE:

Peter Harmsworth AO (Chair)	Margaret O'Rourke (Deputy Chair)	Sally Curtain (CEO)
Michael McCartney	Ajay Ahir (Staff Representative)	Cheryl Woollard
Katrina Lai	Dr Margaret Salter	Prof. Hal Swerissen
Anne Brosnan		

Board and standing committees

The Board has established six Committees to support the Board and oversee and monitor critical operational functions. Each Committee operates in accordance with its Charter as approved by the Board.

Committee	Remit
Audit and Risk Management Committee (ARMC)	Provide independent assurance on BKI's financial and performance reporting responsibilities, risk oversight and management, and system of internal control, in compliance with the <i>Financial Management Act 1994</i> (FMA).
Finance and Resource Management Committee (FRMC)	Support the Board in discharging its responsibilities to oversee aspects of BKI's activities relating to commercial activities, budget planning and setting, financial systems, asset management, and procurement.
People, Performance and Remuneration Committee (PPRC)	Support the Board in discharging its responsibilities to oversee aspects of BKI's human resource activities including the oversight of executive remuneration policy and procedures.
Education Committee (EC)	Provide independent assurance and integrity of BKI's core education activities of learning, teaching and scholarship and, in particular, the governance, structures, policies and processes that ensure quality academic outcomes. The EC liaises closely and receives reports from the BKI Board of Studies (BOS).
VETASSESS Committee (VC)	Support the Board in discharging its responsibilities in the oversight of VETASSESS's commercial activities; strategy planning and setting; financial management and fee setting; risk management and marketing.
Technology and Innovation Committee (TIC) (Established October 2020)	Assist the Board in discharging its responsibilities in the oversight of Information Communication Technology (ICT) and digital learning platforms including BKIs student management record systems, digital planning and the application of information and communication technology across the Institute.

Our TAFE Students

BKI is committed to placing students at the centre of everything the organisation does and to provide high-quality education and training that leads to real employment opportunities.

In 2020, BKI offered courses across diverse study areas, including automotive and trades, business and IT, food and fibre, hair and beauty, health and community services, creative, culinary and hospitality, travel and tourism, Indigenous and foundation courses.

There were 22,057 enrolments at our 10 metropolitan and regional campuses, onshore and offshore sites. This included providing training for 5,616 apprentices and trainees.

UNIQUE STUDENT NUMBERS ACROSS CAMPUSES AND LOCATIONS

Regional and metro	Student numbers	International	Student numbers
Auspice**	3	Off Shore	490
Bendigo	2,923	On Shore	333
Broadmeadows	8,814	Total	823
Castlemaine	95		
Charleston Rd	3,320		
Docklands	3,546		
Echuca	306		
Essendon	608		
Moonee Ponds	494		
Myers St	171		
Cremorne	869		
Satellite***	85		
Total	21,234		

** Third party delivery

*** Remote delivery



Student support

BKI provides a range of free and confidential student support services. This includes counselling, welfare and disability support. The impact of the COVID-19 restrictions had huge implications for the student body, and BKI's student support services team worked hard to provide necessary support.

Number of students provided with wellbeing support:
551 students with 1,973 case sessions supported through counselling, child safety and transition.

Number of international students provided welfare through Study Melbourne Grant:
114 students were provided a total of \$10,300 in welfare support.

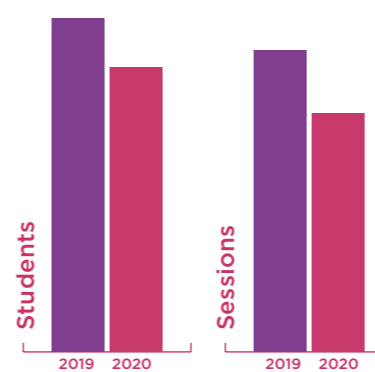
Number of students living with a disability enabled to undertake their educational journey:
111 students in 767 case sessions for disability support.

Number of students provided with welfare assistance:
477 students were given a total of \$161,174 in financial support

Number of engagement sessions and in-class presentations:
79 engagement sessions (a combination of library & student support; 10 via international student webinar).

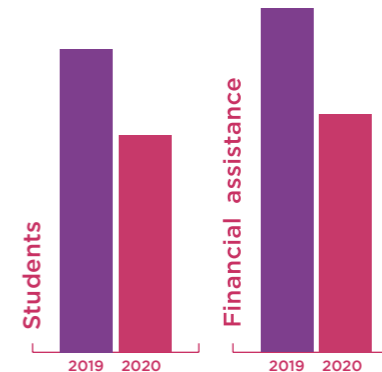
Volunteer Chat Buddy sessions:
30 (15 international and 15 domestic).

Number of students provided with individual support sessions:



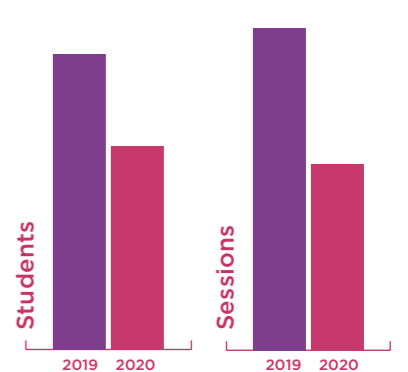
2019
Students 1,386
Sessions 4,174
2020
Students 1,182
Sessions 3,311

Number of students provided with welfare assistance:



2019
Students 672
Financial assistance \$238,196
2020
Students 481
Financial assistance \$165,095

Number of students living with a disability:



2019
Students 164
Sessions 1,341
2020
Students 113
Sessions 774

Awards and Achievements

BKI's students and staff continued to excel in 2020, receiving recognition through international and local industry awards and nominations for their achievements.

Aboriginal Torres Strait Islander Student of the Year Awards

In 2020, Bendigo TAFE renamed its annual award in honour of Aunty Melva Johnson, a respected Elder in Echuca and the Aboriginal community throughout the State, who has dedicated her life to Aboriginal education and health. The newly named Aunty Melva Johnson Aboriginal Torres Strait Islander Student of the Year award is recognition of a lifetime of service and was especially meaningful to Aunty Melva's family and community in Echuca.

The Kangan Institute award for Aboriginal Torres Strait Islander Student of the Year continues to be known as the Uncle Norm Hunter Aboriginal Torres Strait Islander Student of the Year award.

The recipients of this year's awards were:

Matthew Pettit - Uncle Norm Hunter Aboriginal Torres Strait Islander Student of the Year award-

Jade Heaviside - Aunty Melva Johnson Aboriginal Torres Strait Islander Student of the Year award

Koorie Art Show 3D Award

Lorraine Brigdale, Aboriginal and Torres Strait Islander Cultural Arts (ATSICA) student, was awarded the Koorie Art Show 3D Award for her piece Yenbena Munalibik.

International students of the year

Nehal Ahmed
Diploma of Automotive Technology

Hasitha Gunasekara
Diploma of Automotive Technology

Master Builders' 2020 Regional Apprentice of the Year Award

Dylan Copeland
Regional Apprentice of the Year



Fashion Awards

World Federation of Colleges and Polytechnics 2020 Awards of Excellence

Kangan Institute received a bronze medal in the Sustainable Development category in recognition of the annual Sustainable and Circular Fashion Design Program which provides fashion students with experience in creating sustainable fashion designs.

The program is delivered in partnership with the Australian Red Cross and based on the philosophy of reduce, reuse and recycle. Students selected donated garments and textiles from Red Cross Shops and were encouraged to embrace sustainable techniques throughout the process of design and transformation.

Melbourne Fashion Week

Fashion student, Luisa Marrollo, was named as a finalist for the prestigious Student Award at Melbourne Fashion Week, which acknowledges the top student collection demonstrating excellence in research

and development of fashion design, innovation, construction and potential to contribute to the future growth of the industry.

Victorian Training Awards

The Victorian Training Awards recognise and honour the outstanding achievements of individuals and organisations in the Victorian TAFE and training sector.

Kangan Institute and Bendigo TAFE each had two finalists in the 2020 awards:

Bethany Peele
Diploma of Applied Fashion Design and Merchandising, Kangan Institute, finalist for Vocational Student of the Year

Marina McGrath
Bendigo Kangan Institute Fashion Teacher, finalist for Teacher/Trainer the Year Award

Joel Handcock
Certificate III in Electrotechnology Electrician, Bendigo TAFE, finalist for Apprentice of the Year and People's Choice Apprentice of the Year

Torin Coakley
Bendigo TAFE Building and Construction Teacher, finalist for Teacher/Trainer the Year Award

Awards and Achievements

2020 Great Victorian Hanging Basket Competition

Two Certificate III Horticulture students from Bendigo TAFE's Castlemaine campus won awards at the 2020 Great Victorian Hanging Basket Competition:

Ken Price
Most Popular Basket - TAFE

Rhys O'Sullivan
Most Popular Basket - Innovative

2020 IPAA Top 50 Victorian Public Sector Women

Caroline Schmidt, Director of Group Branding and Student Acquisition, was named in the 2020 IPAA Top 50 Victorian Public Sector Women in the Emerging Leaders category.

Caroline's role at Bendigo Kangan Institute sees her leading a team of 70 people with responsibility for driving the acquisition and recruitment of students to both Bendigo TAFE and Kangan Institute. Caroline also led the Institute's Crisis Management Team as it worked to assess and adjust operations through the COVID-19 pandemic.

7News Victoria Young Achiever Awards

Kangan Institute continued to sponsor the Inspirational TAFE Student of the Year Award at the 7News Victoria Young Achiever Awards. The winner was 18-year-old **Heidi Rasmussen**, who is currently studying Veterinary Nursing at La Trobe University.

Kangan Institute sponsors this award each year, highlighting Victorian students who have overcome adversity to find success; acknowledging young people whose passion, drive and willingness to learn and work hard has helped them succeed.



Kangan Institute 2020 Inspirational Young Achiever; Diyana Habeeb

Kangan Institute 2020 Apprentice of the Year; Melissa Serepisos and CEO Sally Curtain

2020 Industry Excellence Awards

The Kangan Institute and Bendigo TAFE Industry Excellence Awards are a chance to recognise the huge effort that students put into their studies as they complete their TAFE journey.

Teachers identify outstanding students who excel both in the classroom and as individuals and work in partnership with the candidate to submit a written nomination mid-year. A robust interview process is undertaken before the winners are celebrated at two gala events.

Major award categories, such as Student of the Year, are aligned to the Victorian Training Awards and uncover exceptional talent eligible for further nomination, while other awards are developed in consultation with industry partners who determine eligibility and nomination criteria.

The awards evenings are an opportunity to highlight the successes of trainees, apprentices and the most inspirational students in front of industry partners.

The events are held in late February and early March each year and recognise the success of the students from the year prior, enabling students, their families and staff celebrate in style.

Kangan Institute's 2020 awards night was attended by over 400 guests and saw the presentation of 60 student awards, while 35 awards were presented to a crowd of over 250 at the Bendigo TAFE event.

BENDIGO TAFE

Krystal Tate
Overall Student of the Year

Andrew Jan
Apprentice of the Year

Simon Vincent
Trainee of the Year

Zackary Fry
School-based Apprentice / Trainee

Madison Blunden
Inspirational Young Achiever Award

Julie Kramer
Teacher of the Year

KANGAN INSTITUTE

Jasper Zeven
Overall Student of the Year

Melissa Serepisos
Apprentice of the Year

Kristina Elulul
Trainee of the Year

Brodie Amphlett-Cargill
School-based Apprentice / Trainee

Diyana Habeeb
Inspirational Young Achiever Award

Irene O'Duffy
Teacher of the Year



Kangan Institute 2020 Student of the Year; Jasper Zeven and CEO Sally Curtain

Bendigo TAFE award winners with CEO Sally Curtain; (l-r) Krystal Tate, Madison Blunden and Andrew Jan.

Delivering against the 20>25 Strategy



20>25 STRATEGY

FOUNDATIONAL

OUR MISSION

To empower people and industry with the skills to create a bright future.

OUR VISION

To be acknowledged as a leading educator and trainer in work and life skills, making a real difference for students and industry across the communities we serve.

OUR VALUES

- Respect
- Integrity
- Accountability
- Collaboration
- Client Experience
- Passion

OUR STRATEGIC GOALS

- Make the student the central focus of what we do
- Capture a bigger and more diverse market share
- Build a reputation for academic quality and relevance with students and industry
- Become recognized as a strong and responsive partner with industry
- Build innovative training resources and practices
- Maintain a highly professional, efficient and engaged workforce and organisation
- Become a financially sustainable TAFE

OUR STRATEGIC STREAMS

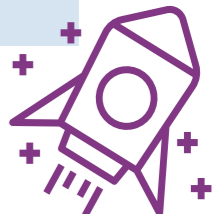
- Improve our offering
- Improve our experience
- Improve our places
- Digitally enable our operations
- Build a united TAFE
- Build a professional and financially suitable organisation

KEY PERFORMANCE INDICATORS

IMPLEMENTATION

OPERATING PLANS

- Education plan LEADING
- Student success plan SUPPORTING
- Go-to-market plan
- Enterprise digital plan ENABLING
- People & Culture plan
- Asset master plan



Improving our offering

By improving student learning-to-career pathways and creating new ones, BKI will better meet industry and community demands while increasing both acquisition and retention of students.

The 20>25 Strategy articulates the need to ensure that Bendigo Kangan Institute courses are relevant to the needs of the industries they support and cater to student demand.

Over the life of the Strategy, BKI's course offering will be assessed and refined, removing courses that do not offer genuine pathways to employment or those that do not attract students. Over 2020, 74 courses have been removed from the schedule, which have had no active enrolments in the past three years or have been superseded by more relevant programs.

The overarching objective is to ensure that the courses offered are not just increasingly relevant, forward-looking and accessible but that the manner of their delivery is flexible, engaging and tailored to adapt to time constraints – be they client need or student availability. Personalised training plans, training delivery on campus or client-site at times designed to minimise business disruption, fast tracked intensive learning or online modules completed at the student's own pace, as well as training designed for consistent results regardless of geographical location. BKI is working towards a best-in-class, bespoke offering for every key client.

New course offerings have been designed to meet shifting trends and demand, tailored to the needs of the communities that we serve. The Micro-Brewing Course (Certificate III in Food Processing) targets students wishing to start up their own microbrewery, or to gain entry-level roles in this high-demand industry. BKI is working with GOTAFE to provide a Certificate III course in Air Conditioning and Refrigeration. Ten trainees from the VIVID Work Crew studying a Certificate II Cleaning Operations were enlisted to work on the Echuca Moama Bridge Project, cleaning McConnell Dowell's work offices. These examples demonstrate the ways that BKI is

taking a responsive approach to meeting the needs of their communities and providing real world learning opportunities for students.

Maintaining close working relationships with the Department for Education and Training ensures the BKI offering is fit-for-purpose and provides students with the appropriate range and breadth of vocational education options.

Fashioning creativity through COVID

The BKI fashion program is renowned and celebrated within wider industry, attracting teaching staff with relevant, ongoing industry experience and influence that ensures students are sought after as they enter the workforce. In particular, collaborations with Melbourne Fashion Week and the Red Cross put BKI students' work on the world stage.

This year at Melbourne Fashion Week, Kangan Institute students presented a multi-media showcase titled Phoenix, Paradigm, Evolution in collaboration with the Australian Red Cross' up-cycling sustainability project.

The students could respond to the impact of COVID-19 in real-time, taking inspiration from the unfolding global situation. Many designs encompassed Personal Protective Equipment (PPE) and applied a fashion-lens.

