



BENDIGO KANGAN INSTITUTE
**Annual Report
2024**



Acknowledgement of Country

Bendigo Kangan Institute acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of the cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.



Our new Health and Community Centre of Excellence in Broadmeadows.

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Message from the Board Chair

As Board Chair of Bendigo Kangan Institute, I am pleased to present our 2024 Annual Report, marking a significant milestone in our journey of growth and transformation.



This year saw the successful conclusion of our *2020>2025 Strategic Plan*, which has guided us through unprecedented challenges and opportunities.

Our staff and students continued to excel in 2024 on national and international stages. We celebrated success at the World Federation of Colleges and Polytechnics' Awards of Excellence, Auscontact Excellence Awards, AUS-TAFE Culinary Trophy competition, Australian Automotive Aftermarket Association Expo, Victorian Baking Trade Show and Master Builders Association of Victoria Bendigo.

Additionally, we are proud of the individual achievements of former Board Chair Margaret O'Rourke and our educator Geraldine Anderson who received Medals of the Order of the Australia acknowledging their commitment to community and vocational education.

We made significant progress on our major capital works projects along Victoria's northern growth corridor, ensuring we continue to meet the evolving needs of our communities and industries in these rapidly expanding communities. We completed construction of our \$60 million Victorian Government funded Health and Community Centre of Excellence in Broadmeadows, with classes commencing in 2025.

In Sunbury, the location of our new campus was announced and courses were introduced at the Hume Global Learning Centre to ensure locals had access to in-demand skills while we build the campus. We continued to advance our Hume Tech School, Melton Campus and the Castlemaine Community Health and Learning Hub alongside Dhelkaya Health, from facility design right through to new industry, community and educational ties.

We worked towards developing our *Innovate Reconciliation Action Plan 2024-2026*, deepening our commitment to First Nations peoples and the significant role education plays in fostering reconciliation and empowering communities. Our efforts in this area were recognised at the Victorian Training Awards and the Wurreker Awards, affirming our progress in creating inclusive and culturally responsive learning environments.

After five years of intensive transformation, we ended the year with a positive EBITDA* result of \$7.1 million (excluding capital contributions), which you can read more about on page 35. We have a challenge ahead to scale our delivery to operate new facilities in new communities in a fluctuating economic environment. Increasing costs and rapidly evolving skill demands will place pressure on our financial sustainability as we continue to operate in a complex, highly challenging educational and economical environment.

*EBITDA refers to earnings before interest, tax, depreciation and amortisation and excludes other economic flows (OEF).

Looking ahead, the Board has developed our *2030 Strategic Plan*, focusing on growth for impact as an integrated skills provider. This forward-thinking plan builds on our achievements and sets an ambitious course for the coming years, emphasising innovation, industry partnerships, and responsive education and skills delivery. We've identified key areas for growth to deliver high-demand and emerging skills. To achieve this, we'll invest in our people and communities, modern facilities, leading-edge technology, innovative learning methods and diverse skilling opportunities.

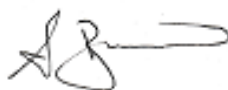
Our plan aligns with Victorian Government and TAFE priorities, with environmental sustainability, housing, care and digital innovation at the forefront. I acknowledge our dynamic leaders and passionate staff, as well as the Victorian Government, partners and stakeholders whom we've engaged with to develop our strategic plan, one that will guide our journey to setting new benchmarks in skills and vocational education. It is through our successful relationships and collaborations with industry, educators, government and community that we can have meaningful, positive impact.

I would like to express my sincere gratitude to our outgoing Board Chair, Margaret O'Rourke OAM, whose leadership has been instrumental in guiding Bendigo Kangan Institute through a period of significant change and achievement.

Margaret's vision and dedication have left an indelible mark on our organisation. I also welcome our new Board member Craig Niemann; his insights and experience across Victoria's north west will be invaluable during this pivotal time for our organisation.

Our success is a testament to the collective efforts of many. I extend my sincere thanks to all our Board members and CEO Sally Curtain whose strategic acumen and operational expertise have been crucial in realising our goals. To our executive team and staff – your unwavering commitment and hard work have been the driving force behind our accomplishments.

We are a modern, agile organisation, delivering future-ready skills, training and assessment solutions, as well as lifelong learning opportunities. As we embark on our new strategic journey, I am confident that Bendigo Kangan Institute is well-positioned to continue its vital role in shaping the skills landscape of our state. We remain dedicated to empowering learners, supporting industries, and delivering a job-ready workforce that is ready to drive a new future in Victoria and beyond.



Sharan Burrow AC

BOARD CHAIR

21 February 2025



Bendigo Kangan Institute Board in December 2024.

Message from the Chief Executive Officer

2024 has been filled with purpose and activity, marked by significant achievements and strategic advancements at Bendigo Kangan Institute.

As we navigated the final stages of our *2020>2025 Strategic Plan*, we're reminded of how far we've come, the transformation we've undergone, the challenges we've overcome, and our continued focus on adapting, innovating, and expanding our offerings.

This year we solidified our four-year foundation. Our persistence to improve every part of our organisation, from capabilities to processes, has led to impressive outcomes. But it's not just about results; it's about the lives we touch, the pathways we create, and the futures we shape.

We've worked hard to strengthen our connections with students, customers, industries, and communities and evolve to meet their needs, positioning Bendigo Kangan Institute as a leading integrated skills provider, with a state, national and international reach.

In 2024 we trained close to 37,000 students, a diverse and vibrant group of students including strong numbers of FREE TAFE students and became Victoria's largest apprenticeship and traineeship provider through new partnerships.

We completed more than 62,000 skills assessments and hosted our first Allyship conference for skilled migration experts, reinforcing our role in supporting Australia's skilled migration.

This year we became the largest provider of corrections education in the state, through an intensive and competitive process. I'm immensely proud of this work which creates education opportunities for those in the justice system, helping to reduce recidivism.



Meanwhile, we've been on a mission to push the boundaries of education and training, making skills and training more accessible, relevant and impactful.

Our innovative new Health and Community Centre of Excellence in Broadmeadows, was completed on time and on budget, thanks to a \$60 million investment from the Victorian Government. We will offer the most in demand health and community courses, the latest technology, the best teachers and industry partners with unparalleled practical environments so students can maximise their learning.

Inclusivity has been at the heart of what we do this year, too. We launched a regional-first female and gender-diverse construction course in Castlemaine—offering opportunities to women in a sector that has long been underrepresented. By forging partnerships with SheForce and the Level Crossing Removal Project, we provided women the training and the confidence they need to shape the future of Victoria's infrastructure. Our efforts to encourage inclusivity progressed through a new partnership with Spectrum Migrant Resources Centre which aims to improve training and employment opportunities for migrants and refugees.

To be at the forefront of digital innovation, we developed new digital micro-credentials and expanded our industry-aligned courseware to give the right skills to students and customers when they need them.

We're developing future campuses in Castlemaine, Melton and Sunbury which are on track to become leading training hubs for care, construction and trades, clean economy and digital skills in growing communities.

Student and customer experience remains at the heart of what we do. Nearly 3,000 or 17% of our students have benefitted from our support services in 2024 and student satisfaction has risen to 80%, surpassing the state network average. Our new education model, placing learners at the centre, and the appointment of inspiring student ambassadors are key to this progress.

Our ambitions grew in 2024 guided by a clear focus on meeting government's skills priorities and responding to the ambitions of the University Accord. We were honoured to be announced as one of three vocational institutions selected for the Australian Skills Quality Authority's self-accreditation pilot. We're developing an Advanced Diploma of Digital Innovation through this pilot to help meet Australia's growing need for tech talent.

We've also committed to environmental sustainability goals. Aligned with both state and national objectives, we're planning to be net-zero by 2045. With our expertise in electric vehicle training, we've partnered with the Australian Manufacturing Workers' Union to offer an innovative course on battery electric bus safety. Lastly, we are leading an Australian-first to develop training packages for hydrogen vehicles.

Thanks to a \$1.182 million investment from the Commonwealth Government, we are proud to lead development of an aspirational masterplan for Bendigo East Urban Renewal Precinct, making us reliable and progressive partners with government, industry and community.

We're committed to digital empowerment across our organisation and this year we brought together a world class panel of experts to form our inaugural Digital Advisory Committee, ensuring we are not just keeping with change, but leading it too.

As we look back on the year, we're proud to see both employer satisfaction with our training (72.7%) and the improvement in job-specific skills (74.8%) rise from 2023. These are the true markers of success—the real impact of our work.

Over the past 12 months we've built bridges globally, engaging with countries like India, France, China, and Cambodia that reflect our shared commitment to progress. Leveraging our mode for success with India, we signed agreements with Cambodia's Ministry of Labor and Vocational Training and RMA Group to drive excellence in automotive vocational training—empowering the future of young workers in the region.

We've worked closely with federal and state government leaders to shape policies that support skills and migration, joining the Premier of Victoria, the Hon Jacinta Allan MP in a higher education delegation to India.

Internally we invested in our people, enhancing our culture and employee experience. With 92% of staff saying they achieve something important through work, we're proud of the engaged workforce we've built. In 2024 we held our inaugural leadership and all-staff conferences, implemented our Respect and Equality Action Plan, received recognition by the Mental Health First Aid Australia and WorkSafe Victoria Awards for our mental health commitment to staff.

As we look to the future, I would like to extend a warm welcome to our new Board Chair, Sharan Burrow AC, and thank outgoing Chair, Margaret O'Rourke OAM, for her remarkable leadership. We have big ambitions for the future and with the support of the Board, Bendigo Kangan Institute has developed its *2030 Strategic Plan*. Central to the strategy is the idea of growth for impact. This is about how we build on strong foundation of the past five years to scale our organisation, and ensure that growth leads to meaningful, sustainable influence on the lives of all our people, industries, sectors, communities.

I am optimistic about the opportunities ahead and energised by our capable and dedicated team, innovative programs and strong partnerships that will prepare us for the future.



Sally Curtain
CHIEF EXECUTIVE OFFICER
21 February 2025

01

About Bendigo Kangan Institute

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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.



Mission

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

Values



Passion



Accountability



Collaboration



Client
Experience



Respect



Integrity

Businesses and campuses

Bendigo Kangan Institute is an integrated skills provider that brings together education, assessment and learning. We have an impressive 150-year history that helps inform our future.

A proud member of the Victorian TAFE Network, Bendigo Kangan Institute brings together Bendigo TAFE, Kangan Institute, VETASSESS and eWorks, to connect people and industries with the transformative power of education and careers. Through this, we change lives, strengthen communities, empower workforces, and support industries to grow and thrive.

We deliver impact through:

- ▶ Nine TAFE campuses in Victoria
- ▶ More than 200 courses in high priority areas
- ▶ Four Centres of Excellence in automotive, health and community, and food and fibre
- ▶ Two Indigenous Education Centres
- ▶ Three Skills and Jobs Centres
- ▶ Delivering training across Victoria through our workplace delivery model
- ▶ Largest vocational education and training provider for Victorian corrections facilities
- ▶ Delivering innovative vocational education and VCE programs for senior secondary
- ▶ Developing high-quality courseware for the sector
- ▶ Largest skills assessment authority in Australia, assessing and recognising skills for migrants from across the globe
- ▶ Delivering training internationally through partnerships with overseas training institutes



Provider of vocational education and training in regional Victoria.



Provider of vocational education and training in metropolitan Melbourne.



Australia's leading authority in qualifications and skills assessment, providing educational services, consultancy, and assessment services.



Provider of holistic online solutions and e-learning systems for organisations and education providers.

Delivering impact through 9 Victorian TAFE campuses



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Year in Review

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2024 by the numbers



36,917

STUDENTS TRAINED

(including corrections delivery)



2,180

**NEW APPRENTICES
AND TRAINEES**



80%

**STUDENT
SATISFACTION**

- above Vic average

**AVERAGE
STUDENT
AGE OF**

29

Students from

142

COUNTRIES



6,177

**FREE TAFE
STUDENTS**



2,926

**STUDENTS
BENEFITED FROM
SUPPORT SERVICES**

(excluding corrections
delivery)



9,298

**SKILLS AND JOBS
CENTRE VISITS**



62,000+

**SKILLS
ASSESSMENTS
COMPLETED**

200+



**COURSES
IN HIGH
PRIORITY
AREAS**



17

AWARDS



4

**CENTRES OF
EXCELLENCE**



9

CAMPUSES
and 4 building
projects underway



180+

**NEW INDUSTRY
PARTNERSHIPS**



72.7%

**EMPLOYER
SATISFACTION**

– up from last year



74.8%

**OF EMPLOYERS
SAW AN
IMPROVEMENT
IN JOB SPECIFIC
SKILLS**

– up from last year



1,400+ staff

92%

**OF STAFF SAY
THEY ACHIEVE
SOMETHING
IMPORTANT
THROUGH WORK**

2020>2025 Strategic Plan

To achieve our vision of becoming a nationally renowned education institute, we recognised the need for significant transformation.

Our 2020>2025 Strategic Plan was designed to enhance our efficiency, effectiveness, and organisational capacity. This plan enabled us to better address current skill demands and prepare for future challenges.



Strategic goals

To achieve our vision, we developed seven strategic goals that would define our ambitions:

- ▶ Making the student the central focus of what we do
- ▶ Becoming recognised as a strong and responsive partner with industry
- ▶ Building innovative training resources and practices
- ▶ Maintaining a highly professional, efficient and engaged workforce and organisation
- ▶ Becoming a financially sustainable TAFE
- ▶ Building a reputation for academic quality and relevance with students and industry
- ▶ Capturing a bigger and more diverse market share



Activity streams

We set out six activity streams to guide the delivery of all the work, programs and projects across the organisation.

- 1 Improve our offering
- 2 Improve our experience
- 3 Improve our places
- 4 Digitally enable our operations
- 5 Build a united TAFE
- 6 Build a professional and financially sustainable organisation





Closing out the strategy

As the last year of the strategy, we transitioned into our new way of operations in 2024, closed out our strategic horizon and set in place a strong foundation to propel our organisation forward.



Our impact over the last five years

Employee engagement improved from

59% TO 69%

against a target of 70%



Student employment status improved from

46.7% TO 54.8%

against a target of 47.9%

DIGITAL TRAINING

x3 in new enrolments

HEALTH AND CARE TRAINING

+5% new enrolments



IMPROVED OUR PLACES

- ▶ Bendigo City Campus Revitalisation
- ▶ New Essendon Health Hub
- ▶ New Trades + Skills Centre (Broadmeadows)
- ▶ New Health and Community Centre of Excellence (Broadmeadows)
- ▶ New VETASSESS office

CLEAN ENERGY

- ▶ **+29%** new students trained in electrical and renewable energy
- ▶ **+35% growth** in electric and hybrid vehicle course offerings



16 new and improved systems



BEGAN WORK ON

- ▶ Community Health and Learning Hub (Castlemaine)
- ▶ Hume Tech School
- ▶ Sunbury Campus
- ▶ Melton Campus

x2

DOUBLED IN SKILLS ASSESSMENTS

FIRST NATIONS STUDENTS

+50% NEW ENROLMENTS

LEARNERS WITH DISABILITY

+46% NEW ENROLMENTS

LARGEST APPRENTICE PROVIDER IN VICTORIA

A new direction – 2030 Strategic Plan: Growth for impact

Our 2030 Strategic Plan: Growth for impact sets our direction and priorities for the next five years (and beyond) to become a larger, more dynamic and impactful organisation.

The development of this plan has been driven by deep engagement with staff, the Victorian Government, partners and stakeholders with the vision to become Australia's leading skills provider. The *2030 Strategic Plan* will ensure that the work we do is at the heart of skills and training. That we are a modern, agile organisation delivering future-ready skills, training and assessment solutions as well as lifelong learning opportunities that changes lives.

The 2030 Strategic Plan is guided by four key pillars that will help us grow our organisation and our ability to deliver impact.

1

Students and customers

High quality services so every student and customer can take their next step

2

Skills and solutions

Innovative solutions and partnerships that shape industries, education and assessment

3

Our people and communities

Empowering and enabling our people and communities to thrive

4

Organisational sustainability

A leading and sustainable skills organisation

This is an ambitious plan for our future with progressive priorities and actions that outline what's required to meet our aspirations and that we will report against in 2025.

This will ensure we improve our organisational capabilities and contribute to closing the skills gap, providing industry with the workforce they need and providing people with the skills that lead to improved outcomes.



Delivering on our *2020>2025 Strategic Plan*

1 Improve our offering

See Page 18

2 Improve our experience

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3 Improve our places

See Page 23

4 Digitally enable our operations

See Page 25

5 Build a united TAFE

See Page 27

6 Build a professional and financially sustainable organisation

See Page 30



Improve our offering



We joined the Cremorne Digital Hub, strengthening delivery to our digital students.