BKI students also had the opportunity to work with Creative Victoria on the development of fashion in the gaming and virtual landscape. This *Virtual Chic* pilot program led to three students designing costumes for use in online games, choosing to highlight sci-fi, horror, fantasy and Battle Royale themes through their designs.

The students had four weeks to complete the design process, absorbing the brief, choosing a character and creating their illustrations with colours and textures. The remaining six weeks involved utilising computer-aided design (CAD) to transform their sketches into 'virtual' digitally rendered characters, aligned with the stylistic appearance of the gaming industry.

The pilot lays the groundwork for future commercial opportunities and collaborations with the gaming industry.

Education First Youth Foyer

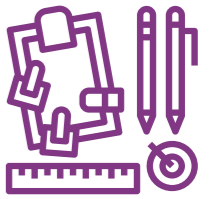
Improving our offering means making sure BKI courses are accessible to everyone in the community. An important facet of this is the continuation of the *Memorandum of Understanding* with **Launch Housing** and the **Brotherhood of St Laurence** to deliver the Education First Youth Foyer program at Broadmeadows campus.

This is a life-changing initiative, providing student accommodation for young people who are homeless or at risk of homelessness, and who want to study. The program seeks to break down the structural barriers that prevent these at-risk young people from engaging in education, employment and mainstream opportunities, offering them a pathway to transition to independence. In addition to accommodation, the program provides coaching, mentoring and peer support to address these barriers and challenges.

Connecting with industry

The regional presence of the BKI Industry Solutions team has been enhanced this year with the appointment of a Bendigo-based Industry Manager. This is a strategic position to support BKI's regional offering, connecting industry with our training capabilities and capacity.

Further cementing industry ties were key projects and partnerships aligned with the BKI offering and footprint, including the Ministerial appointment of the Chief Executive Officer to the **Broadmeadows Revitalisation Board**. A process of engagement and collaboration was undertaken to ensure that BKI priorities were represented in the **North West City Deal Plan** and the Northern Horizons document prepared by NORTH. In addition, we are working with a range of business in **Cremorne** developing a training response to the emerging **Technology and Innovation Precinct** in that area.



Skills and Jobs Centre

The **Skills and Jobs Centres (SJC)** at BKI's Broadmeadows and Bendigo campuses are one-stop-shops for individuals looking to enter the workforce, start training, re-skill, or for employers to meet their workforce needs. In 2020, north west metropolitan residents in particular were heavily impacted by COVID-19 restrictions, isolation and an increase in unemployment. Young people and women were particularly affected.

Over 1,800 individuals accessed SJC services, engaging valuable individual support and career counselling virtually and taking part in weekly virtual in-depth employability skills workshops, demonstrating just how critical this service is.

Under the banner of the **North West Metro Local Jobs and Skills Taskforce**, a North West Skills Network was set up in 2020 to improve relationships and referral processes between SJC, TAFE and Adult, Community and Further Education (ACFE) Learn Locals. Along with Kangan Institute, Victoria University Polytechnic, Melbourne Polytechnic and William Angliss Skills and Job Centres and the Department, approximately 50 ACFE Learn Local providers have participated in the Forums.

Apprenticeship Support Officers

The Apprenticeship Support Officers (ASOs) program has been extended to 2022. Six BKI ASOs provide guidance and personal, welfare, financial, training and workplace support to apprentices aged 15 to 24. This support is offered in the first year of apprenticeships undertaken in the CBD, northern, western and north western metropolitan and Loddon regions and for Out of Trade and Out of Cohort apprentices.

Improving our offering

Automotive Training

Located in the thriving Docklands precinct, ACE is the largest and most advanced automotive training facility in the southern hemisphere. Designed to be collaborative, accessible, innovative and competitive, ACE excels in serving specialist training and development needs for the sector. Its model has been the foundation for a similar facility set up in India, the iACE.

ACE works with some of the best industry brands to give our students access to practical work placements, the latest industry tools and real skills. With the Victorian Urban Award of Excellence and a five-star green rating, the facility is now a major player in Auto Technology.

ACE FACILITIES

World-class vehicle and engine testing facilities | New workshop spaces | A purpose-built auto electrical lab with one of the strongest apprenticeship and certificate programs in Victoria, our diverse range of automotive courses prepare students for the real world with robust practical skills and knowledge to help get their career on track.

Areas of study | Automotive Pre-apprenticeships | Automotive Air Conditioning Technology | Automotive Electrical Technology | Automotive Body Repair Technology | Automotive Refinishing and Glazing | Vehicle Service and Repair | Automotive Manufacturing | Motorsport Technology | Automotive Engine Reconditioning | Light Vehicle Mechanical Technology | Motorcycle Mechanical Technology | Outdoor Power Equipment Technology | Marine Mechanical Technology | Automotive Sales Parts Interpreting | Agricultural Mechanical Technology | Diesel Engine Technology | Automotive Drive Train Technology | Elevating Work Platform Tech

Social Procurement

In 2020, the Capital Works and Procurement teams worked to deliver direct social procurement opportunities within the Bendigo City Campus Revitalisation Project (BCCRP). There was an opportunity to go to market for relocation services during the decanting stage of the project. Orana, an Indigenous-owned business, was appointed the successful supplier with pleasing social outcomes for the Bendigo community, including ongoing employment opportunities and engagement with local Indigenous community groups.

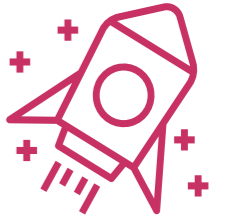
Other social procurement opportunities for 2020 were:

- Social Procurement outcomes embedded within the BCCRP contract.
- Support for social enterprises and Indigenous-owned businesses through catering.
- Promotion of environmentally sustainable business practices through LED lighting upgrades across campuses.
- Further opportunities for Victorian Indigenous business by encouraging procurement from Supply Nation Certified Office Supply.
- Social Procurement value add embedded into the RFX process and into contracts. An example of this is contractors providing educational outcomes for students through special industry classroom talks, site walkthroughs, work experience and in some cases employment.

Adult Migrant English Program

BKI's Adult Migrant English Program (AMEP) is funded by the Australian Government and provides up to 510 hours of free English language lessons to eligible migrants and humanitarian entrants. Classes are taught by teachers who are trained to teach English to speakers of other languages. They cater for people who have been granted a permanent visa or eligible temporary visa and who speak little or no English. During 2020, 997 BKI Vocational English students were funded through the AMEP program and a total of 1451 Vocational English students completing courses throughout the year.

Improve our experience



By transforming our student experience from enquiry to alumni, and our staff experience from recruitment to retirement, it will help improve student retention and strengthen the advocacy for our brands.

Student Journey Transformation Program

The Student Journey Transformation Program is a significant four year multi-million-dollar transformational investment in students, people, systems and processes at BKI to create a smoother and more enjoyable student and staff experience, transforming the way we work and interact.

This program will:

- bring transparency through a seamless online experience for students, employers and staff;
- allow our teachers to do more of what they love – teaching, while allowing our professional staff to do what they do best – administrating; and
- provide an accurate source of truth for student, course and VET data.

2020 ACHIEVEMENTS TO DATE

Signing of ReadyTech in January 2020 to deliver our new SMS JobReady Plus to replace Banner

JobReady Plus first release (RO) – Product Catalogue into BKI with 40+ users trained and using the new system

Enhanced Digital Student Record (dSR) capability successfully deployed in March, April and June 2020

Timetabling and Attendance design process to be completed ready for release 2021

FinanceOne and Debit Success integration process to be finalised ready for release 2021

Finalised end-to-end enrolment process for standard students

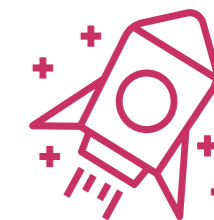
Apprentice Student Management System successfully deployed to Construction & Industrial and Food & Fibre

Set-up 26 representative courses in JobReady Plus for Curriculum





Improve our experience



Domestic and International Training Partnerships

BKI's Industry Solutions team signed more than \$1 million in new domestic training partnerships, including programs with Dental Health Services, Solar Victoria, Village Glen Aged Care Services and various residential builders. Despite the impact of COVID-19, domestic business development is tracking 35% above target.

International training partnerships continued where possible. During the year an online launch was held for Jiaying Nanyang Polytechnic Institute (JNPI) students in China, undertaking the Certificate in Marine Mechanical Technology and International Skills Teacher Training.

Events

Collaboratively celebrating students' achievements is key to building the BKI community, and despite restrictions and limitations, the events team delivered a wonderful line up over 2020.

Prior to COVID-19 restrictions being introduced, Orientation Days were held in January across three of our major campuses (Docklands, Broadmeadows and Bendigo), which attracting 1,500 attendees.

In March, Kangan Institute 2020VISION Fashion Show was held during **Virgin Australia Melbourne Fashion Festival** showcasing 40 student collections and attended by 200 guests. Kangan Institute also partnered with Guide Dogs Victoria and fashion students created coats for their canine clients, which were paraded at the show.

When COVID-19 restrictions were introduced many events were delivered virtually for the first time, highlights include:

Bendigo TAFE and Kangan Institute Open Days - prospective students enjoyed an engaging line-up of webinars where they heard from current students and teachers about courses and services. They had the opportunity to explore campuses via a 3D tour and fill their virtual show bag with course guides and brochures.

2020 was a very different year for the **Indigenous Education Centre NAIDOC Week** activities, as for the first time this event was delivered digitally via live webinar and pre-recorded videos across all Bendigo TAFE and Kangan Institute sites for staff and students to participate in. NAIDOC celebrations were held on Remembrance Day, which included a special tribute being paid to the Aboriginal and Torres Strait Islander servicemen and servicewomen.

The webinar featured a live MC, **Lee-Anne Habel**, Manager Indigenous Education; Welcome to Country by **Kelly Hunter**, Wurundjeri Woi-Wurrung; a speech from BKI CEO, Sally Curtain; a message from the Board Chair **Peter Harmsworth**; and a live presentation by renowned Aboriginal football icon **Eddie Betts**.

Eddie has had a very public fight against racism throughout his life and career and his story resonates with both students and staff. He spoke about growing up Aboriginal across three states, his early struggles with family violence and education and his public fight against racism throughout his career which has seen him become a legend of the game. Eddie is a BKI Alumni and used his address to discuss the impact of TAFE education in his later years, advocating for the transformative effects of education for all.

A pre-recorded flag raising featured **Janelle Arena**, Executive Director Studies, **Lee-Anne Habel** and **Kim Clarke**, Indigenous Engagement Mentor and the **Djirri Djirri dancer's** performance of Wominjecka (Welcome) was available on the BKI website prior to the event.

Sponsorships

BKI partners with a variety of key organisations including Kelly Racing, 7News Young Achiever Awards, Bendigo Easter Festival, Be.Bendigo and the Bendigo Stadium. These partnerships allow us to communicate with a broader section of the local community.

Learning and Development

As an educational institute, continuous learning is an integral part of BKI's culture and significant emphasis is placed on staff learning and development. The unique challenges of 2020 made this a greater priority than ever before.

There was a 500% increase in participation of teacher development activities on the previous year, including:

- The Educator Passport program delivered over 100 learning opportunities for teachers this year. This program provides annual recognition of educators' capabilities with the goal of maintaining teaching excellence, vocational currency and long-term career development. Teaching staff are issued with an Educator Passport upon acquisition of the annual points target for professional and vocational training.
- Over 6,500 attendances in various Personal Development activities (face-to-face, e-learning, webinars, externally held online seminars).
- Investment of more than \$1.5m in the professional development of our teaching and professional support staff members, or approximately \$380 per person.

The Victorian Public Sector Commission's People Matters Survey Wellbeing Check demonstrated that BKI employee outcomes have improved notably in comparison to 2019. Employee engagement improved markedly and staff are much more positive about their work and working at BKI.

Driving these outcomes are high levels of job enrichment which increased by 5 percentage points on 2019 results. Staff also feel more supported by senior leaders, which was reflected in a 13 percentage point increase, and by their Immediate managers, which showed a 7 percentage point jump. This reflects the focused and concerted efforts by senior leaders to be more visible and connect regularly with their people during a challenging period.

Supporting structures and processes for people leaders through improved communications, improved support and resources, and development opportunities have contributed to these positive outcomes. 2020 has demonstrated BKI's focus on creating a leadership culture that values people, is supportive and sets clear expectations.

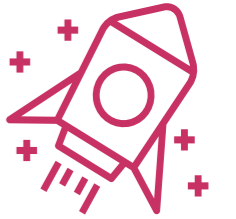
Student Services

BKI is committed to delivering an outstanding student experience to the diverse cohorts of individuals accessing learning and training. Outstanding experience is a virtuous circle between passionate educators, learning supports and pathways to jobs. Active student engagement also results in graduate advocacy for BKI.

In 2020, a tiered-service model was deployed across all student support services to broaden the reach of BKI's offering. COVID-19 was the catalyst for digitising services including counselling, welfare and accessibility support. A proactive outreach campaign, Student Care Program, was piloted, facilitating direct engagement with over 500 of the most vulnerable students.

Students adapted well to the virtual environment, allowing the deployment of a series of online engagement sessions designed to leave them better equipped to navigate their studies and life in general. Nearly 80 sessions were held covering a range of topics from study skills to wellbeing.

Improve our experience



Reconnect Program

In 2020, the BKI Reconnect Program, Contract Three registered 80 participants in need of additional support to re-engage in education and training; 49 of these participants went on to enrol in accredited training.

As a result of COVID-19 impacts, these students were required to transition to remote learning, ably supported by the Reconnect Case Managers. Laptops and internet dongles were provided to those who required them, teaching materials were delivered to doorsteps, so these students could continue their studies. All Reconnect participants were contacted weekly by their Case Managers during lockdown to ensure people felt connected and any support needs were addressed.

Reconnect Case Managers continue to enrol a number of Contract Three participants into education and training for 2021 and provide assistance to those whose courses and placements were extended due to the lockdown. As Contract Three comes to a close, registrations have begun for Reconnect Contract Four, which BKI was awarded late in 2020. This fourth contract has extended outcomes, including pre-accredited, non-accredited and employment outcomes. This is a great opportunity to work with local partners to build place-based solutions that will assist to alleviate disadvantage via education and training.

Macklin Review

BKI made a substantive submission to the Victorian Government commissioned Macklin Review of the state's vocational education and training system. The Review wanted to hear from people who work and learn in the TAFE sector, taking on their experiences and ideas for the future to build a world-leading TAFE and training sector. The final report was released in February 2021.

Highlights from our Indigenous Education Centre

The Reconciliation Action Plan (RAP) Committee was formalised in 2020, consisting of Indigenous Education Employment Advisory representatives and cross-disciplinary staff from all levels of the organisation to develop an agreed RAP.

The RAP will be formalised in 2021. It clearly articulates deliverables over the next two years, which the Committee will work with Directorates to achieve, starting with Indigenous Cultural Awareness Training (ICAT) for all current and new staff. This training was completed late in 2020 for the Executive Team.

COVID-19 brought many challenges for our Aboriginal and Torres Strait Islander students and staff but as the year closed, it was possible to reflect on many successful outcomes for the Indigenous Education Centre and its students. Improved communications management and student support systems were implemented, including direct contact with each student via calls, text messages and video sessions. The team upskilled, found new ways of working and demonstrating ingenuity and resilience, through a period in which the team was dealing with immense personal and professional hardship as a result of the health crisis and its heavy impacts on the Aboriginal and Torres Strait Islander community.