Improved our digital offerings

We introduced digital courses at more campuses, including expanding information technology and cyber security offerings at Cremorne and Broadmeadows campuses respectively. We also joined industry and other educational partners as a strategic partner of the Cremorne Digital Hub, which aims to address skill gaps in the digital industry through innovative solutions.

Responding to emerging skill needs

We launched a clean economy plan, with a stronger emphasis on future skills to meet emerging needs and enhance the sustainability of our organisation.

We progressed development of new programs in artificial intelligence, robotics, data analytics, electric vehicles, renewable energy and hydrogen fuel cell vehicles. A short course in battery electric bus safety for non-technicians was introduced in collaboration with Australian Manufacturing Workers Union. New industry partnerships for the development of hydrogen vehicle training and residential and commercial electric vehicle charging infrastructure were developed, driving our role as a lead provider of clean energy training.

The delivery model of our individual support and early childhood education and care course has been improved and now incorporates traineeships.

“It’s like getting skills for the future. I can work confidently in the EV sector now.”

MOHAMMAD JANOO



Mohammad Janoo, a supervisor from Kinetic, completed electric vehicle (EV) training with us.

Excavator simulators introduced

Simulated excavators are now onsite at Charleston Road Campus thanks to the Victorian Government's workforce training innovation fund. This future focused equipment will provide landscape construction students with scenario-based training and skill optimisation across different machinery.

Upgrades to engineering delivery

Students gained access to training with new robot and collaborative robot (cobot) welders, an axis milling machine and a computer numerical control (CNC) lathe in our engineering workshops at Charleston Road Campus, thanks to the Victorian Government's regional and specialist training fund. We also developed an improved blended learning model comprising online resources and practical activities, with new laptops to support online learning. An engineering industry reference group was established to enhance collaboration.

Breaking gender norms in construction

In a regional first we commenced enrolments for a new female and gender diverse construction course in Castlemaine. The course will start in 2025 and be predominantly taught by trainers who are also female and gender diverse, providing learners with a safe and inclusive learning environment.

Training in Sunbury commenced

Course offerings to the Sunbury community have been expanded through introduction of courses at Hume Global Learning Centre while our new TAFE campus is being built. Courses include training and assessment and English as an additional language.

Improving learning through digital advancements

Through our digital learning approach, priorities are underway to develop our digital systems and learning ecosystem. This includes improvements to the student learning management system and portal to improve the student experience, technologies to increase engagement and building pathways towards Education 4.0.

New microbrewery

Training began at our new microbrewery. Our food processing (brewing) students can now gain practical skills across the entire production process at our Charleston Road Campus in Bendigo.



Students began learning in our new microbrewery.

Accreditation programs launched

New accreditation programs have been introduced to meet skill and qualification needs through new and innovative methods. This includes digital badges for customer service leaders alongside the Customer Service Industry Association and digital marketing credentials alongside the Australian Marketing Institute.

We continued to drive growth by launching an innovation framework to guide our activities through VETASSESS.

Expanded online solutions and e-learning systems

We continued to lead online resource development for TAFEs, including working with SuniTAFE and the Gordon to digitise units of competency and assessment.

We launched our first digital micro credentials, developed alongside The Salvation Army, for emerging leaders within the community sector. This industry-aligned courseware led us to securing a strategic partnership with safety management consultancy, Fusion Safety Management, to develop three e-learning micro credentials designed for the global market.

Expanding skills assessments

We received our second highest number of skills assessment applications in a year. This follows record breaking figures in 2023 after Australia's borders re-opened post-COVID.

We reduced assessment times for professional and trade occupations and gained more occupations to assess for designated area migration agreements. We are now assessing 692 occupations for 12 regions in six states and territories.

With growth in mind, we strengthened collaboration with key partners, hosting our first Allyship conference for skilled migration decision makers from government, industry, migration agents and assessing authorities.



Our first Allyship conference brought skilled migration experts together.



We welcomed the High Commissioner of India, His Excellency Gopal Baglay, to Australia at our health training facility in Bendigo.

Improve our experience

Enhanced support for students

We expanded our student support team, improving student access to support by welcoming more counsellors and accessibility support officers, as well as implementing a new disability transition officer program.

New initiatives were developed in line with students' needs, including the establishment of four dedicated service delivery hubs to help provide a more tailored student experience. Wellbeing sessions for nursing students were held to address unique challenges in academic and clinical settings, and specialised sessions to youth cohorts on suicide prevention and self-harm awareness alongside Headspace.

We implemented a Grab n Go program at Broadmeadows Campus and partnered with Hume City Council to deliver a breakfast club for students experiencing food insecurity. More than 1,200 kilograms of food were also distributed to students in Bendigo alongside FoodShare.

Thanks to community grants, we delivered a digital skills literacy program, a Bendigo-based breakfast club and a climate adaptation youth program with Banksia Gardens.

Our new student clubs – English Conversation Club, Computer Club, and Victorian Certificate of Education Breakfast Club – supported more than 800 students across Broadmeadows, Docklands and Bendigo campuses. Orientation programs, including new in-class introductory sessions, reached approximately 1,200 students.



We welcomed Elias Hamwi and Katerina Tsaousi as student ambassadors.

Child safety review completed

A child safety working group was established alongside a review of our child safety materials and practices, and development of a child safety culture roadmap which will be launched next year.

Upgraded systems and processes

We continued to upgrade systems and processes to improve the student experience, including enhancing library catalogue browsing, renewing and reservation functions, and introducing a library ChatBot. We also restructured our support hotline, centralising services to improve call flow efficiency, reduce wait times and access to information.

We also completed a system enhancement of our learning management system, Moodle, to remove duplication and standardise development and delivery of courseware.

Created positive experiences

A dedicated student experience team was set up to lead student clubs and events across campuses. More than 4,000 students attended student experience and wellbeing events, including Wear It Purple Day, Disability Pride Month and R U OK Day. These days of significance were also recognised through staff events.

We also recruited our first student ambassadors to strengthen student representation across our events and activities in metro and regional locations.



We marked Disability Pride Month with students and staff.

Progressed health, safety and wellbeing

Close to 150 staff received training to become mental health first aiders, with trades educators provided mental health training to better support apprentices. A community of practice was established for our first aiders to connect and support each other. These initiatives contributed to our recognition as a Mental Health First Aid Australia skilled workplace and finalist for the 2025 WorkSafe Awards.

New learning experiences

We enhanced learning experiences through new ways, such as hosting a sport and nature themed art festival at Broadmeadows Campus for students with mild intellectual disabilities. This project was made possible through funding from the Victorian Government Department of Families, Fairness and Housing alongside Hume Valley Special School. Students were able to gain essential skills in a safe and supported environment.



Our mental health initiatives involving staff across the organisation gained national recognition.

Improve our places



Sunbury Campus location announced

The site of our new \$25 million Victorian Government funded campus in Sunbury was unveiled. Spanning almost 3,000 square meters and located close to the town centre and public transport at 7 Evans Street and 2-4 O'Shanassy Street, the new campus is set to open in mid-2028.

We unveiled the location of our new Sunbury Campus.

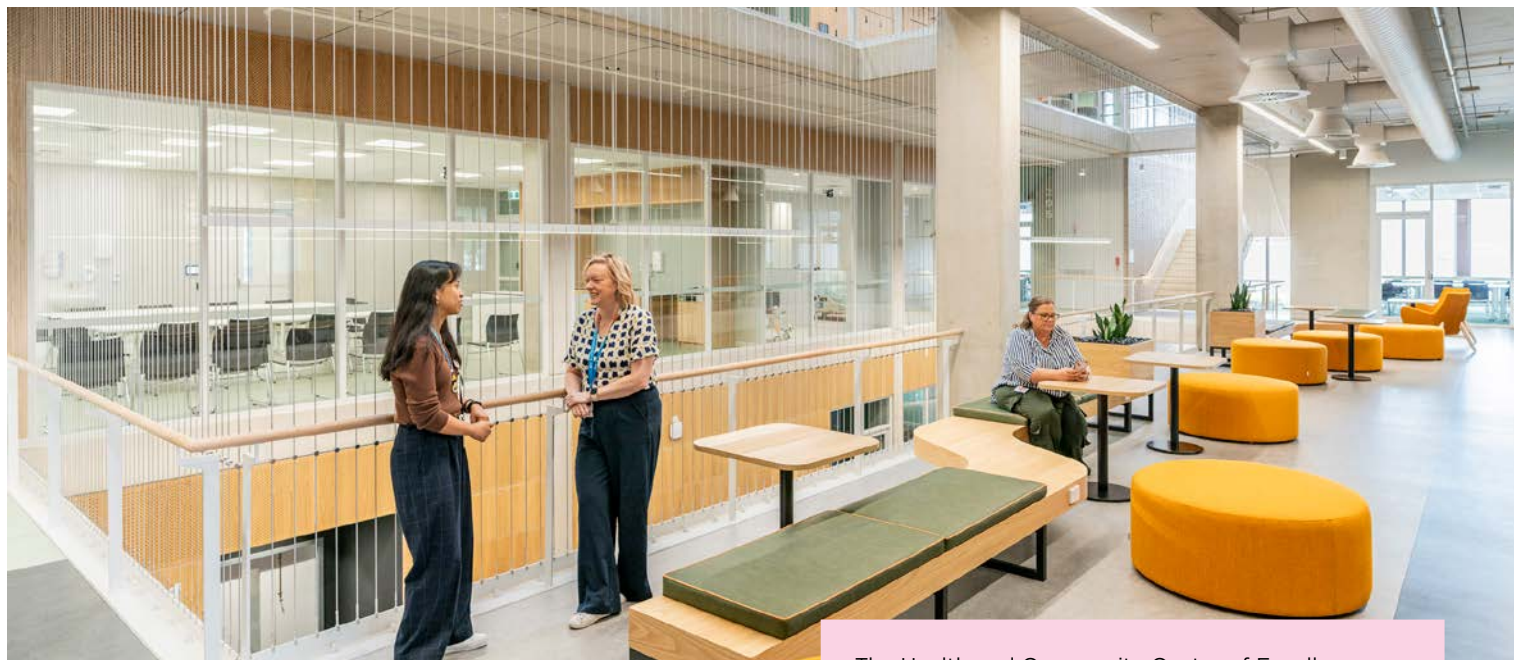


We joined forces with Dhelkaya Health to start work on our new Community Health and Learning Hub in Castlemaine.

New campuses and facilities in the making

Together with Dhelkaya Health we marked the beginning of a transformative project to establish a Community Health and Learning Hub in the heart of Castlemaine which will involve refurbishment of an underused hospital wing at Dhelkaya Health's Castlemaine site. The innovative regional initiative is made possible thanks to \$4 million in funding from the Victorian Government and will bring job opportunities and vital training prospects to the region.

We progressed the establishment of our new Melton Campus and Hume Tech School, including developing the design of Hume Tech School and expanding community, industry and educational ties in Hume and Melton.



The Health and Community Centre of Excellence (Broadmeadows) is the start of a new era for vocational education in Melbourne's growing northern corridor.

Health and Community Centre of Excellence completed

We completed construction for our Health and Community Centre of Excellence in Broadmeadows, with classes commencing in 2025.

The \$60 million training facility was funded by the Victorian Government, marking the introduction of new courses in high priority areas like nursing, aged care, pathology and allied health at Broadmeadows Campus. Existing courses in areas like mental health, disability and early childhood education and care will also be delivered at the centre. The courses are expected to meet strong demand for health care and social assistance workers in Victoria.

Designed to be innovative, sustainable and flexible, the new building features hands-on, industry relevant simulation and learning spaces. These include a multi-purpose virtual reality immersion gallery, state-of-the-art laboratories, and hospital, aged care, bariatric care, home care and early childhood simulation suites.

The facility was designed and constructed by Architectus and Hutchinson Builders. Consultation industry, community and First Nations stakeholders, including Wurundjeri Council, played a key part in the planning and design of the building.

Building greener places

In the past year, we developed landscaping masterplans for our Cremorne and Docklands campuses with a focus on sustainability. We also made significant progress on our environmental, social, and governance (ESG) strategy, aiming to drive impactful sustainability initiatives and reduce emissions across our operations.

Our efforts to reduce carbon emissions continued, including installation of solar

initiatives and electric vehicle chargers at Cremorne and Echuca campuses. A bicycle cage was added to Cremorne Campus to promote cycling and we formed a partnership with Sustainable Salons helping us reduce waste at our hair and beauty training salons.

Additionally, almost a third of our corporate vehicle fleet is now hybrid/electric with the introduction of 14 new hybrid vehicles, bringing the total to 24.

Digitally enable our operations

Digital advisory committee

The inaugural Bendigo Kangan Institute Digital Advisory Committee was launched to provide strategic oversight and expertise to advance our approach to technology, innovation, strategy, and governance. Made up of digital technology and innovation leaders, the committee will operate in a strategic advisory capacity and play a pivotal role in positioning us as a digitally empowered organisation ready for the future.



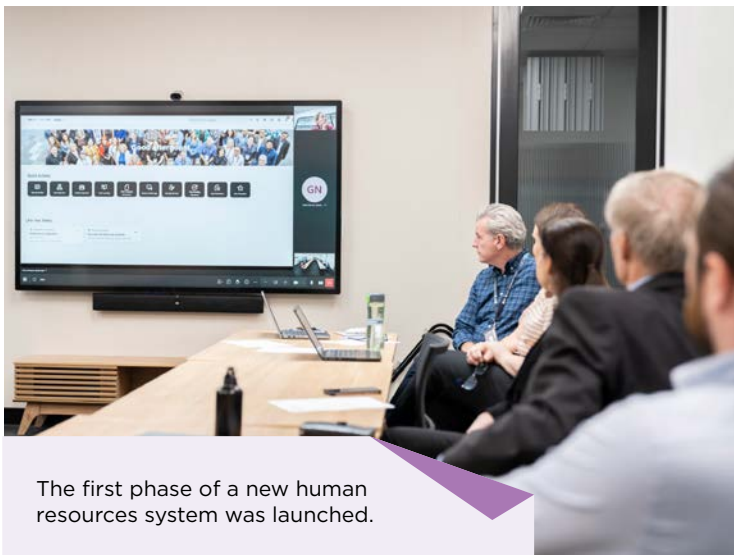
Our Digital Advisory Committee is chaired by Russell Parker and includes committee advisory members Dr Joanna Batstone, Catherine Arnold and Niranjana Prabhu.

Student portal upgraded to cloud

We migrated our student portal to a new cloud platform, offering improved security, interactivity and agility.

Unified identity and access management

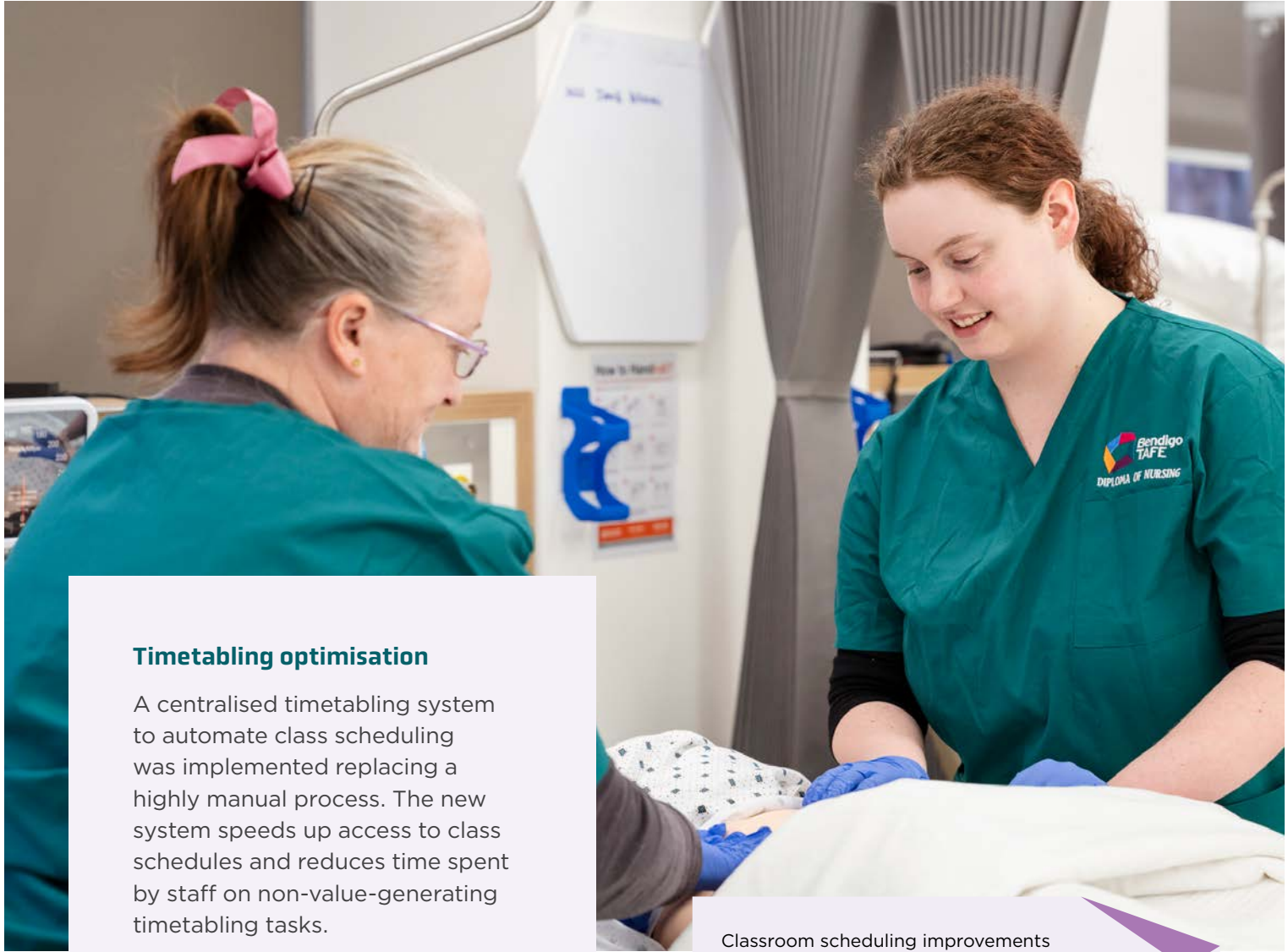
We consolidated identity and access management for students and staff through an Azure active directory consolidation. This has simplified security, compliance and administrative tasks and enhanced the teaching and learning experience supporting collaboration using Microsoft Teams.



The first phase of a new human resources system was launched.

Improved human resources system

We launched the first phase of our new human resources information system (BKI People) which will enable integrating of all our people data, payroll and safety information. Benefits include improved user experience, enhanced integration, real-time information, process improvement and automation.



Timetabling optimisation

A centralised timetabling system to automate class scheduling was implemented replacing a highly manual process. The new system speeds up access to class schedules and reduces time spent by staff on non-value-generating timetabling tasks.

Classroom scheduling improvements through a new timetabling system.

Strengthening cybersecurity

To improve cybersecurity strength, we implemented a managed security operations centre service with Microsoft Sentinel. This provides robust analytics to support real-time threat detection and mitigation.

We achieved ISO27001:2022 international standard for information security through VETASSESS, recognising best practice in managing confidentiality, integrity and availability in its information security management system.

New asset management system

A new enterprise asset management system replaced a previously de-centralised and ad-hoc asset management approach. Customised to deliver a full end-to-end solution for Bendigo Kangan Institute, the new system enables us to comprehensively plan the lifecycle of our assets and assess their financial impact, strengthening reporting and decision-making and compliance with the asset management accountability framework. We contributed to developing a strategy for shared platforms within the Victorian TAFE network, working collaboratively with other TAFEs in the design and implementation of best practice asset management systems.

Build a united TAFE

Strengthening diversity and inclusivity

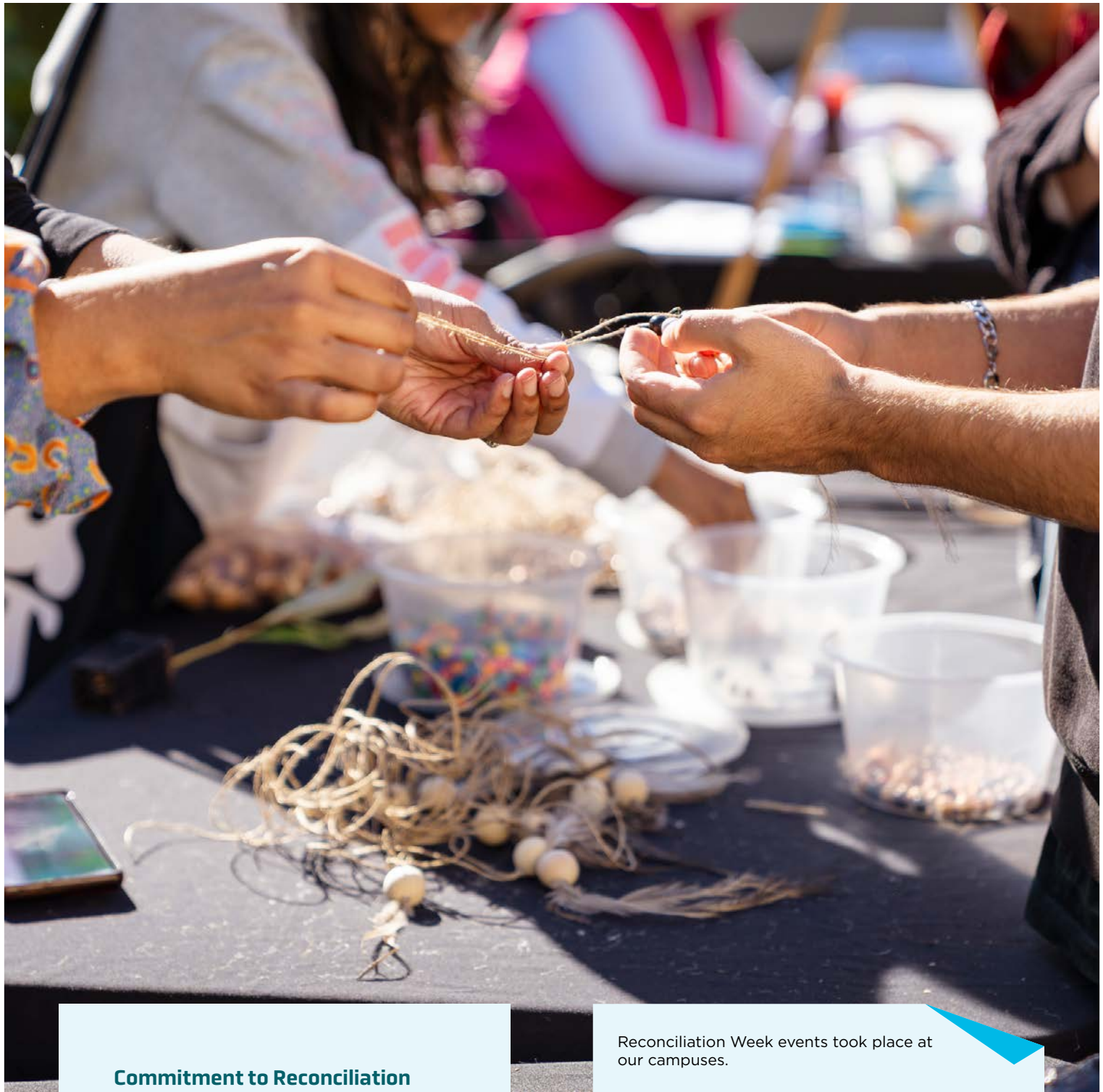
Our dedication to building safe and equitable communities was strengthened through the release of our *Respect and Equality in TAFE Action Plan*. We also joined the Women's Health Loddon Mallee *Collective Action for Respect and Equality* partnership and hosted the Public Sector Gender Equality Commissioner on campus. Our progress in achieving positive change was acknowledged, with our Bendigo Kangan Institute assessed to be compliant against the *Gender Equality Act 2020*.

Partnering with community enabled us to enhance organisational culture and capability, including partnering with Amaze to build teacher capability in supporting neurodivergent learners and collaborating with MindTribes to conduct cultural and racial listening sessions with staff.

Other new initiatives include introducing a workplace adjustment passport to streamline staff access to support and launching universal design for learning education for our educators.



A special visit from the Public Sector Gender Equality Commissioner.



Commitment to Reconciliation

We're working towards finalising our second *Innovate Reconciliation Action Plan*, reinforcing our commitment to a culturally safe environment for all First Nations staff, students, and communities. We also hosted our largest Reconciliation and NAIDOC week events for staff, students and community.

Reconciliation Week events took place at our campuses.

Improved business intelligence

We updated our business intelligence platform, enhancing its functionalities to support a consistent whole-of-organisation approach to business analysis, reporting and decision making.



A united organisation

An inaugural all-staff conference was held, bringing together more than 1,000 staff from our four brands to share insights, ideas and inspiration.

Following staff workshops and consultation, opportunities were identified to integrate like capabilities and functions across the organisation, better setting us up to deliver our 2030 strategy. An optimised organisational structure was developed, coming into effect in 2024 with continued work to fully integrated systems, policies, processes, standards and service delivery in 2025.

More than 1,000 staff gathered at our inaugural all-staff conference.

A single approach to artificial intelligence

We adopted an organisation-wide approach to Artificial intelligence (AI) with a focus on educational leadership, with the aim of preparing students for AI-integrated jobs of the future. We are embedding AI in what we do with ambitions of becoming Australia's most AI-enabled TAFE provider by 2026.

Pilot projects are underway, with staff and students given access to training in AI technology. This includes introducing an AI-enabled knowledge bank, piloted in our enquiries and admissions hub, to speed up

response times and improve accuracy in managing student queries. In partnership with the Victorian TAFE network, we will also be leading a pilot initiative to use AI to improve recognition of prior learning across carpentry, joinery and brick/block laying trades. This will assist employers and training providers to more rapidly and accurately understand where a worker's skill levels are at, helping avoid unnecessary training and fast-track learning for students.

Build a professional and financially sustainable organisation

Embedded our new education delivery model

A redesigned education service delivery model was implemented, focusing on enhanced responsiveness to employer and student needs, while ensuring financial sustainability. A consistent delivery model was extended across our teaching areas, with student cohorts segmented to ensure they received steady learning and support tailored

to individual needs. Our newly created service hubs centralised key functions – enquiries and admissions, apprentice and trainee, education operations and education design and self-assurance. Online training workshops in customers service were attended by over 140 staff across these hubs.



Our new education delivery model focuses on improved responsiveness to students and employers.

Staff expertise enhanced

In addition to delivering a teacher learning pathway, our teacher professional development program continued to achieve milestones, including 97% staff completing their Educator Passport profile, 87% completing their full Educator Passport in full and 94% staff completing their 2024 professional currency requirements.

A new corporate induction program was extended to more than 300 new starters, with a teacher induction program also introduced and receiving a 100% satisfaction score from participants.

Across our organisation 10,000 eLearning items were completed, with over 1,000 instructor-led recorded completions across online and in person workshops.

Social procurement in focus

Our commitment to partnering with First Nations businesses produced positive outcomes across campus grounds, employment and training delivery. We continued our membership with Kinaway Chamber of Commerce, Supply Nation and Social Traders. Other highlights include collaborating with the Wurundjeri Council,

Aunty Kim and Chris Joy on campus artwork, partnering with Mob Jobs to support our First Nations employment, retention and development strategy, and collaborating with Nalderun Aboriginal Education Corporation to incorporate First Nations world views into training delivery.

Continued to build leadership capability

Our first leadership conference brought together existing people leaders and emerging leaders to deep dive into the role of leadership in the skills landscape and shape our *2030 Strategic Plan*. A new managing and leading program was developed in line with our upcoming strategy, to be delivered to people leaders in 2025.

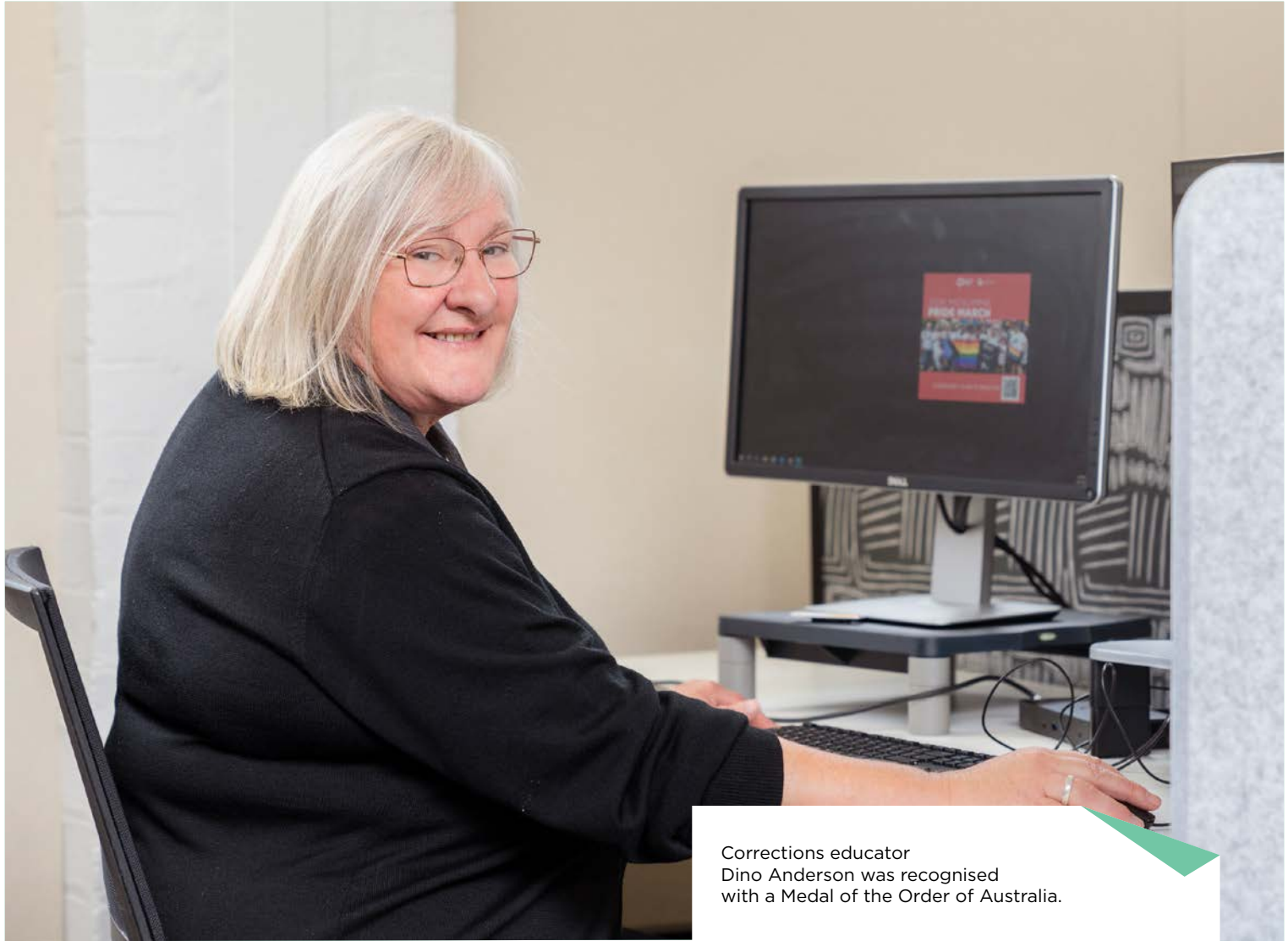
Building a leader-led positive safety and wellbeing culture was a major focus through the design and rollout of

leader psychological health and safety training and work behaviour dynamics sessions. These initiatives saw more than 300 participants equipped with knowledge and actionable strategies to be consciously inclusive leaders.

Leader development was also a priority, with our new ULead program and emerging leaders program delivered to 24 leaders and 27 participants respectively.

Leaders across our four brands came together at our leadership conference.





Corrections educator
Dino Anderson was recognised
with a Medal of the Order of Australia.

Focused on improved enrolment pipeline

Improvements to our online enrolment process were implemented to make it easier for applicants to enrol. This includes tracking email correspondence with prospective students through our new enquiries and admissions hub so that staff could identify where applicants were in the enrolment process. This enabled staff to readily follow up with applicants and assist them with completing the enrolment.

We also created a new applicant portal where prospective students may save an incomplete application and view previous applications. Online payments were introduced, enabling students to complete their enrolment more conveniently.

A leader in corrections education

We expanded our education services across additional Victorian public prisons and post-sentence facilities, becoming the largest corrections provider in Victoria. This was achieved through winning a new contract with Corrections Victoria to provide training for Loddon-Middleton and North-West Metro regions, along with our existing contract. Our excellence in corrections education gained further recognition with educator Dino Anderson awarded a Medal of the Order of Australia.

Awards and achievements



Leadership and management student Taylor Hampton named Victorian Koorie Student of the Year and Australian Training Awards finalist.