Our Aboriginal and Torres Strait Islander students were particularly impacted by not being able to attend campus. The broader BKI laptop loan scheme was instrumental in ensuring that a number of students were able to complete their studies when the Certificate IV in Training and Assessment course was transitioned to online delivery. The scheme, along with the dedication and support of the teaching staff, learning and support team, marketing and Koorie Liaison Officers, means that there will be eight newly qualified Aboriginal and Torres Strait Islander teachers graduating in 2021.

Our dual Diploma of Leadership and Management, and Human Resources qualification has proven to be a highly successful offering and throughout 2020, has been delivered digitally to upskill predominantly Aboriginal and Torres Strait Islander staff from many different organisations, government departments and industry.



Improve our places



Develop our diverse range of demand-driven specialised campuses and Centres of Excellence to meet the needs of the future working environment.

Bendigo City Campus Revitalisation Project

Since the first sod was turned for the Bendigo City Campus Revitalisation Project (BCCRP) on 17 February 2020, huge progress has been made. Construction partners Kane Nicholson adapted their workspace to meet COVID-19 restrictions and were able to keep the project on target for both budget and timeframe.

The \$60m project, funded by the Victorian Government, will see the introduction of two new buildings and the refurbishment of existing heritage buildings creating a vibrant and modern learning and interactive space for students, staff and the community.

The new design will open up the campus to showcase the training occurring within, in particular, hospitality, hairdressing and beauty training at Bendigo TAFE, providing students with valuable experience and real-life application of their new specialist skills.

The new Bendigo City Campus will feature a prominent, easy to find front door for the campus, on Hargreaves Street. On entering, students will find an inviting Learning Hub, a one-stop-shop for learning and student support, with collaborative spaces for informal and formal training.

The refurbishment of Building P was the first component of the project to be finished mid-year followed by the restoration of the Hargreaves Street heritage building – the Bendigo School of Mines and Industry. The refurbishment of this 148-year-old building was completed in the last days before Christmas in 2020 and will welcome hospitality students in the 2021 intake.

This restoration has delivered state-of-the-art training facilities, including new:

- **Training kitchens**
- **Production kitchen and restaurant with indoor and outdoor seating**
- **Café and barista zone**
- **Bakery**

The Indigenous Education Centre's Certificate III Aboriginal Torres Strait Islander Cultural Art students worked with **Dja Dja Wurrung** and the architects to create sculptures and a smoking pit to be located in the gardens of the Bendigo City Campus, close by the new Indigenous Education Centre, as well as creating traditional artworks as feature installations on the campus façade. This has been an invaluable opportunity for students to work with Traditional

Owner groups and industry in both its design and production, enhancing and growing their practical and relationship building skills. BKI is proud to be working closely with **Dja Dja Wurrung** in creating a lasting and permanent recognition of their commitment to reconciliation, inclusion and collaboration.

The Minister for Training and Skills and Minister for Higher Education, The Hon Gayle Tierney MP visited the site in November 2020 to see the progress firsthand. The remainder of the campus revitalisation is on track to be completed in 2021 and will result in a major asset for regional Victoria, boosting activity in Bendigo's CBD and the broader northern Victoria region.



BENDIGO CITY CAMPUS REVITALISATION PROJECT

Improve our places

Broadmeadows campus upgrades

The reduction of students and staff on campus during the year allowed for a series of campus maintenance updates to be completed. From new paths to paintwork, lighting upgrades and landscaping, this ongoing project will refresh this key campus, which will play a significant role in its growing community.

The signing of the *North and West Melbourne City Deal Plan* will result in eight precincts within Broadmeadows and demonstrates the importance of BKI's site, which will create 30,000 new jobs over a 20-year period. The potential for a revitalised BKI campus at Broadmeadows features in this plan.

BKI's significant role in supporting that projected community growth was recognised through a \$5.5m grant from the Victorian Government to fast-track our Sustainable Plumbing Centre. This will include workshops, classrooms and 'sandpits' for a simulated workplace environment and will have capacity to train 300 additional students, predominantly apprentices. The Centre will enable all Kangan Institute plumbing courses to be co-located at Broadmeadows and will better position it to meet the increased trades-training demand in Melbourne's north. This specialist facility will enable the addition of Certificates III and IV plumbing qualifications to the current stable of courses. Construction will begin by May 2021.

Funding for this Centre has been provided through the Victorian Government's \$55m TAFE Asset Maintenance Fund, supporting upgrades to TAFEs across Victoria to create jobs and drive the economic recovery from the COVID-19 pandemic.

Kangan Institute's Automotive Centre of Excellence (ACE)

The Dockland's campus increased its reach in 2020 thanks to the relationship with Mr Lindsay Fox AC, who holds the deed for the land on which ACE is built. ACE realised BKI and Fox's shared vision to develop a key client workshop space on the ground floor of the Docklands campus. This new workshop will take pressure off the existing well-used work areas and assist with delivery using social distancing protocols.

This versatile space will also host industry meetings, night classes and specialised technical training, in continues support of BKI's automotive industry partners. BKI is grateful to Mr Fox for his ongoing support.

Cremorne Precinct

Our Cremorne campus is uniquely placed in the heart of this vibrant tech community. During 2020, discussions with key stakeholders, including the Victorian Government, the City of Yarra and partners within the precinct, ramped up with respect to what a future digital and creative focused campus offering could look like while aligning with the priorities contained within the Victorian Government's Cremorne Place Implementation Plan.

The historic site shares the neighbourhood with numerous tech-based and innovative organisations. Creating new pathway partnerships and building on existing industry alignments will ensure students can make the most of the opportunities on their doorstep.

Digitally enable our operations



Transform delivery capability by better leveraging digital solutions for staff and students.

2020 brought a significant digital uplift throughout BKI with the development of a new Digital Strategy, a much-needed modernisation of digital infrastructure, services and delivery capability, and the restructuring of the technology department. The Strategy outlines five priority areas, underpinned by a recent review of enterprise architecture and a range of transformative projects to be delivered over a five-year period.

Other important planning and compliance activity has included the development of a new Disaster Recovery Plan, independent audit of progress with the Victorian Protective Data Security Framework (VPDSF), and other technology related reviews.

In addition to setting the direction for BKI's digital future, there has been significant activity to improve the robustness of technology infrastructure and applications, resulting in improved service reliability, efficiency and data protection. Projects delivered during the year included:

- **New Enterprise Services Bus system for the integration of BKI systems**
- **Cloud-based disaster recovery back-up datacentre**
- **Cloud storage system**
- **Replacement of obsolete ID card system**
- **New firewall and VPN gateways**
- **Major overhaul of ageing BKI Datacentres at Broadmeadows and Bendigo**
- **Deployments of a new collaboration platform, enabling staff to work effectively away from the office for the first time**

Digitally enable our operations

Improving BKI's cyber security posture was a key area of focus, with identified points of security vulnerability addressed. A number of new security strengthening and monitoring systems have either been deployed or are currently being implemented.

A further ten new projects commenced during the year, all tasked with delivering either completely new business capability or replacing obsolete systems which are no longer supported or do not meet critical business needs. Such projects include a new records management system, contract management system, cloud-based finance system, staff Intranet, cloud-based email, call centre and corporate telephony.

A significant piece of work undertaken by the Information Communication Technology (ICT) team was the tendering, design and commencement of digital technology for the *Bendigo City Campus Revitalisation Project*. This work will be completed within the next 12 months and will transform the campus to a modern, digitally enabled environment, providing many new 'smart campus' services.

Teachers' digital literacy capability uplift through the launch of Jisc, a self-assessment and self-paced tool, comprised of a series of reflective questions to enable teachers to assess their confidence and capability in areas such as, Digital Wellbeing and Teaching and Learning. Feedback was provided through a personalised report with next steps and links to relevant resources to continue their Digital Teaching journey.

New Digital Champions were also identified throughout our teaching portfolios and have commenced their Blackboard e-Teacher *Train the Trainer* program, which covers the fundamentals of Digital Teaching and Learning. Upon completion of the program, Champions will assist in training 85 teachers across all portfolios and support all our teachers to continue to build their digital learning and teaching skills in 2021.

For our corrections staff and students, an upgrade of ageing prison networks, staff computers and on-site infrastructure was undertaken to provide fast, modern and reliable ICT facilities.

Build a united TAFE



The Institute's leadership and people visibly align to the achievement of our purpose and demonstration of our values, and sustain a safe, inclusive and positive organisational climate.

Ensuring unity across BKI's ten campuses has been a key priority for 2020. Key elements have included the redesign of the organisation's structure and operating model, embracing BKI's education delivery model, course and campus profile review, and re-designed corporate model. During 2020 the planning for this significant transformation program titled North Star, moved swiftly, culminating in the Board approving a significant transformation program commencing with implementation of a new organisation structure and consequential appointment of a new executive team in late December.

This new **Executive Management Team** will begin work in 2021 and will be tasked with bringing all components of the transformation project to life. The North Star Office has been established to oversee the changes and investments required as part of the **North Star Program**. The Office will deliver on BKI's commitment to become a financially sustainable organisation underpinned by a values driven, inclusive, high performance culture.

Building a United TAFE was the driving force behind the Chief Executive Officer's desire to give every employee the opportunity to meet with her to ask questions and share feedback as part of her monthly Random Acts of Coffee.

Wellbeing Week

During September staff and students were invited to take part in a range of online activities as part of the organisation's commitment to promote wellbeing, mental health and suicide prevention.

The week included seminars on communication, meditation and maintaining social connection, along with two guest speakers to discuss stress and coping mechanisms through times of uncertainty; over 1,000 staff participated in the events.

Build a united TAFE

Keeping each other safe and well at work

Building a *Leader Led Positive Health, Safety and Wellbeing Culture*, delivering improved health, safety and wellbeing at work, was a significant challenge over 2020.

Despite the COVID-19 restrictions, 99% of deliverables in the organisation's *Occupational Safety and Health Rectification Plan* were completed. In real numbers, this means of the 324 actions, all but four have been completed. As part of the continued uplift in Occupational Health Safety and Wellbeing (OHSW) practices, a number of new procedures have been introduced: *Communication and Consultation, Committee and Working Groups, and Contractor Management*.

These procedures explain how OHSW information will be generated and shared with staff, outlines the various Committees and Working Groups that are in place focussed on OHSW and how BKI engages with and keeps its contractors safe when on campus.

To ensure ongoing support for staff working from home, people initiatives were adapted by HR for remote delivery, allowing BKI to continue to educate and build capability of leaders, driving consistent processes and practices, for example, webinars on topics such as *Is That Bullying*, probation management, teacher qualifications and AQF framework, recruiting for success.

Workforce Diversity and Inclusion Policy

BKI is committed to equal opportunity, including equal employment opportunity, as well as inclusive and fair processes in all human resource management procedures.

All policies, procedures and associated documentation are readily accessible to all staff via the staff portals.

We actively promote a values-based culture that benefits the organisation, our employees and external clients. Our core values are: Accountability; Collaboration; Respect; Passion; Integrity and Client Experience.

The 2020 People Matter Survey - Wellbeing Check did not include equal employment opportunity and diversity and inclusion measures so these cannot be compared against 2019 survey results.

Build a professional and financially sustainable organisation



Just as we will build on our offering and experience, we will be looking for new ways to support students and industry partners which also improve our revenue streams and reduce business risk.

In working towards the goal of building a professional organisation that is financially sustainable, detailed annual operating plans have been developed that underpin the delivery of BKI's 20>25 Strategy.

Area of Focus	Objective
Education Plan	Defining what education looks like for Bendigo TAFE and Kangan Institute students
Student Success Plan	Placing students at the centre of everything we do and measuring that impact
People and Culture Plan	A key enabler plan in support of the Education and Student Success Plans, with a key focus on HR good practice.
Enterprise Digital Plan	A key enabler plan aimed at evolving BKI through digital systems which are progressive, safe, and fit-for-purpose
Go-to-Market Plan	A key enabler plan aimed at defining BKIs growth strategy to improve market share and cement our standing as a training partner of choice for the industries we support
Strategic Asset Master Plan	A key enabler plan aimed at determining how to best leverage our significant assets, our campuses, and mapping the processes to create state-of-the art facilities.

Build a professional and financially sustainable organisation

Continuous improvement across Bendigo Kangan Institute in 2020

The adaptability demanded by events of 2020 has clarified the ways in which the organisation can evolve. A priority this year has been our preparation for the upcoming *Australian Skills Quality Authority* re-registration in 2022. The groundwork during 2020 has provided a robust Quality Assurance process, leaving BKI in good stead for the future.

Continuous reflection and self-evaluation of our quality, standards and behaviours to ensure a close alignment with BKI's *Integrity* value, in which all staff strive to demonstrate in their work and their actions they are acting ethically and with integrity. The emphasis on integrity this year included hosting the IBAC Deputy Commissioner, David Wolf, for a staff presentation and launching the BKI Integrity Framework.

BKI's commitment to integrity in the area of social procurement was also recognised externally this year, a source of immense pride for the teams involved. Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services, or construction being procured. The Procurement team's efforts

were highlighted in the *Whole of Victorian Government Social Procurement Framework Annual Report 2019-20*, specifically the appointment of Orana Commercial Relocations, an Aboriginal-owned business providing sustainable employment opportunities for Aboriginal people.

The *KanBe Recognition Program* for employees was also introduced this year. This program will drive performance and embed our values. In addition, a Change Champion network has been set up to promote organisational change maturity.

Non-TAFE revenue

A core pillar of establishing financial sustainability is the introduction of new revenue streams that are not directly related to core TAFE offerings. Identification, negotiation and incubation of opportunities to introduce revenue streams are key activities for the business development team.

During 2020, future opportunities across Cremorne, Broadmeadows and Bendigo regions were identified which will be realised as part of the overall 20>25 Strategy, aiming to deliver a diversified business model with increasingly deeper links to industry need and market demand.



Library services

BKI's libraries are integral to students' success. They are hubs for learning, collaboration and engagement and library staff play a key role in connecting students with the organisation.

The BKI libraries were able to remain open for the majority of the year, only closing during Victoria's most restrictive lockdown, meaning a consistent level of uninterrupted service and support for students.

In 2020 BKI received Crisis Support Funding to assist with immediate response to the pandemic and 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 Business Continuity Grants and Crisis Support Funding ensured the ongoing provision of a quality education experience for students.

Other Government support for TAFEs was delivered through various forms

\$260 MILLION JOBTRAINER PACKAGE

This will see us receive funding to deliver government identified priority qualifications and skillsets.

\$1.5 BILLION TO EXTEND & SUPPORT APPRENTICES & TRAINEES

This fund subsidises employers who take on apprentices and trainees, which will make our students all the more in demand

\$55 MILLION TAFE MAINTENANCE FUND

This fund has been distributed around the TAFE network and our slice will enable us to establish the Sustainable Plumbing Centre at Broadmeadows.



Overseas Operations

The impact of COVID-19 was significant for BKI, with border closures restricting travel into and out of Australia. For VETASSESS, the limitations on migration saw a reduction in workload by more than 40%, which impacted its forecasted budget.

iACE Campus - India

The International Automobile Centre of Excellence in Gandhinagar, India, is an exciting development modelled on BKI's ACE facility in Docklands. The i-ACE centre was built through a joint venture between the Government of Gujarat and Maruti Suzuki India Ltd, and was completed in late 2019.

2020 was intended to be an important foundational year for the new centre but the collaborative work was originally dependent on BKI staff travelling to India to provide assistance with delivering training and other input. Instead, a regular remote forum was held between i-ACE management and the BKI team to develop teaching modules and unit curriculum. The official opening of the i-ACE centre has been delayed, but the two organisations continue to work closely together to ensure Gandhinagar-based staff are well equipped to provide a quality training program for students and industry partners as soon as possible.