Industry placement coordinator Bev Williams OAM achieved the World Federation Colleges and Polytechnics (WFCP) Awards of Excellence Lifetime Achievement Award (Gold).



2024 Medal of the Order of Australia (OAM)

Australia Day Honours: Service to Vocational Education

Geraldine Anderson

King's Birthday Honours: Service to the Community of Bendigo

Margaret O'Rourke



2024 Victorian Training Awards

Koorie Student of the Year

Taylor Hampton



2024 Wurreker Awards

Teacher/Trainer of the Year

Caroline Tarran



2024 World Federation of Colleges and Polytechnic Awards of Excellence

Lifetime Achievement Award (Gold)

Bev Williams OAM



2024 Victorian Baking Trade Show

Wedding Cake (First prize)

Rita Sagher

Novelty Cake (Second prize)

Thi McCulloch

"I really enjoyed the course – it was around becoming a leader and the components to that as well, like communicating, having difficult conversations... all those little things that I didn't even think about."



TAYLOR HAMPTON

Koorie Student of the Year



VETASSESS was recognised for outstanding customer service at the Auscontact Excellence Awards (National) and was also a finalist for Best Collaboration and Business Analyst/Reporting Professional.



Carpentry apprentice Emmie Banfield achieved Master Builders Association of Victoria's Developing Leader Award for Bendigo.



2024 Auscontact Excellence Awards [National]

Customer Experience Initiative of the Year - Digital Transformation
VETASSESS



2024 Auscontact Excellence Awards [Victoria/Tasmania]

Customer Experience Initiative of the Year - Digital Transformation, Victoria/Tasmania
VETASSESS

Business Analyst/Reporting Professional, Victoria/Tasmania
Jonathan Bowen



2024 AUS-TAFE Culinary Trophy State Final

Bronze Medal
Damian McCarthy
Ash Coles



2024 Master Builders Association of Victoria: Bendigo Apprentice of the Year Awards

Apprentice of the Year Bendigo, Developing Leader Award
Emmie Banfield

Bendigo Chairperson's Award
Vincent McLindon

Shortlist for Master Builders Victoria Inspiration Award
Alex Thwaites



2024 Design Matters National Building Design Awards

Best Digital Presentation by an Emerging Designer
Finn Galvin



2024 Australian Automotive Aftermarket Association Expo

Flying Spanners Competition
Nathaniel Chin and Michael Mercer

"An apprenticeship is such a good option. It allows you to earn money and work while getting your qualification."

“

Emmie Banfield
Apprentice of the Year Bendigo, Developing Leader Award

Financial performance

	2024	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Total income from transactions	279,723	239,782	192,911	191,374	211,679
Total expenses from transactions	-250,002	-224,358	-206,741	-196,117	-175,461
Total other economic flows	-676	2,084	- 868	-150	878
Net result	29,045	17,508	- 14,698	- 4,893	37,096
Changes to asset revaluation reserve	-	-	63,751	13,846	- 4,881
Comprehensive result	29,045	17,508	49,053	8,953	32,215
Total assets	607,957	593,508	576,427	496,600	509,078
Total liabilities	72,535	87,131	87,556	56,783	78,214
Net assets	535,422	506,377	488,871	439,817	430,864

In 2024, Bendigo Kangan Institute reported a positive EBITDA* result of \$7.1 million (excluding capital contributions), compared to a positive EBITDA result of \$10.9 million (excluding capital contributions) in 2023. The reduction in EBITDA is reflective of our investment in strategic projects. Surplus funds at the end of the year are committed to be reinvested back into the business to fund future operations and support the delivery of the institute's strategic plan.

The improvement in net result is primarily attributed to the recognition of grant funding for the development of the Broadmeadows Health and Community Centre of Excellence, which was occupied in October 2024.

Training revenues totalled \$201 million in 2024, representing an increase of \$23 million compared to 2023. This increase in income was partially offset by higher employment costs associated with servicing the growth, increased student services costs as well as investments in facilities (occupancy costs), technology and people to continually enhance the operations and delivery of education at Bendigo Kangan Institute.

As of 31 December 2024, Bendigo Kangan Institute's net assets were \$535.4 million, compared to \$506.4 million in 2023. The increase of \$29 million reflects ongoing investment in our campuses and teaching equipment.

*EBITDA refers to earnings before interest, tax, depreciation and amortisation and excludes other economic flows (OEF).

Workforce profile

Bendigo Kangan Institute is committed to the recruitment, selection, support and retention of high-quality employees who will strengthen its capability to achieve strategic and organisational goals. Recruitment and selection for employment is based on merit and guided by principles which promote fair and equitable practice and enhance the organisation's ability to attract the best possible candidates.

Workforce disclosures

	December 2024						
	All Employees		Ongoing			Fixed term and Casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women Executives	5	5	1	0	1	4	4
Women (total staff)	835	699	491	238	627	106	73
Men Executives	1	1	0	0	0	1	1
Men (total staff)	625	546	449	111	506	65	40
Self-described Executives	0	0	0	0	0	0	0
Self-described (total staff)	4	3	1	3	3	0	0
Total employees	1,465	1,249	941	352	1,135	171	113
Age							
15-24	10	8	7	2	7	1	1
25-34	189	165	135	32	148	22	17
35-44	369	319	254	62	283	53	36
45-54	386	341	256	82	308	47	33
55-64	373	319	233	102	297	38	22
65+	138	97	56	72	92	10	4
Total employees	1,465	1,249	941	352	1,135	171	113

- The one full time ongoing executive above was in an acting arrangement for a fixed period as an executive at this time yet was an ongoing employee in their substantive role.
- All figures reflect employment levels for the final full pay period of 2024, in accordance with the general reporting requirements detailed in FRD22.

	December 2023						
	All Employees		Ongoing			Fixed term and Casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women Executives	4	4	0	0	0	4	4
Women (total staff)	805	612	366	281	530	158	82
Men Executives	2	2	0	0	0	2	2
Men (total staff)	585	478	351	149	435	0	43
Self-described Executives	0	0	0	0	0	0	0
Self-described (total staff)	0	0	0	0	0	0	0
Total employees	1,390	1,090	717	430	965	158	125
Age							
15-24	20	18	12	3	14	5	4
25-34	163	143	95	35	121	33	22
35-44	318	269	169	95	226	54	43
45-54	371	340	226	95	302	50	38
55-64	344	307	216	93	278	35	29
65+	105	96	71	29	93	5	3
Total employees	1,321	1,173	789	350	1,034	182	139

- There is an increase of 76 FTE in 2024 compared to 2023. This is in response to additional course offerings and new Health and Community Centre of Excellence in Broadmeadows, new Corrections contract, expansion of performance, reporting and insights, preparation for new campuses in Sunbury and Melton, as well as critical roles to deliver the organisation's strategic and operational goals and objectives.
- In line with the *Fair Work Act* and the applicable Agreement, eligible employees were offered an employment status conversion in 2024.
- FTE values have been rounded to nearest whole number in accordance with reporting requirements. This has resulted in some anomalies due to rounding in the FTE totals displayed.
- Employees have been correctly classified in the workforce data collections.

Performance and accountability framework FTE – for years ending 31 December 2023 and 2024

	Dec 2024						Total
	Full-time		Part-time		Casual		
	Ongoing	Fixed term	Ongoing	Fixed term	Teacher	Other	
PACCT staff	540	85	91	11	0	2	729
Executive	0	6	0	0	0	0	6
Teacher	298	3	127	3	21	0	452
Total employees	838	94	218	14	21	2	1,187

	Dec 2023						Total
	Full-time		Part-time		Casual		
	Ongoing	Fixed term	Ongoing	Fixed term	Teacher	Other	
PACCT staff	495	86	88	14	0	3	686
Executive	0	8	0	0	0	0	8
Teacher	285	12	122	15	18	0	452
Total employees	779	107	210	29	18	3	1,146

- Performance and accountability framework FTE includes all staff employed during the reporting year, with data calculated in accordance with the general reporting requirements required by TAFEs.
- FTE values have been rounded to nearest whole number in accordance with reporting requirements. This has resulted in some anomalies due to rounding in the FTE totals displayed.

03

Governance

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Functions, powers and duties

Bendigo Kangan Institute's functions, powers and duties are detailed in the *Education and Training Reform Act 2006* and the *Constitution of Bendigo Kangan Institute*.

Bendigo Kangan Institute complies with all other relevant legislation and subordinate instruments including, but not limited to, the following:

- ▶ Directions of the Minister for Skills and TAFE (or predecessors)
- ▶ Commercial Guidelines – TAFE Institutes
- ▶ 2013 Strategic Planning Guidelines – TAFE Institutes
- ▶ *Public Administration Act 2004*
- ▶ *Financial Management Act 1994*
- ▶ *Freedom of Information Act 1982*
- ▶ *Building Act 1993*
- ▶ *Public Interest Disclosure Act 2012*
- ▶ *Local Jobs First Act 2003*
- ▶ *Carers Recognition Act 2012*
- ▶ *Infringements Act 2006*
- ▶ *Public Records Act 1973*
- ▶ *Gender Equality Act 2020*
- ▶ *Disability Act 2006*
- ▶ Guidelines for Skilled Migration Assessing Authorities, Department of Employment and Workplace Relations
- ▶ Deed of Standing Offer, Trades Recognition Australia, Department of Education and Training



Organisational structure as at 31 December 2024

Board of Directors

- ▶ Sharan Burrow AC (Chair)
- ▶ Professor Hal Swerissen (Deputy Chair)
- ▶ Anne Brosnan
- ▶ Elizabeth Joldeski
- ▶ Katrina Lai

- ▶ Cheryl Woollard
- ▶ Jamie Driscoll
- ▶ Sally Curtain
- ▶ Craig Niemann
- ▶ Rudi Pavani

Committees

Finance Audit and Risk Management Committee

Education and Business Development Committee

Governance and Culture Committee

VETASSESS Committee



Bendigo Kangan Institute Board

The Bendigo Kangan Institute Board was established under the Education Training and Reform Act 2006. The Board reports to the Hon Gayle Tierney MP, Minister for Skills and TAFE. The Board sets the strategic direction and oversees and governs the operations of Bendigo Kangan Institute. While not responsible for executive management of the functions they oversee, Board committees engage with management in a constructive and professional manner to discharge its advisory responsibility and formulate advice to the Board.

Other Board members who served in 2024

Margaret O'Rourke OAM
Board Chair (until 31 August 2024)

Board secretary: Michelle Turk

Education and Business Development Committee

Elizabeth Joldeski
Chair (from 7 May 2024)

Professor Hal Swerissen
Chair (until 6 May 2024)

Katrina Lai
Deputy Chair

Sharan Burrow AC

Sally Curtain

Anne Brosnan

Margaret O'Rourke OAM
(Until 31 August 2024)

Rudi Pavani

Executive sponsor:
Janelle Arena

Finance Audit and Risk Management Committee

Katrina Lai
Chair

Jamie Driscoll
Deputy Chair

Sally Curtain
Standing Attendee

Craig Niemann
(From 1 November 2024)

Margaret O'Rourke OAM
(Until 31 August 2024)

Professor Hal Swerissen

Cheryl Woollard

Executive sponsor: Graham Fryer

Governance and Culture Committee

Cheryl Woollard
Chair

Anne Brosnan
Deputy Chair

Sharan Burrow AC

Sally Curtain

Margaret O'Rourke
(Until 31 August 2024)

Executive sponsor:
Michelle Johnston

VETASSESS Committee

Professor Hal Swerissen
Chair

Katrina Lai
Deputy Chair

Sally Curtain

Jamie Driscoll

Elizabeth Joldeski

Margaret O'Rourke OAM
(Until 31 August 2024)

Rudi Pavani

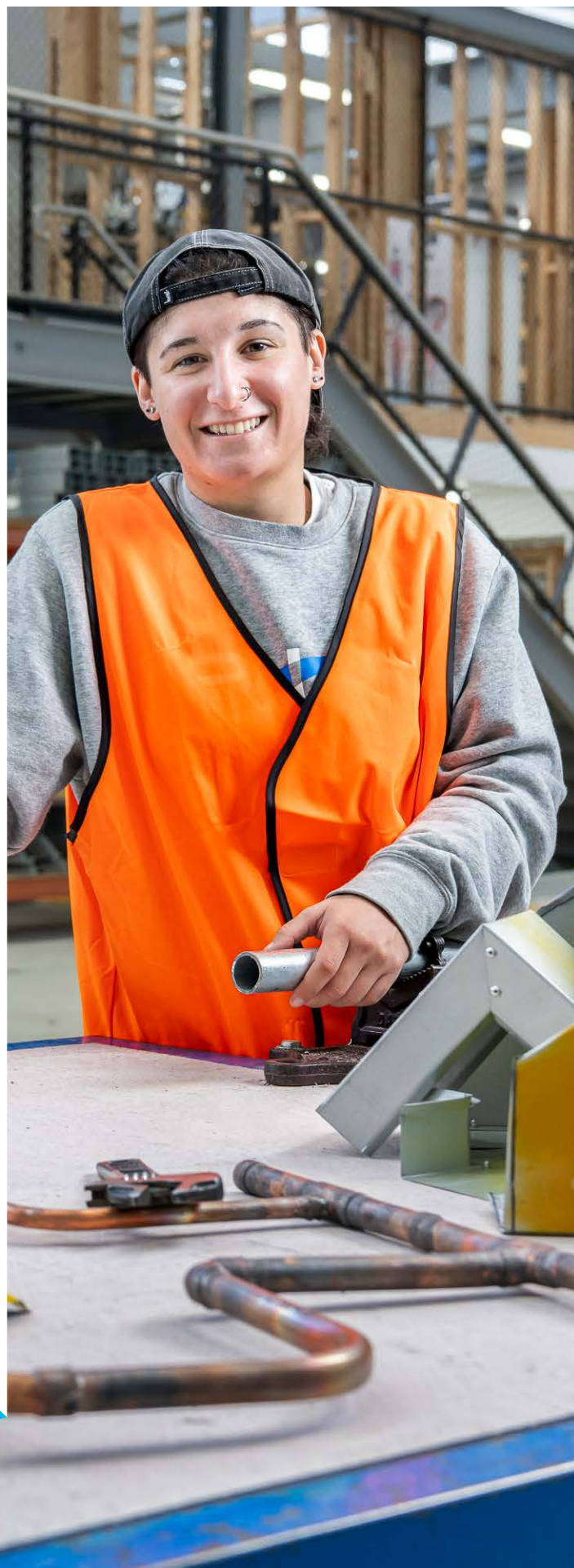
Executive sponsor:
Mamta Chauhan
(from 1 July 2024)

Executive sponsor:
Rob Thomason
(until 30 June 2024)

04

Compliance

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Freedom of Information Act 1982

Bendigo Kangan Institute is required to adhere to 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 Bendigo Kangan Institute. In accordance with Part II of the Act, we have facilitated access to information without recourse to the provisions of the FOI Act, subject to privacy and confidentiality provisions.

We publish material related to our governance and organisation, learning, teaching, and

engagement functions. These publications may be made available upon request, subject to the provisions of the FOI Act.

This year we prepared and submitted to the Officer of the Victorian Information Commissioner (OVIC) our report on FOI activity for the period 1 July 2023 to 30 June 2024 for OVIC's Annual Report. In 2024, we received no requests for information under the FOI Act and 41 requests for personal information under the *Privacy Act*.

Information 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
- l. details of all consultancies and contractors including:
 - i. consultants/contractors engaged
 - ii. services provided
 - iii. expenditure committed to for each engagement.

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed above have been retained by the department and are available on request, subject to the provisions of the FOI Act.

All FOI enquiries should be directed to:
The Freedom of Information Officer
Bendigo Kangan Institute
Private Bag 299, Somerton
VIC 3062 or emailed to:
information@kangan.edu.au



Public Interest Disclosures Act 2012

The *Public Interest Disclosures 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.

At Bendigo Kangan Institute, we actively review and monitor our integrity program, which includes our speak up service, ongoing fraud and corruption risk assessments, and regular reviews and communications on all integrity-related policies to align with best practice.

Our integrity policies encourage staff, students, contractors and members of the public to speak up about suspected improper conduct and explains how the protections apply. Because Bendigo Kangan Institute cannot receive a public interest disclosure, our public interest disclosure coordinator and integrity and corruption officer confidentially assist disclosers in understanding the process and how to make a complaint to the Independent Broad-based Anti-Corruption Commission. We also facilitate welfare support for those seeking to speak up.

Carers Recognition Act 2012

Bendigo Kangan Institute ensures that the rights and interests articulated in the *Carers Recognition Act 2012* are considered when delivering our services to clients in a care relationship. We have taken all practical measures to comply with our obligations under the Act. In 2024 we reviewed the pre-training review process, ensuring that when students are identified as a carer, their status as carer is considered in decisions that impact them. Key organisational policies for students and staff are periodically reviewed and updated to consider the principles of the Act.

Victorian Public Service Travel Policy

All overseas and domestic travel by employees of Bendigo Kangan Institute in 2024 was compliant with the Victorian Public Service Travel Policy as per its November 2017 update by the Department of Treasury and Finance.

National Competition Policy

Bendigo Kangan Institute provides education and training in a contestable market. Bendigo Kangan Institute and our 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.

Our pricing policy and procedure explains how we meet legislative requirements and government guidelines to set prices for the sale of our programs, products and services. We actively review our activities to identify those that are subject to competitive neutrality requirements.

Staff involved in decision-making for commercial activities are trained to understand and implement competitive neutrality principles in their work.

Building and maintenance

Bendigo Kangan Institute ensures all works requiring building approval are approved and certified by an independent and qualified building surveyor.

We require all building practitioners engaged to carry out major works provide 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 to ensure compliance with the *Building Act 1993*, including amendments effective as of 2024, ensuring adherence to the latest versions of the *Building Regulations 2018* and the *National Construction Code (NCC) 2024*. The new code references energy efficiency and resilience against climate-related risks.

Financial management compliance attestation statement

I, Sharan Burrow AC, on behalf of the Responsible Body, certify that for the period 1 January 2024 to 31 December 2024, the Bendigo Kangan Institute has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Sharan Burrow AC

Bendigo Kangan Institute Board Chair
21 February 2025

Consultancies expenditure

Consultancy contracts are engaged when specialist skills are required to provide professional, independent and expert advice to assist in making decisions.

The total consultancy cost (excl. GST) incurred during 2024 was \$1.07 million. This expenditure comprised 0.43% of total expenditure across Bendigo Kangan Institute. Consultancy expenditure in 2024 was a reduction on last year's consultancy expenditure (2023: \$1.65 million) as we continued strengthening in-house capability within the organisation

Further details of these consultancy costs (excl. GST):

	Individually valued at \$10,000 or greater	Individually valued at less than \$10,000
Total number of consultants	15	1
Total expenditure	\$1.069 million	\$6,349

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

- Kangan Institute: <https://www.kangan.edu.au/news-and-resources/annual-reports>
- Bendigo TAFE: <https://www.bendigotafe.edu.au/news-and-resources/publications/annual-reports1>

Advertising expenditure

Bendigo Kangan Institute services two TAFE brands – Kangan Institute and Bendigo TAFE – across metropolitan and regional Victoria. The tables below outline advertising expenditure for both brands and does not include other marketing-related expenses. In 2024 advertising expenditure was 0.67% of total expenditure across Bendigo Kangan Institute.

Kangan Institute							
Campaign name	Campaign summary	Start/end	Advertising and media	Creative development	Research	Print and collateral	Other campaign
Semester 1 2024	Acquisition	Jan - Apr 2024	\$910,961.84	-	\$19,100.00	-	-
Semester 2 2024	Acquisition	May - Jul 2024	\$209,925.00	-	-	-	-
Semester 1 2025	Acquisition	Oct - Dec 2024	\$262,500.00	-	-	-	-
Bendigo TAFE							
Campaign name	Campaign summary	Start/end	Advertising and media	Creative development	Research	Print and collateral	Other campaign
Semester 1 2024	Acquisition	Jan - Apr 2024	\$303,653.96	-	\$19,100.00	-	-

Information Communications Technology (ICT) expenditure

In 2024 Bendigo Kangan Institute continued to enhance digital platforms and improve ICT equipment and infrastructure. We invested as planned in refreshing our ICT equipment and enhancing our human resources, asset management and payroll systems, with the latter going live in 2025 without requiring further external funding.

Business as usual (BAU) expenditure	Non-business as usual (non-BAU) expenditure	
	Operational	Capital
\$12,418,777	\$829,607	\$3,189,191

Overseas operations

	TAFE student numbers	Revenue
International onshore	216 (19 ELICOS and 197 VET)	\$1,711,180
International offshore	59	\$144,000

We delivered training internationally through partnerships with overseas training institutes, including the International Automobile Centre of Excellence in India and Jiaxing Nanyang Polytechnic Institute in China.

We also participated in international delegations, including the WorldSkills National Championships 2024 (France), Victorian Government Higher Education Mission (India), Confederation of Indian Industry Global Summit on Skill Development (India) and Austrade Australia-India Industry Skills Partnership Summit (India).

New global ties were forged, including:

- ▶ memorandum of understanding with the National Skill Development Corporation of India focusing on capacity building between India and Australia, curriculum development, and skills assessment cooperation
- ▶ a letter of mutual understanding with the Confederation of Indian Industry and Tourism Training Australia to explore the supply of suitably qualified skilled talent from India to the hospitality sector in Australia
- ▶ memorandums of understanding with the Cambodian Ministry of Labor and Vocational Training and RMA Cambodia PLC to drive vocational training excellence in Cambodia through the establishment of an Automotive Centre of Excellence.

VETASSESS offers services through international offices. Locations include China (Shanghai) and India (New Delhi). These operate as fee-for-service arrangements relating to services provided, including call centre support, administrative support at pre-assessment stages, business development and representation at in-region industry events.

Key activities through our international offices included representation at the inaugural Aussie Expo in Saudi Arabia, hosting a migration agent workshop in China and supporting in-bound visits in India.

Work is allocated based on considerations such as size of market and legal and governance environment. There is limited strategic and operational risk related to these operations. Each office is required to adhere to relevant policies on information security, privacy, customer service, and other relevant areas.

Risk is managed through VETASSESS' senior management, with comprehensive training and support provided depending on need.

Performance measures relate to calls and emails processed, stakeholder engagement supported and opportunities for new activities delivered.

Compulsory non-academic fees, subscriptions and charges

Bendigo Kangan Institute has continued to waive its non-academic student services fees. Engagement and support services were provided to students in 2024 with some activities funded by government grant programs, including but not limited to on-campus and virtual events for students, counselling and welfare services, disability support services and student employment centre.

Major commercial activities

As part of the 2021-22 Victorian Budget, funding was announced for a \$60 million Health and Community Centre of Excellence in Broadmeadows. Construction began in 2023 and the building was occupied in October 2024 on time and on budget. No other new major commercial activities were undertaken in 2024.

Occupational health and safety

Bendigo Kangan Institute is committed to the delivery of a positive health, safety and wellbeing culture, workplace and learning environment supported by our legal and social responsibilities.

Our initiatives included:

- ▶ Enhancing policy and procedures to reflect risk management strategies which outline safe work practices from psychological and physical safety perspectives
- ▶ Maintaining performance of and delivering the health safety and wellbeing framework 2020>2025
- ▶ Supporting consultation on organisational health, safety and wellbeing through health safety committees and establishment of the mental health first aid community of practice
- ▶ Identifying and reporting hazards, and managing incidents, injuries, and illnesses with a focus on the wellbeing of the injured/ill team member
- ▶ Providing support to employees to achieve recovery following workplace or personal illness or injury, with a focus on early intervention.

We focused on developing and implementing priorities from our 2023 risk assessment. This included establishing an organisational wellbeing program, acquiring mental health recognition from Mental Health First Aid as a skilled organisation, undertaking organisational wide psychological health and safety education programs and reviewing our current emergency management plans. A review of our health, safety and wellbeing risk assessment from an organisational perspective is planned for 2025.

We also focused significantly on reporting and investigating hazards and incidents, with plans to establish a new incident reporting and management system in 2025.

In 2024 there were a total of 528 incidents and hazards relating to staff and students. This included 167 reported incidents causing injury or illness (including personal illness), comprising 35 staff-related incidents and 132 student-related incidents. There were 361 reported hazards or near miss incidents, a 194% increase compared to 2023.

There were 19 lost time incidents reported during 2024 resulting in a final lost time injury frequency rate (LTIFR) of 11.03 in 2024, an increase from a reported LTIFR of 4.07 in 2023.

There were 29 active WorkCover claims (equivalent to 2.44 claims per 100 FTE staff) managed in 2024, including 21 new additional incurred cost claims. Of the 21 claims, 8 were of a psychological nature and 13 were physical injury claims. In addition, 10 claims were closed in 2024.

Category	2022	2023	2024	Commentary for material variances
Hazards/incidents (per 100 FTE)	16.41	29.3	46.0	We saw a significant increase in hazards/incidents reported due to a focus on encouraging hazard and incident reporting.
Lost time standard claims hazards/incidents (per 100 FTE)	1.25	0.69	1.60	In 2024 there was an increase in lost time standard claims hazards/incidents.
Average cost per claim	\$85,451	\$84,350	\$90,553	There was an increase in cost of claims in 2024 reflecting the ongoing accrual of costs for long-term claims. We saw a reduction in mental injury claims.

Local Jobs First – Victorian Industry Participation Policy

The Local Jobs First – Victorian Industry Participation Policy (VIPP) 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.

Local content, employment and engagement	Broadmeadows Health and Community Centre of Excellence – main works
Applied Local Jobs First Policy (Y/N)	Y
Strategic/standard projects	Strategic
Date registered with Industry Capability Network (ICN)	30/03/2021
Local jobs weighting applied	Y
Major Project Skills Guarantee (MPSG) applicable (Y/N)	Y
MPSG total number of hours	15,241
Local content committed (%) building minimum	94.06%
Local content committed (%) furniture, fittings and equipment (FF&E) minimum	87.06%
Local content committed (%) steel-related items minimum	93.98%
No. of small to medium enterprises (SMEs) in supply chain	299
Local jobs to be created – Standard employees	1.0001
Local jobs to be retained – Standard employees	51.0645
Local jobs commitment retained achieved – Standard employees	7.4502
Apprenticeships to be created	1.0810
Apprenticeships to be retained	4.3243
Apprenticeships achieved commitment retained	4.1486
Traineeships to be created	0.0380
Traineeships to be retained	0.1518
Traineeships achieved commitment retained	0.3711
Cadets to be created	0.0380
Cadets to be retained	0.1518
Cadets achieved commitment retained	1.3369

All projects	Number of projects	Value	Average local content	Jobs	Jobs created	Jobs retained
Metro – Standard	-	-	-	-	-	-
Metro – Strategic – Broadmeadows Health and Community Centre of Excellence main works contractor	1	\$54,106,532	91.70%	55.69	2.16	13.31
Regional – Standard	-	-	-	-	-	-
Regional – Strategic	-	-	-	-	-	-
Statewide – Standard	-	-	-	-	-	-
Statewide – Strategic	-	-	-	-	-	-
Total	1	\$54,106,532	91.7%	55.69	2.16	13.31

Social procurement

Social procurement framework objective	Outcome	Metric	Unit of measure	2024 (Actual)
Opportunities for Victorian First Nations people	Purchasing from First Nations businesses	Number of Victorian First Nations businesses engaged	Number	12
		Total expenditure with Victorian First Nations businesses (excl. GST)	\$ (GST exclusive)	\$1,700,643
Opportunities for Victorians with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises	Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged	Number	3
		Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises	\$ (GST exclusive)	\$13,867
Opportunities for Victorian priority jobseekers	Purchasing from Victorian social enterprises	Number of Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts) engaged	Number	1
		Total expenditure with Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts;	\$ (GST exclusive)	\$4,846
Sustainable Victorian social enterprises and First Nations business sectors	Purchasing from Victorian social enterprises and First Nation businesses	Number of Victorian social enterprises engaged	Number	12
		Total expenditure with Victorian social enterprises (excl. GST)	\$ (GST exclusive)	\$110,218

Environment performance and impacts

In 2024, we continued to track and find ways to improve our environmental impact. A major focus was progressing the development of our first environmental, social and governance framework comprising targets and a roadmap for 2025 to 2030.

Energy use

We are committed to reduction of emissions through renewable energy. 2024 marked the first full year of solar panels in operation at Charleston Road Campus, resulting in nearly \$59,000 in savings through solar consumption at the campus. In addition to our existing solar panels in Bendigo City and Charleston Road campuses, we welcomed solar panels at two new sites - Essendon Campus and the new Health and Community Centre of Excellence in Broadmeadows.

In 2025, solar panels will be installed at Echuca Campus and we aim to commence tracking emissions reduction through solar panels across our sites.

	Electricity			Gas		
	Kilowatt-hour (kwh)	CO ₂ (tonne)	Per building gross floor area (m ²)	Megajoules	CO ₂ (tonne)	Per building gross floor area (m ²)
Bendigo City	1,273,504	967.86	79.95	3,380,840	187.74	212.24
Broadmeadows	2,902,522	2205.92	105.37	6,282,510	348.87	228.07
Bendigo Technical Education College (BTEC)	28,201	21.43	21.19	194,603	10.81	146.21
Castlemaine	25,985	19.75	51.46	N/A	N/A	N/A
Charleston Road	743,579	565.12	36.14	2,159,309	119.91	104.94
Cremorne	614,440	466.97	51.86	1,809,556	100.48	152.74
Docklands	1,220,100	927.28	63.87	5,328,440	295.89	278.92
Echuca	108,563	82.51	36.19	305,014	16.94	101.67
Essendon	276,774	210.35	85.03	N/A	N/A	N/A



Solar panels at Essendon Campus.

Waste

We strengthened waste reduction through the introduction of food waste recycling machines at Docklands and Cremorne campuses. We also introduced campus recycling mulchers at Charleston Road and Broadmeadows campuses.

	Total general waste (Kg)	CO ₂ emissions
Broadmeadows	120,826	193.29
Bendigo City	16,213	25.94
Bendigo Charleston Road	30,124	48.19
Castlemaine	1,220	1.95
Cremorne	13,579	21.72
Echuca	2,880	4.61
Essendon	14,426	23.08
Docklands	24,306	38.88



Total waste summary (Kg)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	Total
General waste	20,093	15,380	19,690	18,351	27,875	17,470	20,335	19,656	16,100	19,180	18,506	10,938	223,574
Paper recycle	2,420	2,240	1,680	2,019	1,845	1,560	1,820	1,510	1,570	2,745	1,945	566	21,920
E-Waste recycle	0	70	60	65	70	310	60	70	215	60	70	80	1,130
Comingle recycles	487	365	675	565	520	500	540	505	410	495	395	725	6,182
Food organics	12	44	76	76	76	94	100	100	100	100	100	37	915
Garden organics	1,600	1,820	1,820	2,010	1,820	1,660	1,660	1,880	2,040	2,040	1,820	1,600	21,770
Recycle percentage	18.36%	22.79%	17.96%	20.51%	13.45%	19.10%	17.05%	17.14%	21.21%	22.10%	18.96%	21.57%	18.85%

*December values are estimated based on 2023 and adjusted according to a 1.19% increase in 2024.

Water

We invested in a landscape master plan to prioritise native and drought resistant plant species, efficient irrigation systems and rainwater capture. Existing water management initiatives include rainwater tanks at Bendigo City Campus and recycled water at Charleston Road which accounted for 24% of water use at the campus.

	Water consumption (kl)
Bendigo City	5,978
Broadmeadows	15,636
Bendigo Technical Education College (BTEC)	1,703
Castlemaine	56
Charleston Road	3,248
Cremorne	1,994
Docklands	2,844
Echuca	995
Essendon	556
Total water consumption	32,225
Total water consumption per FTE	27.15

Transport

Our transition to a more environmentally friendly fleet continued. All new purchases were electric or hybrid vehicles, with a view to eventually remove all internal combustion engine vehicles to reduce the carbon footprint of our fleet. 26% of our fleet is now made up of electric or hybrid vehicles. This has resulted in significant reduction in carbon emission production and we will continue to see reductions in 2025 as we transition over 60% of our fleet to zero-emission or hybrid vehicles.

Vehicle type	Vehicle quantity	Distance travelled (km)	CO ₂ emission (Tonnes)
Car - Standard Petrol	45	515730	95.55
Electric Vehicle	10	236891	N/A
Hybrid Vehicle	14	118667	10.79
Light Commercial - Diesel	18	499103	97.82
Heavy Commercial	2	4952	0.812

Travel

Travel type	CO ₂ emission (tonne)
Air travel - Domestic	205.48
Air travel - International	419.27
Accommodation	114.61
Car rental	125.74

Asset Management Accountability Framework (AMAF) maturity assessment

This section summarises Bendigo Kangan Institute's assessment of maturity against AMAF requirements. The AMAF is a non-prescriptive, devolved accountability model of asset management with 41 mandatory requirements. These requirements can be found on the [Department of Treasury and Finance's website](#).

Our 2024 assessment has indicated significant improvement in asset management maturity. Out of 47 directions, 39 comply (83%) and 8 partially comply (17%). Our target maturity rating is 'optimising', meaning systems and processes are now leading practice, exceeding AMAF mandatory requirement and consistently improved to align with support and drive organisational objectives.