International Enrolments

Year 2020	International enrolment	Revenue
International onshore (VET + ELICOS)	333 (306 VET + 27 ELICOS)	\$2.6 MIL
International offshore + study groups) (exc. VETASSESS)	435 (363 offshore + 72 study tours)	\$0.8 MIL
TOTAL TAFE international revenue		\$3.4 MIL

This is inclusive of students who have studied part of qualifications in 2020 and subsequently cancelled but revenue has been partly recognised.

International Projects

Client	No. of Students	Income (\$AUD)	Project
i. JEI University	12	12,350	Study Tour
ii. Ministry of Industry	10	18,000	Internship
ii. Ministry of Industry	25	25,000	IST Program
iv. JNPI China	25	35,000	IST Program

Overseas and domestic travel

All overseas and domestic travel by employees of BKI during the 2020 reporting year was compliant with the Victorian Public Service Travel Policy as per its November 2017 update by the Department of Treasury and Finance.



Workforce Data

	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
December 2020							
PACCT Staff	325.5	117.8	69.2	20.4		16.4	549.3
Executive	10.5		-	0.6			11.1
Other							-
Teacher	274.8	46.9	102.2	20.4	37.6		481.9
Total	610.8	164.7	171.4	41.4	37.6	16.4	1,042.3

	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
December 2019							
PACCT Staff	277.9	112.0	50.7	35.2		27.9	503.7
Executive		11.1	-	0.3			11.4
Other	0.3	1.8				0.8	2.9
Teacher	241.1	73.0	66.0	37.0	94.9		512.0
Total	519.3	197.9	116.7	72.5	94.9	28.7	1,030.0

Demographic Data

	All Employees		Ongoing			Fixed term and Casual	
	Number (Headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (Headcount)	FTE
December 2020							
Gender							
Women Executives	6.0	6.0	6.0	0.0	6.0	0.0	0.0
Women (total staff)	742.0	610.1	345.0	216.0	481.7	181.0	128.4
Men Executives	4.0	4.0	4.0	0.0	4.0	0.0	0.0
Men (total staff)	557.0	484.3	342.0	83.0	394.0	132.0	90.3
Self-described	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Age							
15-24	28.0	25.6	19.0	4.0	22.0	5.0	3.6
25-34	201.0	179.9	117.0	35.0	140.7	49.0	39.2
35-44	299.0	254.8	153.0	63.0	194.3	83.0	60.5
45-54	335.0	296.1	192.0	67.0	234.2	76.0	61.9
55-64	336.0	271.6	168.0	101.0	232.0	67.0	39.6
65+	100.0	66.4	38.0	29.0	52.5	33.0	13.9
Total employees	1299.0	1094.4	687.0	299.0	875.7	313.0	218.7

- All figures reflect employment levels for 2020 in accordance with the general reporting requirements detailed in FRD22H
- Employees have been correctly classified in the workforce data collections
- 2020 saw an increase in FTE compared to 2019
- 2020 saw a significant shift in our workforce composition following a review of fixed term, casual and sessional arrangements for staff who may be entitled to a conversion in line with our enterprise agreement obligations.

- Our headcount decrease is attributed to a decreased requirement for the engagement of casual and sessional workers. This is attributable both to the increased FTE for existing staff (in particular, for teachers who had been converted from sessional) and to COVID-19, with employees able to utilize more flexible working arrangements when working from home.



Workforce Data

Demographic Data (cont.)

	All Employees		Ongoing			Fixed term and Casual	
	Number (Headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (Headcount)	FTE
December 2019							
Gender							
Women Executives	10.0	6.5	9.0	1.0	6.5	0.0	0.0
Women (total staff)	862.0	472.7	337.0	170.0	297.5	355.0	175.2
Men Executives	6.0	4.9	4.0	1.0	4.6	1.0	0.3
Men (total staff)	665.0	557.2	346.0	72.0	349.5	247.0	207.7
Self-described	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Age							
15-24	45.0	23.2	16.0	7.0	10.3	22.0	12.9
25-34	251.0	164.9	116.0	21.0	88.0	114.0	76.9
35-44	328.0	220.6	149.0	44.0	131.5	135.0	89.1
45-54	410.0	294.0	207.0	62.0	196.7	141.0	97.3
55-64	373.0	265.0	162.0	84.0	183.2	127.0	81.8
65+	120.0	62.2	33.0	24.0	37.3	63.0	24.9
Total employees	1527.0	1029.9	683.0	242.0	647.0	602.0	382.9

Compliance

Occupational health and safety

BKI is committed to providing a safe workplace and learning environment that supports and enhances health and wellbeing, within its premises and activities for its students, employees, contractors, visitors and industry partners.

This commitment is underpinned by the BKI Values of Accountability, Collaboration, Respect, Client Experience, Passion and Integrity.

BKI seeks to comply with OHS Legislation as a minimum standard and strives to fully integrate health and safety into all aspects of its activities through building a *Leader Led Positive Health, Safety and Wellbeing Culture* initiative and commits to building a culture of compliance and continuous improvement.

BKI is demonstrating this commitment by:

- The identification of, and compliance to, the applicable Health and Safety Legislation, Compliance Codes, Australian Standards and other requirements.
- Eliminating risks to health, safety and wellbeing; or where elimination is not possible, reduce the risk so far as reasonably practicable
- Setting Health Safety & Wellbeing Plans which include measurable targets and objectives to monitor and continuously improve health, safety and wellbeing performance and the OHSW Management System
- Providing appropriate information and training for Managers, Supervisors and Employees to enable them to perform their Health, Safety and Wellbeing roles and responsibilities
- Allocating adequate resources, including instruction and training to provide an environment where everyone is enabled and supported to apply safe systems of work and fulfil their health and safety responsibilities.
- Reporting, recording and investigating accidents, incidents and hazards including non-compliances, applying the learnings and acting to prevent recurrence.

- Ensuring a systematic approach to managing health and safety supported by the BKI OHS Model, proactively identifying and managing health and safety risks and actively supporting and promoting wellbeing.
- Implementing arrangements so that students, workers and their representatives are consulted and actively participate in Health, Safety and Wellbeing matters, issues and risks.
- Providing return to work programs that will support the sustainable and timely return to work of those people impacted by injury or illness.
- Embedding processes for management accountability at all levels to for the behaviours and actions supporting a culture of compliance and supporting the health and safety of employees, students, visitors and industry partners under their management control.

During 2020 an updated Occupational Health, Safety and Wellbeing Policy was implemented committing to a culture of compliance and building a *Leader Led Positive Health, Safety & Wellbeing Culture* at BKI.

Returning to campus was only able to happen once robust COVID Safe Plans were created for each facility. These are in line with Government requirements and are routinely reviewed and updated when necessary. The ongoing focus on proactive hazard management was further demonstrated through the introduction of Safety WALCs (Wellbeing, Ask questions, Listen and learn, Connect), supporting a positive wellbeing culture during a year defined by COVID-19 and its impact on operational arrangements.

The BKI Occupational Health, Safety & Wellbeing Framework 20>25 and its partner document the Health Safety & Wellbeing Plan 20>25 were completed in 2020, both key documents supporting the development of a *Leader Led Positive Health, Safety & Well-being Culture* initiative and supporting the Institute to move beyond compliance towards best practice.

Compliance

Occupational health and safety (cont.)

Reported hazards and incidents

The focus throughout 2020 was to encourage proactive reporting opportunities as well as commitment to building a *Leader Led Positive Health, Safety & Wellbeing Culture*. To this end, there were 74 reported incidents causing injury or illness in total, consisting of 47 relating to staff and 27 relating to students, including personal illness cases reported and managed.

Additionally, there were 291 reported hazards or near miss incidents including 156 Safety WALCs recorded. In total there were 338 incidents and hazards relating to staff representing 22.73 reported incidents and hazards per 100 FTE staff.

There were 4 Lost Time Incidents reported during 2020 resulting in a final Lost Time Injury Frequency Rate (LTIFR) of 1.97 in 2020, down from a reported LTIFR of 4.07 in 2019.

Category	2018	2019	2020	Commentary for Material Variances
Hazards/incidents (per 100 FTE)	29.29	31.05	20.39	Encouraged Hazard & Near Miss Incident Reporting from March 2018. COVID in 2020 reduced Hazard Reporting given absence from Campus for numerous staff
Lost Time Standard Claims Hazards/incidents (per 100 FTE)	.74	.65	.37	COVID in 2020 reduced Number of Lost Time Standard Claims Reported given absence from Campus for numerous staff
Average Cost Per Claim	\$105,722	\$264,399	\$214,685	Material uptick in Mental Health Claims between 2018 and 2019. Working with Stakeholders to design and implement early intervention strategy to sustainably reduce mental health claims in terms of claims, claim severity and cost.

WorkCover Claims

There were 19 active WorkCover claims (equivalent to 1.28 claims per 100 FTE staff) managed in 2020, including six new additional incurred cost claims, with four of the six being of a psychological nature.

The average cost per claim in 2020 was \$87,474 compared to 2019, which reported an average claim cost of \$85,803. The increase in average claim cost was not even across all claims but rather 26% of the claims incurred the average claim costs or above with these claims being of a psychological and complex nature.

Freedom of Information Act 1982

BKI is subject to the provisions of the *Freedom of Information Act 1982* (FOI Act). The FOI Act gives a right of access (subject to exemptions and exceptions) to information held in the form of a document by the Institute.

In accordance with Part II of the Act, BKI will facilitate access to information without recourse to the provisions of the FOI Act, subject to privacy and confidentiality provisions. The Institute also publishes a wide range of material related to its governance and organisation, learning and teaching and engagement functions. These publications may be made available upon request, subject to the provisions of the FOI Act.

This year the Institute prepared and submitted to the Office of the Victorian Information Commissioner (OVIC) its report on FOI activity for the period 1 July 2019 to 30 June 2020 for OVIC's Annual Report. In 2020, the Institute received one request for information under the FOI Act.

Consistent with the requirements of the *Financial Management Act 1994*, during 2020 BKI has prepared material on the following items, available on request:

Subject to the provisions of the FOI Act, information that shall be retained by the Accountable Officer shall include:

- a. a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- b. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- c. details of publications produced by the entity about itself, and how these can be obtained;

- d. details of changes in prices, fees, charges, rates and levies charged by the entity;
- e. details of any major external reviews carried out on the entity;
- f. details of major research and development activities undertaken by the entity;
- g. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- h. details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- i. details of assessments and measures undertaken to improve the occupational health and safety of employees;
- j. a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- k. a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- l. details of all consultancies and contractors including:
 - i. consultants/contractors engaged;
 - ii. services provided; and
 - iii. expenditure committed to for each engagement

All FOI enquiries should be directed to:

**The Freedom of Information Officer
Bendigo Kangan Institute**

Private Bag 299, Somerton VIC 3062
or emailed to: legal@kangan.edu.au

Public Interest Disclosures Act 2012

The *Public Interest Disclosure Act 2012* (VIC) encourages and assists people to make disclosures of suspected improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for such matters to be investigated. BKI has provided guidance on its intranet and public website about its Improper Conduct Policy and Procedure, which reflects BKI's

obligations under the Act. This policy encourages staff, students, contractors and members of the public to speak up about suspected improper conduct and explains how the protections apply. Because BKI cannot receive a public interest disclosure, its Public Interest Disclosure Coordinators confidentially assist disclosers in understanding the process and how to make a complaint to the Independent Broad-based Anti-corruption Commission (IBAC).

Compliance

Financial management compliance attestation

I, Peter Harmsworth AO, on behalf of the Responsible Body, certify that the Bendigo Kangan Institute for the period 1 January 2020 to 31 December 2020, has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions



Peter Harmsworth AO

Chair, Bendigo Kangan Institute Board
25 February 2021

Compliance with Carers Recognition Act 2012

BKI ensures that the rights and interests articulated in the *Carers Recognition Act 2012* are considered when delivering its services to clients in a care relationship.

Our organisation has taken all practical measures to comply with its obligations under the Act.

Compliance with Child Safe Standards

BKI continued to promote a culture of child safety in 2020, to ensure it is meeting requirements and adopting best practice in accordance with the Child Safe Standards (the Standards). Measures put in place include:

- Governance and leadership practices that promote a culture of child safety across all of BKI.
- Clear commitment to child safety that is documented and communicated to staff and students.
- Code of conduct that specifically details appropriate and inappropriate child safe behaviours for clear understanding of expectations.
- Human resource practices that ensure safe people are working at BKI and have the necessary training and skills to protect children.
- Responding and reporting practices that meet legal and moral obligations and are supportive of children's individual needs.
- Risk management and mitigation that is documented, reviewed regularly and stakeholders are held accountable to.
- Empowering children through participation in decision-making, valuing input, understanding of their rights and how to raise concerns.

BKI is committed to being a child safe organisation, providing opportunities for children and young people to participate in education within a safe environment and empowerment of all children under 18 years of age. Consequently, it is essential - and a requirement under law - that all BKI staff are aware of their responsibilities in identifying and reporting child abuse risks. In line with our commitment to the

Standards, a dedicated Child Safety Officer is available for all concerns regarding safety of students under 18 years of age. The Child Safety Officer function actively promotes BKI's child safe culture, practises and reporting to the relevant committees on child safety and the status of initiatives against compliance. The Child Safety Officer assists staff when responding to child safety incidents or concerns and a **Child Safe Toolkit** is available for all staff, located on the Institute's intranet homepage.

Of significance in 2020 was the move to remote digital learning due to the COVID-19 pandemic and the child safety implications in the online learning environment. This created significant growth and improvement to our online systems and cyber safety practices. A review of the Child Safe Risk Assessments identified a number of improvements across the organisation's policy and processes and resulted in extensive collaboration with stakeholders for shared understanding and ownership of these improvements.

National competition policy

BKI provides education and training in a contestable market.

BKI and its trading businesses implement a pricing model and policy that is consistent with maintaining commercial competitiveness in the marketplace with competitive neutrality principles outlined in Victoria's competitive neutrality policy. The pricing policy and approach explains how BKI meets legislative requirements and government guidelines to set prices for the sale of its programs, products and services. The policy reflects the requirements of:

- The national competition policy
- Victorian Government policies on competitive neutrality and cost recovery
- Ministerial directions on fees and charges
- Goods and services tax (GST) legislation

Compulsory non-academic fees, subscriptions and charges

BKI charges compulsory non-academic student services fees to support the range of additional services provided to students in addition to the delivery of training and assessment services. Services include additional student support services, amenities, activities and information technology infrastructure.

The 2020 Student Services and Amenities fees were calculated on the basis of \$0.40 per student contact hour for students that enrolled more than 125 hours with a maximum fee of \$200 and minimum fee of \$60.

Concession card holders, apprentices, trainees, work based students (100% off-campus delivery) and full online delivery (100% off-campus) were charged a flat fee of \$60.

In 2020 student services fees generated \$851,090 in revenue.

A number of engagement and support services were provided to students in 2020 and funded by the student services, amenities fees and government programs, including but not limited to on-campus events for students, counselling and welfare services, disability support services, student orientation programs, new upgraded library maintenance, upgraded online support portal and student employment centre.

Building and maintenance

BKI ensures that all works requiring building approval are approved and certified by an independent and qualified building surveyor.

BKI requires all building practitioners engaged to carry out major works show current registration and insurance before commencing works.