- ▶ Leadership and Accountability (requirements 1-19)
 - We partially complied with some requirements in the areas of allocating asset management responsibility and other requirements. There is no material non-compliance reported in this category.
- ▶ Planning (requirements 20-23)
 - We met or exceeded the target maturity level in this category.
- ▶ Acquisition (requirements 24 and 25)
 - We met or exceeded the target maturity level in this category.
- ▶ Operation (requirements 26-40)



- We partially complied with some requirements in the areas of allocating asset management responsibility and other requirements. There is no material non-compliance reported in this category. Our implementation of an enterprise asset management system will assist in identifying potential asset performance failures and options for preventive action. It will also improve data and information consolidation, contributing to asset management efficiency and maturity.

► Disposal (requirement 41)

- We met the target maturity level in this category.

These key focus areas contribute to our asset management maturity:

► Monitoring asset performance

- Establish performance standards and targets for assets, considerate of available resources that form part of broader service planning goals
- Establish and maintain management processes to regularly record, monitor and assess performance for continuous improvement
- The performance and utilisation of assets must be reviewed periodically
- Asset performance monitoring must be incorporated into overall corporate and strategic planning framework

► Asset management system performance

- Establish systems and processes to monitor asset performance and overall asset management systems
- Ensure systems have been implemented, maintained and effective in meeting asset management requirements and responsibilities

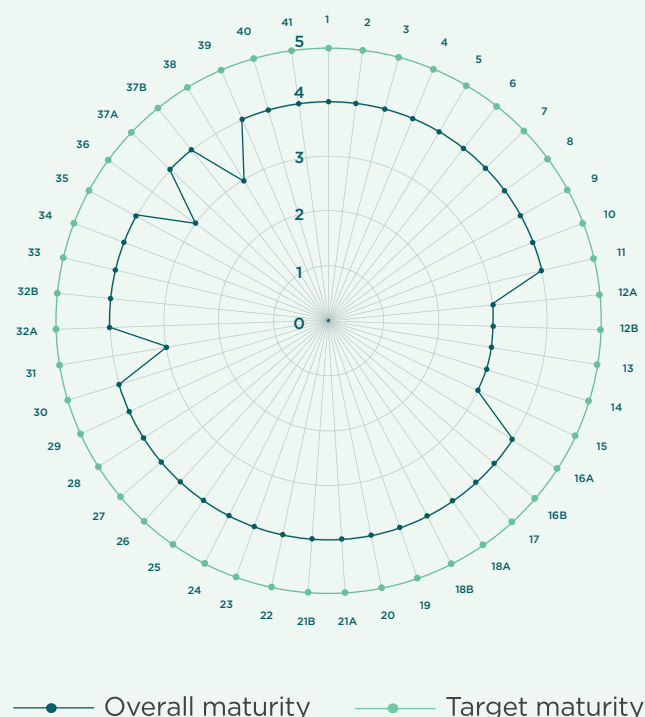
► Maintenance of assets

- Establish systems and processes for undertaking maintenance activities

► Information management

- An asset information management system must maintain up to date asset information and historical record of financial and non-financial information over each asset's lifecycle.

Bendigo Kangan Institute maturity chart:



Legend

Status	Scale
Not applicable	0
Non-comply	1
Partial awareness	2
Partial developing	3
Comply competence	4
Comply optimising	5

05

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Independent Auditor’s Report



To the board of the Bendigo Kangan Institute

Opinion	<p>I have audited the financial report of the Bendigo Kangan Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 31 December 2024 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 material accounting policy information declaration by the Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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
7 March 2025



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

BENDIGO KANGAN INSTITUTE

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

DECLARATION BY BOARD CHAIR CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL 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, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2024 and financial position of the TAFE as at 31 December 2024.

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 Officer, and Chief Financial Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of Bendigo Kangan Institute.



Ms. Sharan Burrow, Board Chair

Date 21 February 2025

Melbourne



Ms. Sally Curtain, Chief Executive Officer

Date 21 February 2025

Melbourne



Mr. Peter Healey, Chief Financial Officer

Date 21 February 2025

Melbourne

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Bendigo Kangan Institute has presented its audited general-purpose financial statements for financial year ended 31 December 2024 compared to financial year ended 31 December 2023 in the following structure to provide users with the information about the Group's stewardship of resources entrusted to it.

Comprehensive Operating Statement

For the year ended 31 December 2024

	Note	2024	2023
		\$'000	\$'000
Continuing operations			
Revenue and income from transactions			
Government grants			
Operating grants - revenue	2.1.1	79,377	63,868
Operating grants - income	2.1.1	35,623	35,705
Capital grants - income	2.1.2	36,879	21,200
Revenue from fees, charges and sales	2.2	122,330	114,459
Other income	2.3	5,514	4,550
Total revenue and income from transactions		279,723	239,782
Expenses from transactions			
Employee benefits	3.1.1	173,934	154,305
Depreciation and amortisation	3.6	17,555	16,626
Supplies and services	3.3	41,588	38,236
Finance costs	3.5	-	2
Other operating expenses	3.4	16,925	15,190
Total expenses from transactions		250,002	224,358
Net result from transactions		29,721	15,424
Other economic flows included in net result			
Net (loss)/gain on financial instruments	9.1a	(892)	2,082
Net gain/(loss) on non-financial assets	9.1b	216	2
Other gains/(losses) from other economic flows	9.1c	-	-
Total other economic flows included in net result		(676)	2,084
Net result		29,045	17,508
Other economic flows - other comprehensive income			
		-	-
Comprehensive result		29,045	17,508

The accompanying notes form part of these financial statements.

Balance Sheet

As at 31 December 2024

	Note	2024	2023
		\$'000	\$'000
Assets			
Financial assets			
Cash and cash equivalents	6.1	46,065	56,725
Receivables	5.1	24,893	30,301
Investments and other financial assets	4.4	500	-
Total financial assets		71,458	87,026
Non-financial assets			
Property, plant and equipment	4.1	525,829	496,050
Intangible assets	4.2	3,667	4,891
Other non-financial assets	5.2	7,003	5,541
Total non-financial assets		536,499	506,482
Total assets		607,957	593,508
Liabilities			
Payables	5.3	7,540	6,883
Contract liabilities	5.4	20,370	35,619
Employee provisions	5.5	30,535	28,039
Other provisions	5.6	-	-
Borrowings	6.2	14,090	16,590
Total liabilities		72,535	87,131
Net assets		535,422	506,377
Equity			
Accumulated surplus / (deficit)	9.2	78,749	49,704
Contributed capital	6.3	246,762	246,762
Reserves	9.2	209,911	209,911
Net worth		535,422	506,377

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2024

	Reserves	Accumulated surplus	Contributions by owner	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 January 2023	209,911	32,196	246,762	488,869
Net result for the year	-	17,508	-	17,508
Other economic flows - other comprehensive income	-	-	-	-
Total comprehensive income	-	17,508	-	17,508
Year ended 31 December 2023	209,911	49,704	246,762	506,377
Net result for the year	-	29,045	-	29,045
Other economic flows - other comprehensive income	-	-	-	-
Total comprehensive income	-	29,045	-	29,045
Year ended 31 December 2024	209,911	78,749	246,762	535,422

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 31 December 2024

	Note	2024	2023
		\$'000	\$'000
Cash flows from operating activities			
Receipts			
Government contributions		139,257	117,173
Receipts from customers - fees, charges and sales		124,360	116,318
Goods and services tax recovered from the ATO		352	(758)
Interest received		3,253	2,865
Other receipts		1,696	1,559
Total receipts from operating activities		268,918	237,158
Payments			
Payments to employees		(164,838)	(147,309)
Payments to suppliers		(69,066)	(61,356)
Goods and services tax paid to the ATO		211	141
Interest paid - lease liability		-	(2)
Total payments for operating activities		(233,692)	(208,527)
Net cash flows from operating activities	6.1.1	35,226	28,631
Cash flows from investing activities			
Payments for investments		(500)	-
Payments for property, plant and equipment		(45,386)	(28,384)
Payments for intangible assets		-	(4,228)
Net cash flows used in investing activities		(45,886)	(32,612)
Cash flows from financing activities			
Proceeds from borrowings		-	14,100
Repayment of borrowings		-	(3,960)
Net cash flows from financing activities		-	10,140
Net (decrease)/increase in cash and cash equivalents		(10,660)	6,159
Cash and cash equivalents at beginning of year		56,724	50,565
Cash and cash equivalents at end of year	6.1	46,065	56,724

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. About this report

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).

Bendigo Kangan Institute is a Technical and Further Education (TAFE) provider, based in metropolitan Melbourne and the Bendigo region of Victoria.

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.

Comparative information has been revised where appropriate to conform to changes in presentation in the current year to enhance comparability

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.

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

- ▶ determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring the TAFE’s satisfaction of a performance obligation (refer to Note 2.2);
- ▶ AASB 16 Leases and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4);
- ▶ whether AASB 1059 *Service Concession Arrangements: Grantors* is applicable - specifically, in determining whether an asset provides public services and in determining whether the operator manages at least some of the public services and not acting merely as an agent on behalf of the grantor.

1. About this report

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

- ▶ actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.5);
- ▶ the loss rate used in calculating the allowance for expected credit losses (refer to Note 7.1.2);
- ▶ the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3); and
- ▶ the fair value of assets measured at current replacement cost as a result of rising costs of construction and inflation.

These 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.

These financial statements cover the TAFE as an individual reporting entity. The TAFE had no controlled entities for the period ended 31 December 2024.

Goods and Services Tax (GST)

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

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

Funding risk

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

The TAFE's budget for 2025 has been approved by the TAFE's Board and endorsed for approval to the Minister for Skills and TAFE. On this basis, the Board is satisfied that the TAFE will hold sufficient cash reserves across 2025 to support its ongoing operations, therefore the statements are prepared on a going concern basis. We continue to deliver on our *2020>2025 Strategic Plan* and put in place mechanisms to deliver on our 2025>2030 Strategic Plan. 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.

1. About this report

1.2 Compliance information

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

For the purposes of preparing financial statements, 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.

THE KEY IMPACTS ON BKI'S PERFORMANCE IS SUMMARISED AS FOLLOWS:

Basis of preparation

As at 31 December 2024, the TAFE was in a net asset position of \$535,422,000 (2023: \$506,377,000), a net current asset position of \$25,673,000 (2023: \$23,665,000), net profit of \$29,045,000 (2023: net profit of \$17,508,000) and generated positive operating cash flows of \$35,226,000 (2023: \$28,631,000). Considering the TAFE's financial position, together with the continued impacts of COVID-19 on the business as discussed below, the TAFE has concluded it is appropriate to prepare the financial statements on a going concern basis.

The TAFE has also implemented a number of measures including the following to reduce costs as well as to ensure it has adequate cash reserves to satisfy its obligations as and when it falls due:-

- a. identified and achieved reductions in non-salary expenses
- b. managed campuses and buildings to reduce operating costs
- c. management of vacancies

Revenue and other income

In 2024, the TAFE reported a surplus of \$29,045,000 (2023: \$17,508,000) primarily attributed to the recognition of grant funding for the development of the Broadmeadows Health and Community Centre of Excellence, which was occupied in October 2024. Surplus funds at the end of the year are committed to be reinvested back into the business to fund future operations and support the delivery of the institutes strategic plan. (\$4.5m EBITDA above 2024 budget)

VETASSESS Group, which operates as a separate division within the TAFE, has seen increased performance in 2024 following the reopening of Australian borders and increased applications for skilled migration assessment (\$4.3m EBITDA above 2024 budget).

Employee provisions

All TAFE employees have continued to utilise leave in 2024 however leave provisions have increased by \$2,496,000 (2023: by \$65,000) due to increases in headcount, wage rate and on-costs. This is further discussed in Note 5.5.

1. About this report

Allowance for expected credit losses

Where students are experiencing financial difficulty, the TAFE has allowed for payments to be made in accordance with a payment plan. The number of students on payment plans remain consistent on prior year. The TAFE monitors payments made under the plan and noted that for the majority of students on a plan, payments continue to be made in line with schedule. These factors and payment history have been considered in determining the expected credit loss for the 2024 financial year. It should also be noted that the TAFE has the right to cancel a student's enrolment and prohibit them from undertaking new courses in situations where there are unpaid fees or outstanding debts.

Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103. A full revaluation of education assets normally occurs every five years, with the last full revaluation conducted in 2022 financial year. On instructions of the Valuer General of Victoria, Herron Todd White Pty Ltd was engaged to perform the valuation of the TAFE's non-financial physical assets, mainly land and buildings, valuations effective from 31 December 2022. This is further discussed in Note 7.3.

For the year ended 31 December 2024 the TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

Exceptions to the fair value measurement policy as described above include:

- ▶ right-of-use assets that arise from below market (including peppercorn) leases, which are measured at cost in accordance with FRD 123;
- ▶ assets under construction which are measured under cost unless they relate to service concession arrangement assets which shall be measured at current replacement cost; and
- ▶ assets where the TAFE has received the prior written approval of the Assistant Treasurer to be measured at cost.

2. How we earned our funds

Government Contributions

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

Operating grants

The TAFE receives numerous operating grants from the Department of Jobs, Skills, Industry and Regions (DJSIR) to assist with its operations. Grants such as TAFE Services Fund and other grants assist the TAFE with operational costs for Maintenance and Asset Management and in better servicing special community needs.

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

In the 2021/22 State Budget, the TAFE was allocated a \$60,000,000 capital works grant to be paid between 2021 and 2025 for the construction of a Health & Community Centre of Excellence (HACCOE) as the first stage of the revitalisation of the Broadmeadows Campus. Additionally, in the 2023/24 State Budget, the TAFE was allocated a \$15,470,000 capital works grant to be paid between 2023 and 2026 under the Tech School Program for the construction of the Hume Tech School (HTS).

During the current year, the TAFE received \$17,600,000 government contributions for HACCOE and \$2,320,500 for HTS upon successful completion of milestones as specified in the grant agreements.

2.1 Government grants

2.1.1 Revenue and income from government grants

	2024	2023
	\$'000	\$'000
Grants and other transfers		
Government grants – operating revenue		
Government – contestable		
DE/DJSIR	79,248	63,868
Commonwealth government – contestable		
Commonwealth	129	-
Total government grants – operating revenue	79,377	63,868
Government grants – operating income		
Government – other grants		
DE/DJSIR	35,623	35,705
Total government grants – operating income	35,623	35,705
Total government grants – operating	115,000	99,573

2. How we earned our funds

Revenue and income from government grants

The TAFE is first required to determine whether the government grants received should be accounted for as Revenue per AASB 15 or Income per AASB 1058.

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

Revenue from government grants

The TAFE's revenue streams are predominately for transactions relating to the delivery of courses to students and education services to clients. In all cases, the total transaction price for these services is allocated amongst the various performance obligations based on the consideration specified in the contract with the customer. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time as the TAFE satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.4).

Revenue is measured at the amount of consideration to which the TAFE expects to be entitled in exchange for transferring promised goods or services to a customer.

Income from government grants

Income from government grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the TAFE has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the TAFE recognises any related grants by owners, increases in liabilities and decreases in assets ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- ▶ contributions by owners, in accordance with AASB 1004
- ▶ a lease liability in accordance with AASB 16
- ▶ a financial instrument, in accordance with AASB 9
- ▶ a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Specific criteria in relation to determining whether government grants are accounted for as revenue per AASB 15 or income per AASB 1058 are set out below.

2. How we earned our funds

Source of Funding	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to Victorian state government funding for which the TAFE must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers.	The funding agreement for these grants outlines the performance obligations to provide education services to eligible students. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB15.	Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.
State government – other grants	Refers to funding that is not recognised as contestable and includes specific purpose grants.	<p>In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The TAFE recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract.</p> <p>Where performance obligations are sufficiently specific in accordance with AASB15.</p>	Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.

2.1.2 Capital grants income

	2024	2023
	\$'000	\$'000
Government grants - capital		
State government – capital	36,879	21,200
Total government grants – capital	36,879	21,200
Total government grants	151,880	120,773

Income 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.	Whilst the TAFE has an obligation acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058.	<p>When the asset is acquired.</p> <p>Or</p> <p>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.</p>

2. How we earned our funds

2.2 Revenue from fees, charges and sales

	2024	2023
	\$'000	\$'000
Student fees and charges	11,597	9,899
Fee for service – government	30,964	30,035
Fee for service – international operations – onshore	475	1,316
Fee for service – international operations – offshore	9,685	10,328
Fee for service – other	69,144	62,660
Other non-course fees and charges		
Sale of Goods	465	221
Total revenue from fees, charges and sales	122,330	114,459

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

	2024	2023
	\$'000	\$'000
Revenue recognised over time	112,181	103,910
Revenue recognised at a point in time	10,149	10,549
Total revenue from fees, charges and sales	122,330	114,459

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. For example, student amenities and services revenue is recognised as the TAFE provides the service to the student.

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 activities are recognised based on delivery of service.

2. How we earned our funds

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	<p>The TAFE provides educational services to eligible domestic students.</p> <p>Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.</p>	Provision of education services	<p>Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.</p> <p>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.</p>
Fee for service – government	Relates to course fees funded by State government departments (excluding revenue/income recognised in note 2.1.1).	Provision of services	Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered.
Fee for service – International onshore/offshore	Relates to international student course fees and other revenue for onshore and offshore training operations.		Where fee for service revenue has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to revenue from training programs to domestic students (who are not eligible for a government funded subsidy) and private organisations (industry).		
Revenue from sale of goods		Delivery of goods	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

2. How we earned our funds

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:

	2024	2023
	\$'000	\$'000
Student fees and charges	5,905	2,644
Fee for service	6,314	4,323
Other	37,330	28,309
	49,549	35,276

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:

	2025	2026
	\$'000	\$'000
Revenue expected to be recognised	3,969	992

Payment terms

The payment terms for student fees are as follows:

- ▶ up-front payment via cash, EFTPOS or credit card prior to course commencement;
- ▶ payment plan via a third party (Debit success);
- ▶ federal government assistance (VET Student Loan); and/or
- ▶ invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 21 days).

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

2. How we earned our funds

2.3 Other Revenue and Income

	2024	2023
	\$'000	\$'000
Rental income	425	580
Interest income	3,254	2,865
Donations, bequests and grants	15	41
Other	1,821	1,064
Total other income	5,514	4,550
Total revenue and other income	5,514	4,550

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Rental income from operating leases	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. Refer to Note 2.3.1 for The TAFE's lessor accounting policy.	None	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.
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
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.

2. How we earned our funds

2.3.1 Leases receivable

	2024	2023
	\$'000	\$'000
Receivable:		
Within one year	241	364
Later than one year but not later than five years	413	734
Later than five years	167	147
Total leases receivable	821	1,245
GST payable on the above	82	125
Net operating leases receivable	739	1,120

When the TAFE is a lessor, a lease is classified as an operating lease when it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. Indicators such as whether the lease is for the major part of the economic life of the asset are considered as part of this assessment. Payments received under operating leases are recognised as income on a straight-line basis over the lease term and are included under the line item - rental income.

3. How we expended our funds

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2024	2023
	\$'000	\$'000
Salaries, wages, overtime and allowances	127,318	116,089
Superannuation	14,545	12,469
Payroll tax	7,491	7,561
Mental health levy	1,956	810
Workers compensation	4,691	2,312
Annual leave	11,373	9,962
Long service leave	3,412	2,578
Termination benefits	3,099	2,462
Other	50	62
Total employee benefits	173,934	154,305

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

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The 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 which are expected to be wholly-settled 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.

3. How we expended our funds

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:

	2024	2023
	\$'000	\$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	97	115
Total defined benefit plans	97	115
Accumulation contribution plans:		
VicSuper	5,118	4,842
Other	9,330	7,512
Total accumulation contribution plans	14,448	12,354
Total paid contribution for the year	14,545	12,469
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	-	-
Other	-	-
Total accumulation contribution plans	-	-
Total contribution outstanding at year end	-	-

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3. How we expended our funds

3.3 Supplies and services

	2024	2023
	\$'000	\$'000
Building repairs and maintenance	2,110	745
General consultancy	12,526	13,663
Payment to contractors	17,674	15,857
Communication expenses	1,551	1,206
Legal expenses	508	426
Purchase of supplies and consumables	7,219	6,339
Total supplies and services	41,588	38,236

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

3.3.1 Other expenditure commitments

Commitments for future maintenance, repairs and ICT licenses in existence at reporting date but not recognised as liabilities are as follows:

	2024	2023
	\$'000	\$'000
Payable		
Within one year	3,656	5,444
Later than one year but not later than five years	2,431	1,898
Later than five years	-	-
Total other expenditure commitments	6,087	7,342
GST payable on the above	542	714
Net other expenditure commitments	5,545	6,628

3. How we expended our funds

3.4 Other operating expenses

	2024	2023
	\$'000	\$'000
Audit fees and services	393	487
Insurance	967	687
Marketing and promotional expenses	4,516	4,964
Staff development	2,209	1,313
Travel and motor vehicle expenses	2,469	1,760
Utilities	2,152	2,072
Expenses relating to short-term leases	1,017	700
Expenses relating to low-value leases	24	17
Bad debt expense	87	29
Other	3,091	3,161
Total other operating expenses	16,925	15,190

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.

Marketing and promotional expenses include all items for all four trading brands including student and other events, production, print and advertising.

3. How we expended our funds

3.5 Finance costs

	2024	2023
	\$'000	\$'000
Interest on lease liabilities	-	2
Total finance costs	-	2

3.6 Depreciation and amortisation

	2024	2023
	\$'000	\$'000
Buildings	9,870	9,316
Plant and equipment	5,867	5,119
Cultural assets	59	60
Motor vehicles	27	20
Right of use assets	-	615
Amortisation of intangible assets	1,733	1,497
Total depreciation and amortisation	17,555	16,626

4. The assets we invested in

4.1 Property, plant and equipment

Fair value measurement

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

In accordance with government purpose classifications (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), the 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	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	149,503	149,503			149,503	149,503
Buildings	306,066	302,039	(19,714)	(9,844)	286,352	292,195
Construction in progress	57,138	26,908			57,138	26,908
Plant and equipment	86,670	75,371	(56,742)	(50,872)	29,928	24,498
Motor vehicles	2,221	2,149	(2,090)	(2,064)	131	86
Leasehold improvements	506	506	(483)	(458)	23	48
Cultural assets	4,836	4,836	(2,082)	(2,024)	2,754	2,813
Total carrying amount	606,941	561,311	(81,111)	(65,261)	525,829	496,050

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.

4. The assets we invested in

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 current replacement cost method is used, adjusting for the associated depreciation.

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2022. For the year ended 31 December 2024, 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.

4. The assets we invested in

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

	Land	Buildings	Construction in progress	Plant and equipment	Motor vehicles	Leasehold improvements	Cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024								
Opening net book amount	149,503	292,195	26,908	24,498	86	48	2,813	496,052
Additions	-	4,028	31,442	10,085	72	-	-	45,626
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	(1,213)	1,213	-	-	-	-
Depreciation	-	(9,870)		(5,867)	(27)	-	(59)	(15,823)
Net carrying amount	149,503	286,352	57,138	29,928	131	23	2,754	525,829
2023								
Opening net book amount	149,503	294,033	14,933	22,236	26	74	1	480,806
Additions	-	7,478	11,975	7,329	80	-	2,853	29,711
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(9,316)	-	(5,066)	(20)	(25)	(40)	(14,467)
Net carrying amount	149,503	292,195	26,908	24,498	86	48	2,813	496,050

4. The assets we invested in

4.1.2 Capital commitments

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

	2024	2023
	\$'000	\$'000
Payable		
Within one year	29,378	34,605
Later than one year but not later than five years	6,920	37,020
Later than five years	-	-
Total capital expenditure commitments	36,298	71,625
GST payable on the above	3,300	7,163
Net capital expenditure commitments	32,998	64,462

4.1.3 Gain /(loss) on non-financial assets

	2024	2023
	\$'000	\$'000
Net gain/(loss) on disposal of property plant and equipment	216	(2)
Net gain/(loss) on non-financial assets	216	(2)

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. The assets we invested in

4.2 Intangible assets

The TAFE has capitalised expenditure for the Development of Online Learning Modules. Additions for 2024 relate to the TAFE's student management system and content creation.

	2024	2023
	\$'000	\$'000
Gross carrying amount		
Opening balance	29,656	29,197
Additions	510	459
Closing balance	30,166	29,656
Accumulated amortisation and impairment		
Opening balance	(24,765)	(23,268)
Amortisation charge	(1,733)	(1,497)
Closing balance	(26,498)	(24,765)
Net carrying amount at end of the year	3,667	4,891

Initial recognition

Internally generated intangible assets

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.

4. The assets we invested in

Configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement

SaaS arrangements are service contracts providing the TAFE with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the TAFE has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the TAFE with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs capitalised as a prepayment are recognised as expenses over the duration of the SaaS contract.

Judgement is required in determining whether:

- ▶ costs incurred result in the creation of an intangible asset that meets the recognition criteria in AASB 138;
- ▶ the configuration and customisation costs provide a distinct service where such costs do not give rise to the recognition of an intangible asset.

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.

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

Impairment of intangible assets

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

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

4.3 Depreciation and amortisation

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

Depreciation and amortisation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Right-of-use assets and leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The only exception is where the TAFE expects to obtain ownership of the leased asset at the end of the lease term, where in such instances, the right-of-use assets and leasehold improvements will be depreciated over their expected useful lives.

4. The assets we invested in

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

Class of assets	Useful life	Method
Buildings	5 – 50 years (2023: 5 – 50 years)	Straight Line
Plant and equipment	3 – 10 years (2023: 3 – 10 years)	Straight Line
Motor vehicles	5 – 10 years (2023: 5 – 10 years)	Straight Line
Leasehold improvements	5 – 50 years (2023: 5 – 50 years)	Straight Line
Cultural assets	25 – 30 years (2023: 25 – 30 years)	Straight Line
Software	3 – 4 years (2023: 3 – 4 years)	Straight Line

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

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

4.4 Investments and other financial assets

	2024	2023
	\$'000	\$'000
Current investments and other financial assets		
Equity investment	500	-
Managed investments	-	-
Total investments and other financial assets	500	-

The TAFE has an equity investment in Cremorne Digital Hub (CDH) which is held at cost. The shares held in CDH are non-interest bearing equity investment.

Initial recognition

Immediately upon acquisition, financial assets are measured initially at cost and subsequently revalued at fair value. Where a financial asset is received for no or nominal consideration, the cost is the financial asset's fair value at the date of acquisition.

Subsequent measurement

Where there is an indication that the value of a financial asset has changed, these assets are subsequently measured at fair value. Fair value is determined with regard to the financial asset's market price and is summarised by asset category.

4. The assets we invested in

Ageing analysis of investments and other financial assets

	Carrying amount	Not past due and not impaired	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Equity investment	500,000	500,000	-	-	-	-
Total	500,000	500,000	-	-	-	-
2023						
Equity investment	-	-	-	-	-	-
Total	-	-	-	-	-	-

5. Balances from operations

5.1 Receivables

	2024	2023
	\$'000	\$'000
Current		
Trade receivables	13,572	12,572
Loss allowance on trade receivables	(5,049)	(4,157)
Other receivables	383	796
Accrued income	15,052	19,803
Total receivables from contracts with customers	23,958	29,014
Statutory		
GST input tax credit recoverable	935	1,287
Total current receivables	24,893	30,301

Receivables consist of:

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

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

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

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

5. Balances from operations

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	(4,157)	(4,688)
Amounts written off	-	-
Net remeasurement of loss allowance	-	-
Reversal of unused loss allowance recognised in net result	-	-
Increase in loss allowance recognised in net result	-	-
Reversal of loss allowance for uncollectable receivables written off during the year	892	531
Balance at the end of the year	(5,049)	(4,157)

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.

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
2024						
Trade receivables	13,572	2,459	915	2,741	3,818	3,639
Other receivables	383	383	-	-	-	-
Total	13,955	2,842	915	2,741	3,818	3,639
2023						
Trade receivables	12,572	2,401	802	1,217	3,968	4,184
Other receivables	796	796	-	-	-	-
Total	13,368	3,197	802	1,217	3,968	4,184

Note: The disclosures above exclude statutory receivables (e.g. GST credits).

5. Balances from operations

5.2 Other non-financial assets

	2024	2023
	\$'000	\$'000
Current		
Prepayments	7,003	5,541
Total current other non-financial assets	7,003	5,541
Non-current		
Prepayments	-	-
Total non-current other non-financial assets	-	-
Total other non-financial assets	7,003	5,541

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

5.3 Payables

	2024	2023
	\$'000	\$'000
Current		
Contractual		
Supplies and services	6,658	6,263
Total contractual payables	6,658	6,263
Statutory		
GST payable	858	646
FBT payable	24	24
Other taxes payable	-	(51)
Total statutory payables	882	620
Total current payables	7,540	6,883

Payables consist of:

- ▶ contractual payables, such as accounts payable and refund liabilities. 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.

5. Balances from operations

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.

Ageing analysis of contractual payables

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

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Supplies and services	6,658	6,658	6,658	-	-	-
Other payables	-	-	-	-	-	-
Total	6,658	6,658	6,658	-	-	-
2023						
Supplies and services	6,263	6,263	6,263	-	-	-
Other payables	-	-	-	-	-	-
Total	6,263	6,263	6,263	-	-	-

Note: The disclosures above exclude statutory payables (e.g. 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 not considered to be materially different to their fair values.

5.4 Contract and other liabilities

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

	2024	2023
	\$'000	\$'000
Contract liabilities		
Student fees	13,187	6,764
Fee for service	915	7,220
Total contract liabilities	14,102	13,983

5. Balances from operations

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 a contract liability.

	2024	2023
	\$'000	\$'000
Other liabilities		
Deferred capital grants	6,268	21,635
Total other liabilities	6,268	21,635

Deferred capital grants

Grant consideration was received from the DJSIR to support the construction of Broadmeadows Campus

Revitalisation Program. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date as the costs of construction closely reflect the stage of completion of the Broadmeadows Campus Revitalisation. The TAFE has deferred recognition of a portion of grant funding received as a liability towards outstanding obligations.

	2024	2023
	\$'000	\$'000
Contractual		
Deferred capital grants at beginning of the year	21,635	25,727
Grant consideration for capital works received during the year	27,418	20,708
Grant consideration recognised as income under AASB 1058	(42,784)	(24,800)
Closing balance of deferred capital grants	6,268	21,635

5. Balances from operations

5.5 Employee benefits in the balance sheet

	2024	2023
	\$'000	\$'000
Current provisions		
Employee benefits		
Annual leave		
Unconditional and expected to settle within 12 months	9,046	7,819
Unconditional and expected to settle after 12 months	2,296	1,952
Long service leave		
Unconditional and expected to settle within 12 months	2,643	2,354
Unconditional and expected to settle after 12 months	12,434	11,775
Time off in lieu	-	-
Total current provisions	26,418	23,900
Non-current provisions		
Long service leave		
Conditional and expected to settle after 12 months	4,117	4,140
Total non-current provisions	4,117	4,140
Total employee provisions	30,535	28,039

5. Balances from operations

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 \$26,418,000 (2023: \$23,900,000) 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.

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

	2024	2023
	\$'000	\$'000
Unconditional and expected to settle within 12 months	11,689	10,173
Unconditional and expected to settle after 12 months	14,729	13,727
Total current employee provisions	26,418	23,900

5.6 Other provisions

	2024	2023
	\$'000	\$'000
Make good provision	-	-
Total other provisions	-	-

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

	2024	2023
	\$'000	\$'000
Opening balance	-	1,523
Adjustments resulting from re-measurement or settlement without cost	-	(1,523)
Closing balance	-	-

6. How we financed our operations

6.1 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank and on hand	46,065	56,725
Total cash and deposits	46,065	56,725

Cash and 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

	2024	2023
	\$'000	\$'000
Net result for the year	29,045	17,508
Non-cash movements		
Depreciation / amortisation of non-financial assets	17,555	16,626
Net (gain) / loss on sale of non-financial assets	(216)	(2)
Net (gain) / loss on sale of financial instruments	892	(2,082)
Movements in assets and liabilities		
Decrease / (increase) in receivables	4,008	(11,202)
Decrease / (increase) in other assets	(1,463)	4,249
(Decrease) / increase in payables	657	1,331
(Decrease) / increase in provisions	2,496	(1,458)
(Decrease) / increase in contract liabilities	(15,249)	1,143
(Decrease) / increase in other Liabilities	(2,500)	2,520
Net cash flows from / (used in) operating activities	35,226	28,631
Per cash flow statement	35,226	28,631

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

6. How we financed our operations

6.2 Borrowings

	2024	2023
	\$'000	\$'000
Current		
Advances from Government	14,090	2,490
Non-current		
Advances from Government	-	14,100
Total borrowings	14,090	16,590

Advances from Government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, and where applicable, adjusted for transaction costs unless the TAFE designated a financial liability at fair value through profit or loss.

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.

For advances 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.