All buildings are maintained to a level of prescribed performance as specified in the essential safety measures maintenance manual.

Mandatory periodical checks and tests are undertaken with records of these inspections kept under the requirements and provisions of the *Building Act 1993*, Building Regulations 2006, Building Code of Australia, Australian standards and other codes, the Minister's guidelines and any subsequent amendments of these.

Compliance

Environmental performance and impacts

BKI is committed to being an innovative provider of quality education, training and services while maintaining a strong commitment to an environmentally sustainable future. BKI ensures that staff and students work together to identify and reduce the Institute’s environmental impacts, carry out a proactive response to environmental best practices and achieve innovative solutions. This annual report presents BKI’s reports on energy use, water use, greenhouse gas emissions, transportation, paper use, waste production and procurement.

Energy use

The table below charts the energy use across all campuses and sites, including associated greenhouse gas emissions. Energy performance has fluctuated throughout the year depending on student term break periods which usher in a reduction of energy use across all sites.

In 2020, BKI continued to upgrade lighting as well as mechanical plant & equipment to more modern systems to improve energy efficiencies across all sites.

	Electricity				Gas		
	Megajoules	Co2 tonne	Per FTE	Per m2	Megajoules	Per FTE	Per m2
Bendigo City	3,098,694	866	24,361	193	4,666,104	36,683	291
Broadmeadows	6,229,927	1,735	19,384	258	8,855,134	27,552	367
BTEC	344,090	88	27,094	214	109,327	8,608	68
Castlemaine	44,467	N/A	20,212	111	N/A	N/A	N/A
Charleston Road	2,557,885	710	28,171	217	1,442,843	15,890	122
Docklands	4,044,547	1,129	31,897	269	3,861,880	30,456	257
Echuca	319,845	90	55,145	133	306,892	52,912	127
Essendon	626,324	185	7,421	234	144,865	1,716	54

Gas - Final invoices of 2020 which includes energy use information yet to be received for all sites.

Waste Production

	Waste Info for December 2019 - November 2020				
	Total (Tonnes)	Recycling Rate % (solids only)	Co2 (Tonnes)	Liquid Waste (tonnes)	Recycling Rate % (solids and liquids)
Bendigo City	35.65	20%	29.13	5.30	32%
Broadmeadows	119.72	27%	79.19	29.60	45%
Charleston Road	68.07	10%	62.23	10.70	24%
Docklands	28.65	23%	15.24	12.22	55%
Echuca	7.67	5%	2.48	5.50	73%
Essendon	12.09	8%	12.56	0.65	13%
Cremorne	8.95	27%	7.85	0	N/A

No data provided for Bendigo Technical Education College (BTEC), Maryborough and Castlemaine due to different waste contractors.

December 2019 weights included in table above as a proxy until December 2020 information is made available.

Total (tonnes) include both solid and liquid waste.

No liquid waste services in Cremorne.

Recycling rate % includes only solid waste. Cremorne recycling rate for solids and liquids not provided as there is no liquid waste removal.

Water consumption

The table below charts BKI water consumption across campuses and sites. In 2020 BKI will continue to conduct a review of all plumbing purchases to ensure where possible that water saving products are utilised.

	Water Consumption	
	Kilolitres	Per FTE
Bendigo City	939	7.3
Broadmeadows	7,716	24
BTEC	129	10.1
Castlemaine	44	20
Charleston Road	2,417	26.6
Docklands	1,688	13.3
Echuca	400	69
Essendon	655	7.8
Cremorne	2,559	35

Final invoices of 2020 which include water usage information yet to be received for all sites except for Cremorne and Essendon. Moonee Ponds is a rented property and does not accrue water charges.

Transportation

The table below charts transportation use across the Institute, including associated greenhouse gas emissions. BKI continues to encourage Institute-wide use of video conferencing as an alternative to driving to meetings will continue to be the focus again in 2021.

Vehicle Type	Water Consumption	
	Distance Travelled (KM)	Co2 (Tonnes)
Car	838,071	125.73
LC	407,016	53.69
HC	N/A	N/A

Compliance

Local Jobs First - Victorian Industry Participation Policy

The Local Jobs First - Victorian Industry Participation Policy (VIPPP) focuses on local industry development and improves opportunities for local suppliers to compete for work on all types of government contracts, helping to create and sustain opportunities for Victorian businesses and workers.

The policy requires government departments and agencies to consider competitive local suppliers, including small and medium enterprises, when awarding contracts valued at \$1 million or more in regional Victoria or \$3 million or more in metropolitan Melbourne or for state-wide activities.

BKI had one disclosure in 2020, as follows:

Bendigo City Campus Revitalisation Main Works

The contestability information provided for the Bendigo City Campus Revitalisation Main Works was reviewed by ICN. ICN determined the tender to be contestable. ICN acknowledged that a local Industry Development plans (LIDP's) were required.

Approx. \$55 million 26/02/2020 30/06/2021

Local Content, Employment and Engagement:

Applied Local Jobs First Policy	Registered with ICN	Industry Development 10% Weighting Applied	Jobs Outcomes 10% Weighting Applied	MPSG Applicable	Local Content Committed (%)
Yes	13/11/2019	Yes	Yes	Yes	91%

No. of SMEs in supply chain	Local Jobs to be Created	Local Jobs to be Retained	Apprenticeships to be Created	Apprenticeships to be Retained	Traineeships to be Created	Traineeships to be Retained
385	9	71	3	4	1	1

All Projects

	# of Projects	Value	Average Local Content	Jobs	Jobs Created	Jobs Retained
Metro	0	0	0%	0	0	0
Regional	0	0	0%	0	0	0
Statewide	0	0	0%	0	0	0
Grand Total	1	55,184,011	91%	80	9	71

All Completed Projects

	# of Projects	Value	Average Local Content	Jobs	Jobs Created	Jobs Retained
Metro	0	0	0%	0	0	0
Regional	0	0	0%	0	0	0
Statewide	0	0	0%	0	0	0
Grand Total	0	0	0%	0	0	0

All Commenced Projects

	# of Projects	Value	Average Local Content	Jobs	Jobs Created	Jobs Retained
Metro	0	0	0%	0	0	0
Regional	1	55,184,011	91%	80	9	71
Statewide	0	0	0%	0	0	0
Grand Total	1	55,184,011	91%	80	9	71

MPSG Commitment (%): 10%

Major Commercial Activities

Bendigo Campus Revitalisation Project. This is a \$60m project funded by the Victorian Government, which will see the development and refurbishment of a new central campus in Bendigo. As at the end of 2020 this project is well-advanced and on track for completion in 2021.

Advertising Expenditure

Name of Campaign	Campaign Summary	Start/End	Advertising and Media	Creative Development	Research	Print and Collateral	Other campaign
Always On	Acquisition	Jan - Nov 2020	\$557,031	\$ -	\$ -	\$ -	\$ -
Sem 1 2020	Acquisition	Jan - Apr 2020	\$1,055,335	\$ -	\$ -	\$ -	\$ -
Sem 2 2020	Acquisition	May - Jul 2020	\$278,770	\$ -	\$ -	\$ -	\$ -
Sem 1 2021	Acquisition	Oct - Dec 2020	\$432,788	\$ -	\$ -	\$ -	\$ -

Consultancies Expenditure

BKI engages consultants for services for which BKI does not have the required specialist skills. The total consultancy cost incurred during 2020 was \$3.43M million (excl. GST).

There were 23 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020 in relation to these consultancies was \$102,000 (excl. GST).

There were 35 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020 in relation to these consultancies was \$3.24M (excl. GST).

Details about these consultancies are publicly available on the Bendigo TAFE and Kangan Institute websites.

<https://www.kangan.edu.au/2020consultancy>

<https://www.bendigotafe.edu.au/aboutbendigotafe/documentlibrary/Documents/Bendigo%20Kangan%20Institute%202020%20Consultancies%20Expenditure.pdf>

Information Communication Technology Expenditure

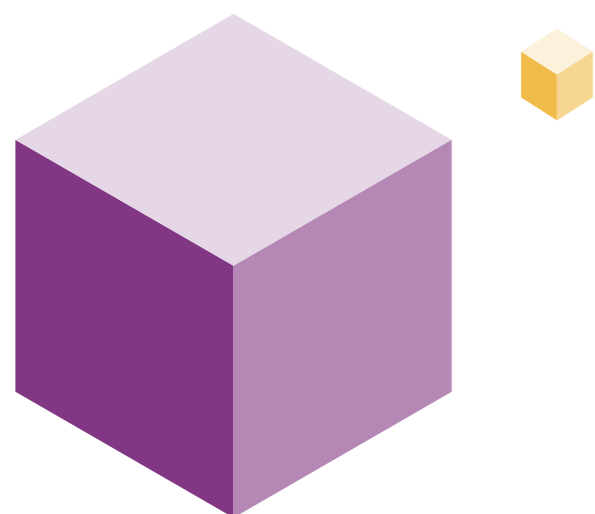
In 2020, BKI continued to enhance digital platforms and improve ICT equipment and infrastructure to minimise the impacts of COVID-19. A major rollout of computers was carried out to enable staff to work from home where possible.

BKI continued its investment into transforming the student experience via the development of a new Student Journey Platform that will continue in to 2021 and beyond.

Business As Usual (BAU) ICT expenditure	Non-Business as Usual (non BAU) ICT Expenditure	
	Operational	Capital
9,422,233	639,527	8,033,533



Financial Statements for the year ended 31 December 2020



Independent Auditor's Report

To the board of the Bendigo Kangan Institute

Opinion I have audited the financial report of the Bendigo Kangan Institute (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 presents fairly, in all material respects, the financial position of the institute as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable 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 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 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.



Auditor's responsibilities for the audit of the financial report

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

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

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

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

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
21 March 2021

Declaration

BY BOARD CHAIR, CEO AND CFO ON THE FINANCIAL STATEMENTS

Bendigo Kangan Institute

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

The attached financial statements for the Bendigo Kangan Institute have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, 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 Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of Bendigo Kangan Institute.

Mr Peter Harmsworth AO, Board Chair

16 March 2021

Melbourne

Ms Sally Curtain, Chief Executive Officer

16 March 2021

Melbourne

Ms Melissa Chalker, Chief Finance Officer

16 March 2021

Melbourne



Table of Contents

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

Financial Statements

Comprehensive Operating Statement	72
Balance Sheet	74
Statement of Changes in Equity	76
Cash Flow Statement	77

Notes To The Financial Statements

1 About This Report	79
1.1 Basis of preparation	79
1.2 Compliance information	80
1.3 Impact of COVID-19	80
2 How We Earned Our Funds	82
2.1 Government contributions	82
2.2 Revenue from fees, charges and sales	85
2.3 Other income	89
3 How We Expended Our Funds	90
3.1 Employee benefits	90
3.1.1 <i>Employee benefits in the comprehensive operating statement</i>	90
3.2 Superannuation	91
3.3 Supplies and services	92
3.3.1 <i>Non-cancellable operating lease commitments – short-term and low value leases</i>	92
3.3.2 <i>Other expenditure commitments</i>	93
3.4 Other operating expenses	94
3.5 Finance costs	95
3.6 Depreciation and amortisation	95
4 The Assets We Invested In	96
4.1 Property, plant and equipment	96
4.1.1 <i>Reconciliation of movements in carrying amount of property, plant and equipment</i>	98
4.1.2 <i>Capital commitments</i>	100
4.1.3 <i>Gain / loss on property, plant and equipment</i>	100
4.2 Intangible assets	101
4.3 Depreciation and amortisation	103

5 Balances From Operations	104
5.1 Receivables	104
5.2 Other non-financial assets	107
5.3 Payables	108
5.4 Contract liabilities	110
5.5 Employee benefits in the balance sheet	110
5.6 Other provisions	112
6 How We Financed Our Operations	113
6.1 Cash and deposits	113
6.1.1 <i>Reconciliation of operating result to net cash flows from operating activities</i>	113
6.2 Borrowings	114
6.3 Contributed capital	115
6.4 Leases	116
7 Managing Risks And Uncertainties	119
7.1 Financial instruments	119
7.1.1 <i>Financial risk management objectives and policies</i>	120
7.1.2 <i>Credit risk</i>	121
7.1.3 <i>Liquidity risk</i>	124
7.1.4 <i>Market risk</i>	124
7.2 Contingent assets and contingent liabilities	127
7.3 Fair value determination	128
8 Governance Disclosures	134
8.1 Responsible persons	134
8.2 Remuneration of executives	136
8.3 Related parties	137
8.4 Remuneration of auditors	138
9 Other Disclosures	139
9.1 Other economic flows included in net result	139
9.2 Other equity reserves	140
9.3 Events after reporting date	140
9.4 Application of standards issued but not yet effective	140
9.5 New or amended Accounting Standards and Interpretations adopted	141
9.6 Transition impact on financial statements	141



Comprehensive Operating Statement

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$'000	2019 \$'000
Continuing operations			
Revenue and income from transactions			
Government contributions - operating	2.1	106,147	84,797
Government contributions - capital	2.1	27,357	2,748
Revenue from fees, charges and sales	2.2	71,717	73,831
Other income	2.3	6,458	2,990
Total income from transactions		211,679	164,365
Expenses from transactions			
Employee benefits	3.1.1	120,151	110,417
Depreciation and amortisation	3.6	15,483	13,604
Supplies and services	3.3	26,781	29,431
Finance costs	3.5	157	218
Other operating expenses	3.4	12,889	18,447
Total expenses from transactions		175,461	172,117
Net result from transactions		36,218	(7,752)
Other economic flows included in net result			
Net gain on non-financial assets	4.1.3	1,060	32
Net gain/(loss) on financial instruments	9.1a	11	(433)
Other losses from other economic flows	9.1b	(193)	(419)
Total other economic flows included in net result		878	(820)
Net result		37,096	(8,572)

	Notes	2020 \$'000	2019 \$'000
Other economic flows - other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in physical asset revaluation surplus	9.2	(4,881)	2,270
Items that will not be reclassified to net result			
Gain/loss on revaluation of physical assets		-	-
Comprehensive result		32,215	(6,302)

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



Balance Sheet

AS AT 31 DECEMBER 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	99,746	94,264
Receivables	5.1	17,465	16,373
Total financial assets		117,211	110,637
Non-financial assets			
Property, plant and equipment	4.1	375,120	355,430
Right of use assets	6.4	4,504	6,357
Intangible assets	4.2	14,966	7,753
Other non-financial assets	5.2	3,474	2,000
Total non-financial assets		398,064	371,540
Total assets		515,275	482,177
Liabilities			
Payables	5.3	13,627	16,216
Contract liabilities	5.4	34,301	33,423
Employee provisions	5.5	21,794	17,735
Other provisions	5.6	1,831	1,831
Borrowings	6.2	2,793	2,774
Lease liabilities	6.4	3,868	5,352
Total liabilities		78,214	77,331
Net assets		437,061	404,846

	Notes	2020 \$'000	2019 \$'000
Equity			
Contributed capital	6.3	246,762	246,762
Accumulated surplus		57,985	20,889
Reserves	9.2	132,314	137,195
Net worth		437,061	404,846

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



Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

	Physical assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
As at 1 January 2019	134,925	34,461	246,762	416,148
Impact of change in accounting policy				
AASB 15: Revenue from contracts with customers and AASB 1058: Income of not-for-profit entities	-	(5,000)	-	(5,000)
As at 1 January 2019 - adjusted	134,925	29,461	246,762	411,148
Net result for the year	-	(8,572)	-	(8,572)
Other economic flows - other comprehensive income	2,270	-	-	2,270
Total comprehensive income	-	-	-	-
Year ended 31 December 2019	137,195	20,889	246,762	404,846
Net result for the year	-	37,096	-	37,096
Other economic flows - other comprehensive income	(4,881)	-	-	(4,881)
Total comprehensive income	-	-	-	-
Year ended 31 December 2020	132,314	57,985	246,762	437,061

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

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		139,193	113,821
User fees and charges received		70,835	83,005
Goods and services tax recovered from the ATO		1,913	149
Interest received		812	1,364
Other receipts		6,255	1,939
Total receipts from operating activities		219,008	200,278
Payments			
Payments to employees		(115,602)	(105,687)
Payments to suppliers		(49,927)	(56,568)
Goods and services tax paid to the ATO		(2,014)	(3,741)
Interest paid - lease liability		(138)	(190)
Total payments from operating activities		(167,681)	(166,186)
Net cash flows from operating activities	6.1.1	51,327	34,092
Cash flows from investing activities			
Redemptions of investments		-	32,500
Payments for property, plant and equipment		(37,396)	(9,421)
Payments for intangible assets		(9,587)	(4,212)
Proceeds from sales of non-financial assets		2,615	33
Net cash flows (used in) / generated from investing activities		(44,368)	18,900

Continued on next page



Cash Flow Statement (cont.)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from financing activities			
Repayment of borrowings		-	(128)
Payment of lease liabilities		(1,477)	(1,379)
Net cash flows used in financing activities		(1,477)	(1,507)
Net increase in cash and cash equivalents			
		5,482	51,485
Cash and cash equivalents at beginning of year		94,264	42,779
Cash and cash equivalents at end of year	6.1	99,746	94,264

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

NOTES TO THE FINANCIAL STATEMENTS

About this Report

1

Bendigo Kangan Institute 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:

Bendigo Kangan Institute
62-104 Charleston Road
Bendigo, VIC 3550
Australia

1.1 Basis of preparation

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1);
- the recognition of revenue in relation to contracts with customers (refer to Note 2.2); and
- AASB 16 Leases and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4).

These financial statements cover Bendigo Kangan Institute as an individual reporting entity. Bendigo Kangan Institute had no controlled entities for the period ended 31 December 2020.

Goods and Services Tax (GST)

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

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



About this Report (cont.)

1

1.1 Basis of preparation (cont.)

Funding risk

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

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

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

There has been no significant change in The 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.

1.2 Compliance information

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

For the purposes of preparing financial statements, The 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 balance or financial statement matter is disclosed.

1.3 Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global COVID-19 coronavirus pandemic. 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 were announced and implemented by the state government, which in turn impacted the manner in which businesses operate, including Bendigo Kangan Institute.

During the year, COVID-19 has had a material impact on the operations of the TAFE. As a consequence that impacted its performance and the judgements and estimates used in assessing balances.

In response, the 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.

1.3 Impact of COVID-19 (cont.)

The key impacts on the performance is summarised as follows:

Revenue and other income

The TAFE continued to be agile in its delivery to mitigate the impact on revenue due to the pandemic. The losses incurred from reduced enrolments and fee for service were subsidised by the receipt of Business Continuity Grants and Crisis Support Funding from the Department of Education and Training. The purpose of this funding was to:

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

The TAFE also received essential personal protective equipment free of charge under the State's supply arrangement. This is further discussed in Note 2.1.

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

- Certificate III in Light Vehicle Mechanical Technology;
- Certificate III in Construction Waterproofing;
- Certificates II and III in Security Operations; and
- Certificate I In General Education For Adults.

The total financial implication from the fall in student enrolments, pre Business Continuity Grants, was approximately \$8 million.

Further, COVID-19 has also impacted the International onshore student revenue due to students being unable to attend classes, leading to cancellations and deferment of their courses. Approximately \$2m reduction in revenue noted compared to previous year.

VETASSESS Group was awarded Government Programs - Working for Victoria and Return to Work programs to offset against the revenue loss due to international border closures which affected both immigration and international assessments.

Expenses

The TAFE's daily activities were impacted by the pandemic. This resulted in certain direct and indirect costs being increased, 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 and additional security and cleaning costs to ensure COVID restriction compliance was adhered to. BKI also provided all employees with a "working from home allowance" to offset an increase in working from home costs.

Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Without being allowed to travel away from home, staff have been reluctant to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$4,059,000 (2019: \$1,967,000). This is further discussion in Note 5.5.

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

Fair value of non-financial physical assets

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

Letter of Comfort

The impact of the COVID-19 pandemic on TAFE finances is expected to continue in 2021, which may require the TAFE to draw on its cash reserves to cover the operating costs.

The Department of Education and Training (the Department) has provided a Letter of Comfort to guarantee the cash solvency of the TAFE as a state-owned entity.

The Letter of Comfort provides assurance that financial assistance will be made available to the TAFE until April 2022 (if required) and to enable the TAFE to continue as a going concern. On that basis, the financial statements for the TAFE have been prepared on a going concern basis.

How We Earned Our Funds

2

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

Operating grants

The TAFE receives numerous Operating grants to assist with its operations. Grants such as Stronger TAFE, Community Service Funding and other grants assist the TAFE with operational costs such as Maintenance and Asset Management, and assist the TAFE in servicing the community by providing funding to assist with the cost of hiring Community Service Officers.

The TAFE recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific.

Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement.

Capital Grants

The TAFE is also eligible for a \$59.9 million capital works grant to be paid from 2018 - 2021 for the revitalisation of the Bendigo City Campus as approved in the 2018-19 State Budget. During the current year, the TAFE received \$30.1 million government contribution upon successful completion of milestones as specified in the grant agreement.

2.1 Government contributions

Notes	2020 \$'000	2019 \$'000
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Grants and other transfers

Government contributions - operating

State government - contestable	71,958	62,801
State government - other contributions	34,189	21,996
Total government contributions - operating	106,147	84,797

In 2020, the TAFE received \$6 million in crisis support funding to assist them with its immediate response to the pandemic, and \$15.5 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.

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 is the best measure of the transfer of control over the service or product.

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

2.1 Government contributions (cont.)

Revenue is measured at the amount of consideration to which The 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 The 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.
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 right to receive payment.	
		Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.	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.



How We Earned Our Funds

2

2.1 Government contributions (cont.)

	Notes	2020 \$'000	2019 \$'000
Government contributions - capital			
State government - capital		27,357	2,748
Total government contributions - capital		27,357	2,748
Total government contributions			
		133,504	87,545

Revenue Type	Nature	Performance obligation	Timing of satisfaction
State government - capital	Where The TAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by The TAFE.	To acquire or construct a non-financial asset.	Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building.

Capital grants recognised to income during the year in relation to grants received in the previous years are disclosed in the section below.

Capital grants not recognised to income to date are disclosed in the section below and in note 5.4.

Capital works performed in relation to the capital grants received are capitalised and classified as "Construction in progress" in Note 4.1, Property, plant and equipment.

2.2 Revenue from fees, charges and sales

	Notes	2020 \$'000	2019 \$'000
Student fees and charges		10,472	12,519
Fee for service - government		25,268	18,231
Fee for service - international operations - onshore		2,622	4,679
Fee for service - international operations - offshore		7,875	9,239
Fee for service - other		25,140	28,650
Other non-course fees and charges			
Sale of goods		340	513
Total revenue from fees, charges and sales		71,717	73,831

The following table provides a breakdown of contractual sales with customers based on the timing of revenue recognition.

	Notes	2020 \$'000	2019 \$'000
Revenue recognised over time		63,502	64,078
Revenue recognised at a point in time		8,215	9,753
Total revenue from fees, charges and sales		71,717	73,831

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 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 The TAFE provides the space to the tenants.



How We Earned Our Funds

2

2.2 Revenue from fees, charges and sales (cont.)

The TAFE uses a variety of metrics to recognise revenue over time in line with AASB 15. This is because of the varying degrees and methods of delivery of performance obligations.

For example, the TAFE recognises Student Fees and Charges based on actual student contact hours, but Fee For Service is recognised based on delivery of service.

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	The TAFE provides educational services to the general public, both nationally and internationally.	Provision of education services	Course fees and charges revenue is recognised as the course is delivered to the student and is measured as the amount the 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.
Fee for service - government, international operations	<p>Fee for service relates to course fees funded by industry partners, government or students.</p> <p>The TAFE holds fee for service contracts with a range of Industry partners in the Health, Fashion, Community, Automotive, Construction, Electrical, Corrections and Hospitality sectors.</p> <p>The TAFE may also perform contracted teaching services for overseas Institutions.</p>	Provision of services	<p>Revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered.</p> <p>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.</p>

2.2 Revenue from fees, charges and sales (cont.)

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Fee for service - other	Relates to non-course fees and charges.	Provision of services	Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent is recognised as The 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.

Refer note 5.4 for contract liabilities carried forward at year end.

	Notes	2020 \$'000	2019 \$'000
Student fees and charges		5,311	8,746
Fee for service		6,360	527
Capital grants		21,752	2,748
		33,423	12,021



How We Earned Our Funds

2

2.2 Revenue from fees, charges and sales (cont.)

Transaction price allocated to remaining performance obligations

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

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

	Notes	Total \$'000	2021 \$'000	2022 \$'000	2023 \$'000
Revenue expected to be recognised	5.4	34,301	33,939	362	-

Note: These are estimates only, based on professional judgement and past experience.

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 (Debitsuccess);
- 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.

International students may enter into a payment plan arranged between the TAFE and the student, which involves the TAFE determining the amount to deposit before commencing studies, and the amount payable during the students' courses. The Due Date for these payments are set in the middle and end of each teaching semester, with half of the course fees being payable on each Due Date.

2.3 Other income

	Notes	2020 \$'000	2019 \$'000
Interest income		789	1,235
Rental income		292	433
Donations, bequests and contributions		68	148
Other		5,309	1,173
Total other income		6,458	2,990

Other Income type	Nature	Performance obligation	Timing of satisfaction
Interest	Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets.
Rental income	The TAFE receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. The TAFE also receives rental income from long term lease arrangements with third parties.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when The TAFE's right to receive the rental is established.
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations or it cannot be identified when the obligation is satisfied.
Other income	Other income includes income from car park, salon, bakery etc.	Other income is recognised when The TAFE's right to receive payment is established.	



How We Expended Our Funds

3

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	Notes	2020 \$'000	2019 \$'000
Salaries, wages, overtime and allowances		94,481	86,143
Superannuation		9,031	8,306
Payroll tax		5,188	4,780
Workers compensation		909	946
Annual leave		8,612	7,191
Long service leave		1,669	2,304
Termination benefits		261	747
Total employee benefits		120,151	110,417

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

Impact of COVID-19

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

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The 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

The TAFE's employees are entitled to receive superannuation benefits and The 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.

The 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.

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

Notes	2020 \$'000	2019 \$'000
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Paid contribution for the year

Defined benefit plans

State Superannuation Fund - revised and new	154	122
Total defined benefit plans	154	122

Accumulation contribution plans

VicSuper	3,969	2,836
Other	4,889	3,113
Total accumulation contribution plans	8,858	5,949
Total paid contribution for the year	9,012	6,071

Contribution outstanding at year end

Accumulation contribution plans

VicSuper	201	84
Other	243	78
Total accumulation contribution plans	444	162
Total contribution outstanding at year end	444	162

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.



How We Expended Our Funds

3

3.3 Supplies and services

	Notes	2020 \$'000	2019 \$'000
Building repairs and maintenance		1,130	2,158
Communication expenses		1,760	1,803
Contract and other services		18,101	17,259
Cost of goods sold / distributed (ancillary trading)		-	59
Fees and charges		427	771
Purchase of supplies and consumables		5,363	7,381
Total supplies and services		26,781	29,431

Impact of COVID-19

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

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

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

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

	Notes	2020 \$'000	2019 \$'000
Payable			
Within one year		-	10
Later than one year but not later than five years		-	-
Later than five years		-	-
Total lease commitments		-	10
GST payable on the above		-	-
Net operating lease commitments		-	10

3.3 Supplies and services (cont.)

3.3.2 Other expenditure commitments

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

	Notes	2020 \$'000	2019 \$'000
Payable			
Within one year		4,387	3,370
Later than one year but not later than five years		3,076	4,366
Later than five years		-	-
Total other expenditure commitments		7,463	7,736
GST payable on the above		637	703
Net operating lease commitments		6,826	7,033



How We Expended Our Funds

3

3.4 Other operating expenses

	Notes	2020 \$'000	2019 \$'000
Audit fees and services		346	262
Reclamation of funds		861	2,101
Equipment below capitalisation threshold		763	2,207
Marketing and promotional expenses		3,841	3,748
Staff development		778	697
Travel and motor vehicle expenses		328	1,938
Utilities		2,451	2,871
Expenses relating to short-term leases		483	735
Expenses relating to low-value leases		35	892
Other		3,003	2,995
Total other operating expenses		12,889	18,447

Impact of COVID-19

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

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

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

Reclamation of funds relate to repayment of training revenue overpaid by the Department of Education and Training (DET) in the previous years based on an agreement between the TAFE and DET.

3.5 Finance costs

	Notes	2020 \$'000	2019 \$'000
Interest on debt		19	28
Interest on lease liabilities		138	190
Total finance costs		157	218

3.6 Depreciation and amortisation

	Notes	2020 \$'000	2019 \$'000
Depreciation of property, plant and equipment		11,270	10,573
Depreciation of right of use assets		1,839	1,850
Amortisation of intangible assets		2,374	1,181
Total depreciation and amortisation		15,483	13,604



The Assets We Invested In

4

4.1 Property, plant and equipment

Fair value measurement

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

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land	107,482	109,037	-	-	107,482	109,037
Buildings	252,550	246,293	(28,197)	(15,487)	224,353	230,806
Construction in progress	30,256	3,453	-	-	30,256	3,453
Plant and equipment	48,453	44,127	(35,655)	(32,294)	12,799	11,832
Motor vehicles	2,190	2,260	(2,101)	(2,140)	88	120
Leasehold improvements	506	506	(381)	(356)	124	150
Cultural assets	1,983	1,983	(1,965)	(1,951)	18	32
Net carrying amount	443,419	407,658	(68,299)	(52,228)	375,120	355,430

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

For the majority of The 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.

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.



The Assets We Invested In

4

4.1 Property, plant and equipment

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

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Cultural assets \$'000	Total \$'000
2020								
Opening net book amount	109,037	230,807	3,453	11,831	120	150	32	355,430
Additions	-	188	34,408	2,800	-	-	-	37,396
Revaluations	-	-	-	-	-	-	-	-
Disposals	(1,555)	-	-	-	-	-	-	(1,555)
Transfers	-	6,068	(7,605)	1,537	-	-	-	-
Depreciation	-	(7,829)	-	(3,369)	(32)	(26)	(14)	(11,270)
Impairment	-	(4,881)	-	-	-	-	-	(4,881)
Net carrying amount	107,482	224,353	30,256	12,799	88	124	18	375,120

4.1 Property, plant and equipment (cont.)

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Cultural assets \$'000	Total \$'000
2019								
Opening net book amount	106,887	237,693	478	8,953	153	175	124	354,463
Additions	-	-	4,354	5,037	30	-	-	9,421
Revaluations	2,150	120	-	-	-	-	-	2,270
Disposals	-	-	-	-	(153)	-	-	(153)
Transfers	-	789	(1,229)	440	152	-	-	152
Depreciation	-	(7,795)	-	(2,599)	(62)	(25)	(92)	(10,573)
Write-off	-	-	(150)	-	-	-	-	(150)
Net carrying amount	109,037	230,807	3,453	11,832	120	150	32	355,430



The Assets We Invested In

4

4.1 Property, plant and equipment (cont.)

4.1.2 Capital commitments

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

	Notes	2020 \$'000	2019 \$'000
Payable			
Within one year		49,042	53,161
Later than one year but not later than five years		6,658	35,256
Later than five years		-	-
Total capital expenditure commitments		55,700	88,417
GST payable on the above		5,064	8,038
Net capital expenditure commitments		50,636	80,379

4.1.3 Gain / loss on disposal of property, plant and equipment

	Notes	2020 \$'000	2019 \$'000
Net gain on disposal of property plant and equipment		1,060	32
Net gain on disposal of property plant and equipment		1,060	32

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

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

4.2 Intangible assets

The TAFE has capitalised expenditure for the Development of Online Learning Modules. During the year \$2.9 million of Online Course Development expenditure was capitalised.

During the year TAFE has also incurred approximately \$8.5 million of development expenditure in relation to its Student Management System.

	Software \$'000	Developments in progress \$'000	Total \$'000
2020			
Opening net book amount	4,243	3,510	7,753
Additions	50	9,537	9,587
Transfers	2,991	(2,991)	-
Amortisation charge	(2,374)	-	(2,374)
Net carrying amount	4,910	10,056	14,966
2019			
Opening net book amount	3,019	1,703	4,722
Additions	-	4,212	4,212
Transfers	2,405	(2,405)	-
Amortisation charge	(1,181)	-	(1,181)
Net carrying amount	4,243	3,510	7,753



The Assets We Invested In

4

4.2 Intangible assets (cont.)

Initial recognition

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

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

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

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. 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 of intangible assets

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement. Impairment of goodwill is not reversed.

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

Class of assets	Useful life
Buildings	5 - 50 years (2019: 5 - 50 years)
Plant and equipment	3 - 10 years (2019: 3 - 10 years)
Motor vehicles	5 - 10 years (2019: 5 - 10 years)
Leasehold improvements	5 - 50 years (2019: 5 - 50 years)
Land and building improvements	10 - 40 years (2019: 10 - 40 years)
Right of use assets	Lease term (2019: lease term)
Software	3 - 4 years (2019: 3 - 4 years)

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

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



Balances from Operations

5

5.1 Receivables

	Notes	2020 \$'000	2019 \$'000
Current			
Accounts receivable		7,530	12,552
Loss allowance on accounts receivable		(3,282)	(3,862)
Accrued income		10,905	6,078
Other receivables		316	866
Total receivables from contracts with customers		15,469	15,634
Total contractual receivables			
Represented by			
Current receivables		15,469	15,634
Statutory			
GST input tax credit recoverable		1,996	740
Total current receivables		17,465	16,373

5.1 Receivables (cont.)

Receivables consist of:

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

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

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when

they are recognised at fair value. The 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 current receivables, their carrying amount is considered to be the same as their fair value.

Impairment

The 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.

	Notes	2020 \$'000	2019 \$'000
Balance at the beginning of the year		(3,862)	(3,429)
Amounts written off		463	-
Net remeasurement of loss allowance		-	(433)
Reversal of unused loss allowance recognised in net result		117	-
Balance at the end of the year		(3,282)	(3,862)

In respect of trade and other receivables, the 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 geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.



Balances from Operations

5

5.1 Receivables (cont.)

Ageing analysis of contractual receivables	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Trade receivables (net)	4,248	3,562	347	115	224	-
Other receivables	316	316	-	-	-	-
Total	4,564	3,878	347	115	224	-
2019						
Trade receivables (net)	8,690	6,040	1,298	676	676	-
Other receivables	866	866	-	-	-	-
Total	9,556	6,906	1,298	676	676	-

Note: The disclosures above exclude accrued income and statutory receivables (e.g. amounts arising to Victorian Government and GST credits).

The average credit period on sales of goods is 30 days. There are no financial assets that have their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 Other non-financial assets

	Notes	2020 \$'000	2019 \$'000
Current			
Prepayments		3,474	2,000
Inventories		-	3
Total other non-financial assets		3,474	2,003

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

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



Balances from Operations

5

5.3 Payables

	Notes	2020 \$'000	2019 \$'000
Current			
Contractual			
Supplies and services		11,720	14,432
Total receivables from contracts with customers		11,720	14,432
Statutory			
GST payable		1,188	1,063
FBT payable		24	24
Other taxes payable		695	696
Total current receivables		1,907	1,783
Total current payables		13,627	16,216

Payables consist of:

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

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

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

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.

5.3 Payables (cont.)

Ageing analysis of contractual payables	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2020						
Supplies and services	11,720	11,720	11,720	-	-	-
Total	11,720	11,720	11,720	-	-	-
2019						
Supplies and services	14,432	14,432	14,432	-	-	-
Total	14,432	14,432	14,432	-	-	-

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

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.

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



Balances from Operations

5

5.4 Contract liabilities

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

	Notes	2020 \$'000	2019 \$'000
Contract liabilities – student fees		3,823	5,311
Contract liabilities – fee for service		5,478	6,360
Contract liabilities – other		25,000	21,752
Total contract liabilities		34,301	33,423

Contract liabilities

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

5.5 Employee benefits in the balance sheet

	Notes	2020 \$'000	2019 \$'000
Annual leave		7,541	5,312
Long service leave		11,466	10,206
Total short-term benefits		19,007	15,518
Long service leave		2,787	2,217
Total long-term benefits		2,787	2,217
Total employee provisions		21,794	17,735

5.5 Employee benefits in the balance sheet (cont.)

The leave obligations cover The 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 \$19,007,000 (2019: \$15,518,000) is presented as current, since The TAFE does not have an unconditional right to defer settlement for any of these

obligations. However, based on past experience, The TAFE does not expect all employees to take the full amount of accrued leave or require payment 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 \$4.1M (2019: \$2.0M). The impact of COVID-19 is further discussed in Note 1.3.

The following amounts reflect short term benefits that are not expected to be taken or paid within the next 12 months:

	Notes	2020 \$'000	2019 \$'000
Unconditional and expected to wholly settle within 12 months		8,747	7,014
Unconditional and expected to wholly settle after 12 months		10,260	8,504
Total current employee provisions		19,007	15,518



Balances from Operations

5

5.6 Other provisions

	Notes	2020 \$'000	2019 \$'000
Make good provision		1,831	1,831
Total other provisions		1,831	1,831

Make good provision

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

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

Reconciliation of other provisions	Notes	2020 \$'000	2019 \$'000
Opening balance		1,831	357
Additional provisions recognised		-	1,474
Closing balance		1,831	1,831

How we Financed our Operations

6

6.1 Cash and deposits

	Notes	2020 \$'000	2019 \$'000
Cash at bank and on hand		99,746	94,264
Total cash and deposits		99,746	94,264

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

	Notes	2020 \$'000	2019 \$'000
Net result for the year		37,096	(8,572)

Non-cash movements

Depreciation / amortisation of non-financial assets	15,483	13,604
Net gain on sale of non-financial assets	(1,060)	(32)
Write off of work in progress	-	150
Notional interest on borrowings	19	-

Movements in assets and liabilities

Decrease in trade receivables	(1,091)	3,322
Decrease in inventories	3	159
Increase in other assets	(1,471)	(72)
Increase in payables	(2,589)	(4,857)
Increase in provisions	4,059	1,967
Increase in contract liabilities	878	28,423
Net cash flows from operating activities	51,327	34,092
Per cash flow statement	51,327	34,092

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



How we Financed our Operations

6

6.2 Borrowings

	Notes	2020 \$'000	2019 \$'000
Current			
Advances from Government		2,646	2,646
Non-current			
Advances from Government		147	128
Total borrowings		2,793	2,774

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 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 TAFE determines the classification of its interest bearing liabilities at initial recognition.

6.2 Borrowings (cont.)

Maturity analysis of borrowings	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2020						
Advances from Government	2,793	2,793	-	-	2,646	147
Total	2,793	2,793	-	-	2,646	147
2019						
Advances from Government	2,774	2,774	-	-	2,646	128
Total	2,774	2,774	-	-	2,646	128

The fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

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

	Notes	2020 \$'000	2019 \$'000
Balance at 1 January		246,762	246,762
Balance at 31 December		246,762	246,762

Funding that is 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.



How we Financed our Operations

6

6.4 Leases

Policy

At inception of a contract, the Institute 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

The 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, The 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 The TAFE is reasonably certain to exercise, lease payments in an optional renewal period if The TAFE is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless The 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 The TAFE's estimate of the amount expected to be payable under a residual value guarantee; or
- if The 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.

6.4 Leases (cont.)

Peppercorn leases

The TAFE has elected to apply the option available under AASB 16 which allows not-for-profit entities to not measure right of use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Following are the peppercorn leases held by the TAFE:

	Term valid until (incl options)	Lease rental
1. Land: Docklands Centre of Excellence - Stage 1	Year 2087	\$1
2. Land: Docklands Centre of Excellence - Stage 2	Year 2104	\$1
3. Basketball Stadium, Dimboola Road, Broadmeadows	Year 2034	Nil

Right of use assets

	Property \$'000	Vehicles \$'000	Total \$'000
2020			
Balance as at 1 January 2020	6,342	15	6,357
Disposals	-	(15)	(15)
Amortisation	(1,838)	-	(1,838)
Balance as at 31 December 2020	4,504	-	4,504
2019			
Balance as at 1 January 2019	8,180	27	8,207
Disposals	-	-	-
Amortisation	(1,838)	(12)	(1,850)
Balance as at 31 December 2019	6,342	15	6,357



How we Financed our Operations

6

6.4 Leases (cont.)

Lease liabilities	Notes	2020 \$'000	2019 \$'000
Maturity analysis - contractual undiscounted cash flows			
Within one year		1,665	1,618
Later than one year but not later than five years		2,334	4,002
Later than five years		-	-
Total undiscounted lease liabilities as at 31 December		3,999	5,620
Future finance charges		(131)	(268)
Total discounted lease liabilities as at 31 December		3,868	5,352
Current		1,310	1,480
Non-current		2,558	3,872
Total lease liabilities		3,868	5,352

Short-term and low value leases

The 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.

The TAFE recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Managing Risks and Uncertainties

7

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.

	Notes	2020 \$'000	2019 \$'000
Categories of financial instruments			
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits		99,746	94,264
Receivables		15,153	14,767
Other receivables		316	866
Total contractual financial assets		115,215	109,897
Contractual financial liabilities			
Loans and payables			
Supplies and services		11,720	14,432
At amortised cost			
Lease liabilities		3,868	5,352
Contract liability (Advances from Government)		2,793	2,774
Total contractual financial liabilities		18,381	22,558

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

Managing Risks and Uncertainties

7

7.1 Financial instruments (cont.)

Categories of financial instruments

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

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

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

The TAFE recognises the following assets in this category:

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

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

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

7.1.1 Financial risk management objectives and policies

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

The 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 The TAFE. The 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.

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

7.1 Financial instruments (cont.)

7.1.2 Credit risk

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

Credit risk is measured at fair value and is monitored on a regular basis. The 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 the TAFE's strict credit policies may only purchase in cash or using recognised credit cards.

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

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

In addition, the 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. The 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 the 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.



Managing Risks and Uncertainties

7

7.1 Financial instruments (cont.)

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

	Financial institutions (AA-rating) \$'000	Government agencies (AAA-rating) \$'000	Other counterparty \$'000	Total \$'000
2020				
Cash and deposits	99,746	-	-	99,746
Receivables	-	-	15,469	15,469
Total contractual financial liabilities	99,746	-	15,469	115,215
2019				
Cash and deposits	94,264	-	-	94,264
Receivables	-	-	15,634	15,634
Total contractual financial liabilities	94,264	-	15,634	109,898

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

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

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

7.1 Financial instruments (cont.)

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 36 months before 31 December 2020 and the past 24 months before 31 December 2019, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The 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.

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 \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired yes/no
31 December 2020				
Current (not past due)	3,562	0%	-	No
1-30 days past due	347	0%	-	No
31 - 60 days past due	17	0%	-	No
61 - 90 days past due	98	0%	-	No
More than 90 days past due	3,506	94%	3,282	Yes
	7,530		3,282	
31 December 2019				
Current (not past due)	8,000	0%	-	No
1-30 days past due	2,000	0%	-	No
31 - 60 days past due	1,000	0%	-	No
61 - 90 days past due	1,000	0%	-	No
More than 90 days past due	4,500	85%	3,825	Yes
	16,500		3,825	



Managing Risks and Uncertainties

7

7.1 Financial instruments (cont.)

Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and The 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 The 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, \$3.3M (2019: \$3.9M) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

The 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.

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

The 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;

- holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The 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 The TAFE's exposure, the TAFE's objectives, policies and processes for managing liquidity risk, or the methods used to measure this risk from the previous reporting period.

7.1.4 Market risk

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

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

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

Foreign currency risk

Foreign currency risk is the risk that the TAFE's operating result, cash flow or capital are negatively impacted by a change in foreign exchange rates. The TAFE has minimal exposure to foreign currency risk

Interest rate risk

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

7.1 Financial instruments (cont.)

The objective is to manage the interest rate risk to achieve stable net interest earnings. Management monitors movement in interest rates on a monthly basis.

There has been no significant change in the organisation's objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. However, the organisation is more exposed to a loss of net interest earnings driven by lower interest rates

set by the Reserve Bank of Australia, which is being directly passed on by the authorised deposit taking institutions holding the Institute's funds.

The organisation's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis table below:

Interest rate exposure of financial instruments	Weighted average interest rate	Carrying amount at 31 December \$'000	Interest rate exposure		
			Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
2020					
Financial assets					
Cash and deposits	0.95%	99,746	99,746	-	-
Trade receivables		15,153	-	-	15,153
Other receivables		316	-	-	316
Total financial assets		115,215	99,746	-	15,469
Financial liabilities					
Trade and other payables		11,720	-	-	11,720
Total financial liabilities		11,720	-	-	11,720



Managing Risks and Uncertainties

7

7.1 Financial instruments (cont.)

Interest rate exposure of financial instruments	Weighted average interest rate	Carrying amount at 31 December \$'000	Interest rate exposure		
			Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
2019					
Financial assets					
Cash and deposits	1.60%	94,264	94,264	-	-
Trade receivables		8,689	-	-	8,689
Other receivables		866	-	-	866
Total financial assets		103,820	94,264	-	9,556
Financial liabilities					
Trade and other payables		14,432	-	-	14,432
Total financial liabilities		14,432	-	-	14,432

Sensitivity analysis and assumptions	Carrying amount at 31 December	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
2020					
Financial assets					
Cash and deposits	99,746	(997)	(997)	997	997
Total financial assets		(997)	(997)	997	997
2019					
Financial assets					
Cash and deposits	94,264	(943)	(943)	943	943
Total financial assets		(943)	(943)	943	943

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.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Quantifiable contingent assets	2020 \$'000	2019 \$'000
Funding arrangements - (i)	5,330	34,500

(i) The TAFE has entered into funding agreements with the Department of Education and Training for revitalisation of the Bendigo City Campus. The release of these funds is contingent on the TAFE demonstrating that the agreed milestones have been achieved.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Quantifiable contingent liabilities	2020 \$'000	2019 \$'000
Bank guarantees (i)	377	377

(i) The amount disclosed comprises bank guarantees for the purposes of securing supply of rental premises from third parties on normal terms and conditions.



Managing Risks and Uncertainties

7

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

This section sets out information on how The 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, plant and equipment, vehicles, and leasehold improvements.

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

The 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.

The 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 The TAFE’s independent valuation agency.

Fair value determination of financial assets and liabilities

The 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

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

The TAFE, in conjunction with the Valuer-General Victoria, monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on Level 2 observable inputs and Level 3 unobservable inputs due to the nature and characteristics of The 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.

7.3 Fair value determination (cont.)

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

	Carrying amount at 31 December \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
2020				
Non-specialised land	-	-	-	-
Specialised land	107,482	-	-	107,482
Total land at fair value	107,482	-	-	107,482
Non-specialised buildings	-	-	-	-
Specialised buildings	224,353	-	-	224,353
Total buildings at fair value	224,353	-	-	224,353
Plant and equipment	12,799	-	-	12,799
Vehicles	88	-	-	88
Leasehold improvements	124	-	-	124
Land improvements	-	-	-	-
Total other assets at fair value	13,011	-	-	13,011



Managing Risks and Uncertainties

7

7.3 Fair value determination (cont.)

	Carrying amount at 31 December \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
2019				
Non-specialised land	-	-	-	-
Specialised land	109,037	-	-	109,037
Total land at fair value	109,037	-	-	109,037
Non-specialised buildings				
Specialised buildings	230,806	-	-	230,806
Total buildings at fair value	230,806	-	-	230,806
Plant and equipment				
Plant and equipment	11,832	-	-	11,832
Vehicles	120	-	-	120
Leasehold improvements	150	-	-	150
Land improvements				
Total other assets at fair value	12,102	-	-	12,102

7.3 Fair value determination (cont.)

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.

(b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases

and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

For the year ending 31 December 2020 the TAFE conducted a managerial review based on the Valuer-General Victoria indexation factors. As part of the review, the impact of the following factors were also considered (if any):

- assumptions made about the future
- source of estimation uncertainty
- the nature or class of assets impacted
- the carrying amount of the assets subject to the significant uncertainty; and
- expected resolution of the uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts.

Based on the review, there were no material changes to the fair value noted.

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

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2017. Valuation of the assets was determined by analysing comparable sales and allowing for share,



Managing Risks and Uncertainties

7

7.3 Fair value determination (cont.)

size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

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

Specialised land and specialised buildings: the market approach is also used for specialised land, although is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

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

For The TAFE’s majority of specialised buildings, the depreciated replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. 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 The 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.

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

Motor vehicles are valued using the depreciated replacement cost method. The 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 in the TAFE who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

7.3 Fair value determination (cont.)

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.

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

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

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

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	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
Leasehold improvements	Depreciated replacement cost	Useful life of lease



Governance Disclosures

8

8.1 Responsible persons

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

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

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MLC	1 January 2020 to 31 December 2020
Chief Executive Officer (Accountable Officer)	Ms Sally Curtain	1 January 2020 to 31 December 2020
Board Member	Mr Peter Harmsworth AO	1 January 2020 to 31 December 2020
Board Member	Ms Anne Brosnan	1 January 2020 to 31 December 2020
Board Member	Mr Michael McCartney	1 January 2020 to 31 December 2020
Board Member	Ms Margaret O'Rourke	1 January 2020 to 31 December 2020
Board Member	Dr Margaret Salter	1 January 2020 to 31 December 2020
Board Member	Ms Katrina Lai	1 January 2020 to 31 December 2020
Board Member	Prof Hal Swerissen	1 January 2020 to 31 December 2020
Board Member	Ms. Cheryl Woolard	1 January 2020 to 31 December 2020
Board Member	Mr Ajay Ahir	1 January 2020 to 31 December 2020

8.1 Responsible persons (cont.)

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of The TAFE during the reporting period was in the range: \$350,000 – \$360,000 (2019: \$470,000 – \$480,000). 2019 remuneration includes remuneration of three Accountable Officers (Trevor Schwenke, Phill Murphy and Sally Curtain). Termination benefits in the range of \$100,000 – \$109,999 paid to Trevor Schwenke also included in the 2019 remuneration.

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

Income range	2020	2019
\$10,000 – \$19,999	-	1
\$20,000 – \$29,999	-	2
\$30,000 – \$39,999	7	5
\$60,000 – \$69,999	1	1
\$70,000 – \$79,999	-	2
\$90,000 – 99,999	-	1
\$120,000 – \$129,999	1	-
\$180,000 – \$189,999	-	1
\$210,000 – \$219,999	-	1
\$350,000 – \$359,999	1	-
Total number	10	14
Total remuneration (\$'000)	790	944

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



Governance Disclosures

8

8.2 Remuneration of executives

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

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

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

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

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

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

	2020	2019
	\$'000	\$'000
Remuneration		
Short-term employee benefits	2,310	2,055
Post-employment benefits	214	198
Termination benefits	-	279
Total remuneration	2,524	2,532
Total number of executives	12	11
Total annualised employee equivalents (i)	11	10.4

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

8.3 Related parties

Related parties of Bendigo Kangan Institute 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 departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

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

Transactions with related parties

There were no other transactions nor loans between the TAFE and responsible persons and their related parties during the financial year.

Transactions and balances with key management personnel and other related parties

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

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Related party transactions				
Melbourne Polytechnic	6,880	4,000	12	558
Box Hill Institute	562	1,083	82	279

Key management personnel of the TAFE include the Minister for Higher Education and Minister for Training and Skills, the members of the Board, Chief Executive Officer, and members of the Executive Committee.

The compensation detailed below excludes the salary and benefits received by the Minister for Training and Skills. The Minister's remuneration and allowances is reported within the Department of Parliamentary Services' Financial Report.

	2020	2019
	\$'000	\$'000
Compensation of key management personnel		
Remuneration		
Short-term employee benefits	3,032	2,821
Post-employment benefits	282	274
Other long-term benefits	-	-
Termination benefits	-	381
Total remuneration	3,314	3,476

Transactions and balances with key management personnel and other related parties.

The TAFE had no related party transactions for the period ending 31 December 2020.



Governance Disclosures

8

8.4 Remuneration of auditors

	2020 \$'000	2019 \$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	65	65
Total remuneration of the Victorian Auditor-General's Office	65	65
Remuneration of other auditors		
Internal audit services	224	197
Total remuneration of other auditors	224	197
Total	289	262

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

Other Disclosures

9

9.1 Other economic flows included in net result

	2020 \$'000	2019 \$'000
(a) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	11	(433)
Total net loss on financial instruments	11	(433)
(b) Other gains/(losses) from other economic flows		
Net loss arising from revaluation of long service leave liability	(187)	(410)
Net loss arising from revaluation of annual leave liability	(6)	(9)
Net gain on non-financial assets (including PPE and intangible assets)	1,060	32
Total other gains/(losses) from other economic flows	867	(387)
Total other economic flows included in net result	878	(820)

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

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

- gains and losses from disposals of non-financial assets (refer to Note 4.1);
- revaluations and impairments of non-financial physical and intangible assets (refer to Note 4.1 and Note 4.2);

- remeasurement arising from employee benefits (refer to Note 3.1); and
- fair value changes of financial instruments (refer to Note 7.3).

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



Other Disclosures

9

9.2 Other equity reserves

	2020 \$'000	2019 \$'000
Physical asset revaluation surplus		
Balance at 1 January	137,195	134,925
Revaluation increment/(decrement) on non-current assets	-	2,270
Reversal of impairment losses	(4,881)	-
Balance at 31 December	132,314	137,195

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

9.3 Events after reporting date

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

9.4 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises The TAFE of their applicability and early adoption where applicable.

As at 31 December 2020, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2021 that are expected to impact The TAFE other than those listed below (if applicable):

9.5 New or amended Accounting Standards and Interpretations adopted

9.5.1 Service Concession Arrangements

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective.

It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;

- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and

- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the entity's assessment, there is no impact on the transactions and balances recognised in the financial statements as the entity is not a grantor in a service concession arrangement.

Transition accounting

The assessment has indicated that there will be no significant impact for the TAFE.

9.6 Transition impact on financial statements

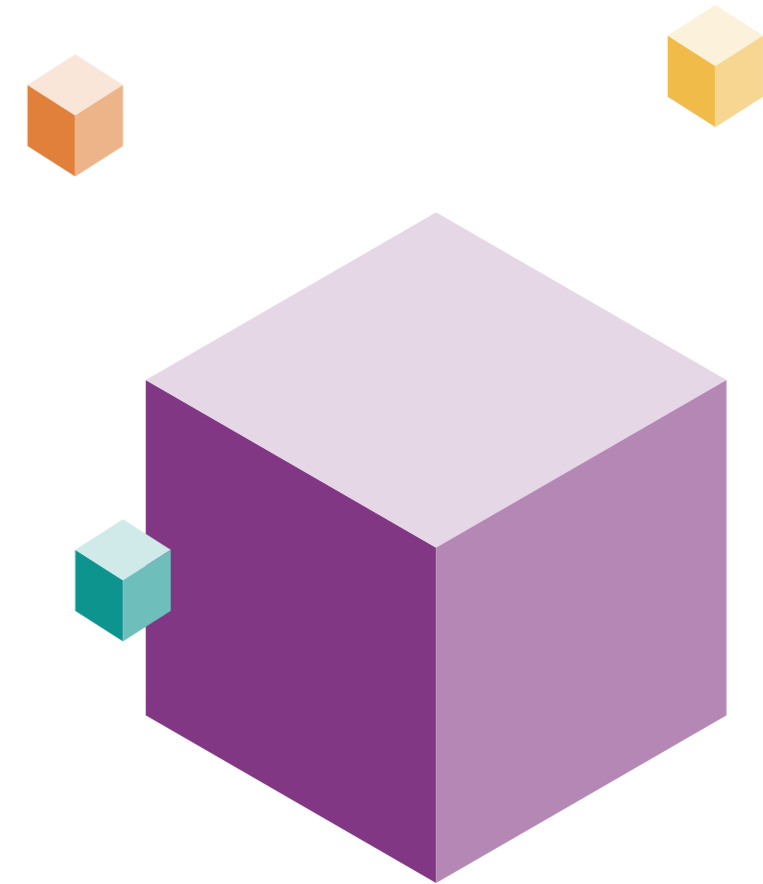
The following accounting standards were adopted for the first time, from 1 January 2019:

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

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



Performance Statement for the year ended 31 December 2020



Performance Statement

FOR THE YEAR ENDED 31 DECEMBER 2020



Independent Auditor's Report

To the Board of the Bendigo Kangan Institute

Opinion	<p>I have audited the accompanying performance statement of the Bendigo Kangan Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2020 • the management certification. <p>In my opinion, the performance statement of the Bendigo Kangan Institute in respect of the year ended 31 December 2020 presents fairly, in all material respects.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
21 March 2021

Charlotte Jeffries
as delegate for the Auditor-General of Victoria



Declaration

BY BOARD CHAIR, CEO AND CFO ON PERFORMANCE STATEMENT

Bendigo Kangan Institute
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020
DECLARATION BY BOARD CHAIR
CHIEF EXECUTIVE
AND CHIEF FINANCE OFFICER

In our opinion, the accompanying Statement of Performance of Bendigo Kangan Institute, 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.

Mr Peter Harmsworth AO, Board Chair

16 March 2021

Melbourne

Ms Sally Curtin, Chief Executive Officer

16 March 2021

Melbourne

Melissa Chalker, Chief Finance Officer

16 March 2021

Melbourne

Performance Statement

2020

Indicator title	Description and methodology	Metric	2020 Actual	2020 Target	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue split by Government funded and Fee for Service				- Training revenue outperformed targets in 2020 in VTG and Student Fees & Charges but underperformed in FFS - VTG revenue outperformed targets due to Department support to subsidise reduced attendance due to COVID19, this resulted in revenue diversity being weighted towards VTG revenue. - FFS revenue targets were not achieved as a direct impact of COVID19 on 3rd party arrangements and international border restrictions. - SF&C administrative improvements resulting in reduced Fee Waivers	
	Training revenue split by:					
	Victorian Training Guarantee (VTG)	%	50.3%	44.2%		
	Fee for Service (FFS)	%	42.3%	49.0%		44.1%
	Student Fees & Charges(SFC)		7.4%	6.8%		9.2%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue (VTG and FFS) <i>Employment costs + 3rd party training delivery costs / Training Revenue</i>	%	83.8%	90.8%	Decreased employment costs as a percentage of training revenue driven by a combination of higher training revenue versus targets and lower employment costs due to vacancies during 2020	79.8%
Training revenue per teaching FTE*	Training Revenue (excl. revenue delivered by third parties) per Teaching FTE* <i>Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*</i>	\$	\$296,979	\$300,638	Lower revenue per Teaching FTE driven by increase in teaching FTE due to the conversion of number of sessional teachers ongoing across the Institute.	\$285,595
Operating margin percentage	Operating margin % <i>EBIT excluding Capital Contributions) / Total Revenue (excl Capital Contributions)</i>	%	4.9%	-11.3%	Higher training revenue and other revenue from Department support and grants have resulted in an improved operating margin.	-6.4



Disclosure Index

Report of operations

Item no.	Source	Summary of reporting requirement	Page
1	FRD 22H 5.4 a	Manner of establishment and the relevant Minister	2, 24 - 25
2	FRD 22H 5.4 b 5.5	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	14, 15 & 28-53
3	FRD 22H 5.4 c	Nature and range of services provided including the communities served	20 - 23
4	FRD 22H 5.4 d 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	18-19
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	N/A
7	FRD 10A	Disclosure Index	148
8	FRD 17B	Wage inflation and discount rates for employee benefits	90-91
9	FRD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements	15, 34-51
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	57-58
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	54-56
12	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	16-17
13	FRD 22H 5.11 b	Summary of significant changes in financial position	17
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	34-51
15	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	140
16	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	59
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	12-13, 16-17
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	48
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	65

Report of operations

Item no.	Source	Summary of reporting requirement	Page
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 <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform	61
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	60
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	59
23	FRD 22H 5.18 h	Summary of Environmental Performance.	62-63
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 • 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	65
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	59
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).	65
27	FRD 25D	Local Jobs First	64
28	AASB 16	Leases	116-118
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.	60
30	FRD 119A	Transfers through contributed capital	76
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	69



Disclosure Index

Report of operations

Item no.	Source	Summary of reporting requirement	
32	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	12-13
33	CG 10 Clause 27	Summary of Major Commercial Activities.	65
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. 	69
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. 	69
37	FRD 30D	Rounding of Amounts	79
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament 	2, 25
39	FRD 11A	Disclosure of ex-gratia payments	N/A
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	134-137
41	FRD 102A	Inventories	N/A
42	FRD 103H	Non-financial physical assets	96-100
43	FRD 105B	Borrowing costs	N/A
44	FRD 106B	Impairment of assets	96-102
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	101-102
47	FRD 110A	Cash flow statements	77-78

Financial report

Item no.	Source	Summary of reporting requirement	Page
48	FRD 112D	Defined benefit superannuation obligations	91
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
50	FRD 114C	Financial instruments	119-126
51	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period	67-141

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</i> (ETRA) 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> 	2
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	61
54	Policy	Statement that the TAFE institute complies with the <i>Victorian Public Service Travel Policy</i>	53
55	Key Performance Indicators	See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting. Institutes to report against: <ul style="list-style-type: none"> Employment costs as a proportion of training revenue; Training revenue per teaching FTE; Operating margin percentage; Training revenue diversity. 	147

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. 	22, 26, 52-53, 85
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Bendigo Kangan Institute
—Annual Report 2020