For advances at fair value through profit or loss, any changes in its fair value and if applicable, any interest related charges are reported in profit or loss.

Changes in liabilities arising from financing activities

	Advances from Government	Total
	\$'000	\$'000
Balance at 1 January 2023		-
Net cash used in financing activities (per Cash Flow Statement)	10,140	10,140
Balance as at 31 December 2023	10,140	10,140
Advances from Government	14,090	14,090
Balance as at 31 December 2024	14,090	14,090

6. How we financed our operations

Maturity analysis of borrowings

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Advances from Government	14,090	14,090	-	-	14,090	-
Service concession arrangement - financial liability	-	-	-	-	-	-
Total	14,090	14,090	-	-	14,090	-
2023						
Advances from Government	16,590	16,590	-	-	2,490	14,100
Service concession arrangement - financial liability	-	-	-	-	-	-
Total	16,590	16,590	-	-	2,490	14,100

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

	2024	2023
	\$'000	\$'000
Balance at 1 January	246,762	246,762
Balance at 31 December 2024	246,762	246,762

Funding that is in the nature of contributions by the Victorian State Government are treated as contributed capital in accordance with the requirements of AASB 1004 *Contributions*. Capital funds provided by the Commonwealth Government are treated as income.

6. How we financed our operations

6.4 Leases

Policy

At inception of a contract, the TAFE 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.

6. How we financed our operations

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.

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 belowmarket terms.

Following are the peppercorn leases held by the TAFE at significantly-below market terms conditions, there is economic dependence on these leases to support the TAFE's business operations. There are no restrictions on the use of underlying assets specific to the entity.

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

Right of use assets	Property	Total
	\$'000	\$'000
2024		
Balance as at 31 December 2024	-	-
2023		
Balance as at 1 January 2023	1,438	1,438
Depreciation	(1,438)	(1,438)
Balance as at 31 December 2023	-	-

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.

7. Managing risks and uncertainties

7.1 Financial instruments

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

Categories of financial instruments

	2024	2023
	\$'000	\$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and cash equivalents	46,065	56,725
Trade receivables	23,575	28,218
Other receivables	383	796
Term deposits		
Total contractual financial assets	70,023	85,739
Contractual financial liabilities		
Loans and payables		
Supplies and services	6,658	6,263
At amortised cost		
Borrowings (Advances from Government)	14,090	16,590
Total contractual financial liabilities	20,748	22,853

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

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).

7. Managing risks and uncertainties

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 minus 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 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, interest rate risk and equity price 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 the TAFE on behalf of the Board.

7.1.2 Credit risk

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

The trade receivables balances at 31 December 2024 and 31 December 2023 largely relate to student debtors, sponsor debtors, other debtors who engage the TAFE to provide training services or short courses as well as government agencies. These balances 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.

7. Managing risks and uncertainties

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.

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

	Financial institutions (AA-rating)	Government agencies (AAA-rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
2024				
Cash and cash equivalents	46,065	-	-	46,065
Receivables	-	23,958	-	23,958
Investments and other financial assets				
Total contractual financial assets	46,065	23,958	-	70,023
2023				
Cash and deposits	56,725	-	-	56,725
Receivables	-	29,014	-	29,014
Investments and other financial assets				
Total contractual financial assets	56,725	29,014	-	85,739

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; or
- ▶ lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2024 and the past 48 months before 31 December 2023, 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 accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

7. Managing risks and uncertainties

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2024:

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000	%	\$'000	(yes / no)
31-Dec-24				
Current (not past due)	2,842	0.0%	-	No
31 – 60 days past due	915	0.0%	-	No
61 – 90 days past due	2,741	0.0%	-	No
More than 90 days past due	7,457	25.7%	5,049	Yes
	13,955		5,049	
31-Dec-23				
Current (not past due)	3,106	0.0%	-	No
31 – 60 days past due	1,208	0.0%	-	No
61 – 90 days past due	1,217	0.0%	-	No
More than 90 days past due	8,152	30.4%	4,154	Yes
	13,683		4,154	

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, \$5,040,000 (2023: \$4,150,000) 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.

7. Managing risks and uncertainties

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, its 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 Board 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.

The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominantly through a mixture of short term and longer term investments. Management monitors movement in interest rates on a monthly basis.

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

7. Managing risks and uncertainties

Interest rate exposure of financial instruments

		Interest rate exposure				
		Weighted average interest rate	Carrying amount at 31 December	Floating interest rate	Fixed interest rate	Non-interest bearing
			\$'000	\$'000	\$'000	\$'000
2024						
Financial assets						
Cash and cash equivalents	0.39%	46,065	46,065	-	-	
Trade receivables		23,575	-	-	23,575	
Other receivables		383	-	-	383	
Total financial assets		70,023	46,065	-	23,958	
Financial liabilities						
Trade and other payables		6,658	-	-	6,658	
Borrowings						
Total financial liabilities		6,658	-	-	6,658	

			Interest rate exposure		
	Weighted average interest rate	Carrying amount at 31 December	Floating interest rate	Fixed interest rate	Non-interest bearing
		\$'000	\$'000	\$'000	\$'000
2023					
Financial assets					
Cash and cash equivalents	2.87%	56,725	56,725	-	-
Trade receivables		28,218	-	-	28,218
Other receivables		796	-	-	796
Total financial assets		85,739	56,725	-	29,014
Financial liabilities					
Trade and other payables		6,263	-	-	6,263
Borrowings					
Total financial liabilities		6,263	-	-	6,263

7. Managing risks and uncertainties

Sensitivity analysis and assumptions

		Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
	Carrying amount at 31 December	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000
2024					
Financial assets					
Cash and cash equivalents	46,065	(461)	(461)	461	461
Total impact		(461)	(461)	461	461

		Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
	Carrying amount at 31 December	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000
2023					
Financial assets					
Cash and cash equivalents	56,725	(567)	(567)	567	567
Total impact		(567)	(567)	567	567

7. Managing risks and uncertainties

7.2 Contingent assets and contingent liabilities

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

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

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.

	2024	2023
	\$'000	\$'000
Quantifiable contingent assets		
Funding arrangements	26,707	20,873

The TAFE has entered into funding agreements with the DJSIR for the revitalisation of the Broadmeadows Campus and Castlemaine Health and Learning Hub.

The release of these funds is contingent on the TAFE demonstrating that the agreed milestones have been achieved.

	2024	2023
	\$'000	\$'000
Quantifiable contingent liabilities		
Bank guarantees	240	90

The amount disclosed comprises bank guarantees for the purposes of securing supply of rental premises from third parties on normal terms and conditions, and for the performance of civil works on the favourees property.

There were no unquantifiable contingent assets or contingent liabilities as at 31 December 2024 (31 December 2023: nil) that may have a material effect on the financial operations of the TAFE.

7. Managing risks and uncertainties

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.

7. Managing risks and uncertainties

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2024.

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

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

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

Right of use assets that arose from below market value leases, were measured at cost in accordance with FRD 104 Transitional requirements on the application of AASB 16 Leases.

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

7. Managing risks and uncertainties

		Fair value hierarchy		
	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
2024				
Non-specialised land	-	-	-	-
Specialised land	149,503	-	-	149,503
Total land at fair value	149,503	-	-	149,503
Non-specialised buildings	-	-	-	-
Specialised buildings	286,352	-	-	286,352
Total buildings at fair value	286,352	-	-	286,352
Plant and equipment	29,928	-	-	29,928
Vehicles	131	-	-	131
Leasehold improvements	23	-	-	23
Land improvements	-	-	-	-
Right of use assets	-	-	-	-
Total other assets at fair value	30,081	-	-	30,081
2023				
Non-specialised land	-	-	-	-
Specialised land	149,503	-	-	149,503
Total land at fair value	149,503	-	-	149,503
Non-specialised buildings	-	-	-	-
Specialised buildings	292,195	-	-	292,195
Total buildings at fair value	292,195	-	-	292,195
Plant and equipment	24,498	-	-	24,498
Vehicles	86	-	-	86
Leasehold improvements	48	-	-	48
Land improvements	-	-	-	-
Right of use assets	-	-	-	-
Total other assets at fair value	24,632	-	-	24,632

7. Managing risks and uncertainties

Impairment

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

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

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

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

(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) 103 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 2022.

For the year ended 31 December 2024, the TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

In the current year, the RBA has continued to maintain and manage interest rates in response to the current actual inflation rates as well unemployment rates which has seen the cash rate being set at 4.35% at balance date compared to prior year of 3.1%. The RBA have taken these measures in response to higher than target inflation rates currently being experienced in the Australian economy. The cash rate target has had a consequential impact on the risk free and capitalisation rates used in determining the fair value of non-financial assets.

7. Managing risks and uncertainties

Further, rising costs of construction and inflation creates estimation uncertainty for assets measured at current replacement cost.

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 2022. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

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

Specialised land 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 current 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 2022.

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 current 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.

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

Leasehold improvements are held at fair value being current replacement 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.

7. Managing risks and uncertainties

There were no changes in valuation techniques throughout the period to 31 December 2024.

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

Reconciliation of level 3 items for the periods ended 31 December 2023 & 2024

	Leasehold improvements	Specialised land and buildings	Plant and equipment	Motor vehicles
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair value measurements 2023				
As at 1 January 2023	74	443,535	22,236	26
Additions	-	7,478	8,539	80
Disposals	-	-	-	-
Depreciation	(25)	(9,316)	(5,066)	(20)
Revaluation	-	-	-	-
Write-ups/transfers/(write-offs)	-	-	-	-
Transfers into or out of Level 3	-	-	-	-
Balance as at 31 December 2023	48	441,698	25,709	86
Level 3 Fair value measurements 2024				
As at 1 January 2024	48	441,698	25,709	86
Additions	-	4,028	10,085	72
Disposals	-	-	-	-
Depreciation	-	(9,870)	(5,867)	(27)
Revaluation	-	-	-	-
Write-ups/transfers/(write-offs)	-	-	-	-
Transfers into or out of Level 3	-	-	-	-
Balance as at 31 December 2024	48	435,856	29,926	131

7. Managing risks and uncertainties

2024 and 2023	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value
Motor vehicles	Current replacement cost	Useful life of vehicles	A change in the useful life may have an impact on the fair value (higher / lower)
Plant and equipment	Current replacement cost	Useful life of plant and equipment	A change in the useful life may have an impact on the fair value (higher / lower)
Leasehold improvements	Current replacement cost	Useful life of lease	A change in the useful life may have an impact on the fair value (higher / lower)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

8. Governance disclosures

8.1 Responsible persons

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

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

Position	Name	Relevant Period
Minister for Skills and TAFE	The Hon. Gayle Tierney MLC	1 January 2024 to 31 December 2024
Minister for Regional Development	The Hon. Gayle Tierney MLC	1 January 2024 to 18 December 2024
Minister for Water	The Hon. Gayle Tierney MLC	19 December 2024 to 31 December 2024
Director and Chief Executive Officer (Accountable Officer)	Ms Sally Curtain	1 January 2024 to 31 December 2024
Board Member	Ms Margaret O'Rourke	1 January 2024 to 31 August 2024
Board Member	Ms Sharan Burrow	1 January 2024 to 31 December 2024
Board Member	Prof. Hal Swerissen	1 January 2024 to 31 December 2024
Board Member	Ms Anne Brosnan	1 January 2024 to 31 December 2024
Board Member	Mr Jamie Driscoll	1 January 2024 to 31 December 2024
Board Member	Ms Elizabeth Joldeski	1 January 2024 to 31 December 2024
Board Member	Ms Katrina Lai	1 January 2024 to 31 December 2024
Board Member	Mr Craig Niemann	1 November 2024 to 31 December 2024
Board Member	Mr Rudi Pavani	1 January 2024 to 31 December 2024
Board Member	Ms Cheryl Woollard	1 January 2024 to 31 December 2024

8. Governance disclosures

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: \$400,000 – \$449,999 (2023: \$400,000 – \$449,999).

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

Income range	2024	2023
Less than \$10,000	1	2
\$10,000 – \$19,999	-	-
\$20,000 – \$29,999	-	-
\$30,000 – \$39,999	5	7
\$40,000 – \$49,999	3	-
\$50,000 – \$59,999	-	-
\$60,000 – \$69,999	-	1
\$70,000 – \$79,999	-	-
\$80,000 – \$149,999	1	1
\$150,000 – \$159,999	-	1
\$360,000 – \$369,999	-	-
\$400,000 – \$449,999	1	1
Total number	11	13
Total remuneration (\$'000)	928	914

Remuneration of the Responsible Minister is included in the financial statements of the State's Annual Financial Report.

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.

8. Governance disclosures

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

	2024	2023
	\$'000	\$'000
Remuneration		
Short-term employee benefits	2,670	2,137
Post-employment benefits	322	281
Other long-term benefits	46	132
Termination benefits	-	78
Total remuneration	3,038	2,628
Total number of executives	12	12
Total annualised employee equivalents (i)	12	10

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

8.3 Related parties

Related parties of the TAFE include:

- ▶ all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- ▶ all departments and public sector entities that are controlled into the whole-of-state financial statements.

Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Related party transactions				
Melbourne Polytechnic	7,194	7,067	-	-
Box Hill Institute	-	5	-	-
Bendigo Health	2	174	-	-
Total	7,196	7,245	-	-

Key management personnel of the TAFE include the members of the Bendigo Kangan Institute Board, the Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer.

8. Governance disclosures

Compensation of key management personnel

	2024	2023
	\$'000	\$'000
Remuneration		
Short-term employee benefits	3,503	2,952
Post-employment benefits	414	380
Other long-term benefits	46	132
Termination benefits	-	78
Total remuneration	3,963	3,542

Transactions and balances with key management personnel and other related parties

The TAFE had no related party transactions for the period ending 31 December 2024.

8.4 Remuneration of auditors

	2024	2023
	\$'000	\$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	73	74
Total remuneration of the Victorian Auditor-General's Office	73	74
Remuneration of other auditors		
Internal audit services	320	413
Total remuneration of other auditors	320	413
Total	393	487

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

9. Other disclosures

9.1 Other economic flows included in net result

	2024	2023
	\$'000	\$'000
(a) Net gain/(loss) on financial instruments		
Net gain/(loss) on disposal of financial assets	-	1,549
Impairment of loans and receivables	(892)	533
Total net gain/(loss) on financial instruments	(892)	2,082
(b) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of assets	216	2
Total net gain/(loss) on non-financial assets	216	2
(c) Other gains/(losses) from other economic flows		
Total other gains/(losses) from other economic flows	-	-
Total other economic flows included in net result	(676)	2,084

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, Note 4.2 and Note 4.3);
- ▶ 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*.

9. Other disclosures

9.2 Equity reserves

	2024	2023
	\$'000	\$'000
Accumulated surplus/(deficit)		
Balance at 1 January	49,704	32,196
Net operating result for the year	29,045	17,508
Balance at 31 December	78,748	49,704
Physical asset revaluation surplus		
Balance at 1 January	209,911	209,911
Balance at 31 December	209,911	209,911

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

9.3 Ex gratia expenses

	2024	2023
	\$'000	\$'000
Compensation for economic loss	-	-
Total ex gratia payments	-	-

9.4 Events after reporting date

In 2025, the Victorian TAFE Association (VTA) on behalf of the TAFE Network has reached an in-principle agreement with the Australian Education Union (AEU) on a new enterprise agreement covering all Victorian TAFE teachers. The terms of the agreement are subject to member vote and approval by the Fair Work Commission that will take place in 2025. There is no constructive or legal obligation as at 31 December 2024 and the resulting impact is not expected to be material. No other matters or circumstances have occurred subsequent to year 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.

9.5 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 2024 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.

AASB 2021-7c - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections is effective from 1 January 2022. However, this amendment is part of a series of amendments that defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture to annual reporting periods beginning on or after 1 January 2025

9. Other disclosures

instead of 1 January 2018. The TAFE has not undertaken an assessment as to the impact of these changes at this stage.

AASB 18 Presentation and Disclosure in Financial Statements will replace AASB 101 Presentation of Financial Statements. The standard aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are:

- ▶ the presentation of newly defined subtotals in the statement of profit or loss;
- ▶ the disclosure of management-defined performance measures; and
- ▶ enhanced requirements for grouping information (i.e. aggregation and disaggregation).

The TAFE has not undertaken an assessment as to the impact of these changes at this stage.

AASB 2022-10 - Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities amends AASB 13 Fair Value Measurement, including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. FRD 103 Non-financial physical assets, allows the TAFE to defer the application of the amending standard until the next scheduled asset revaluation or next interim revaluation (whichever is earlier). The amendment did not have an impact on the TAFE's financial statements in the current year.

9.6 New or amended Accounting Standards and Interpretations adopted

The following Australian Accounting Standards and interpretations are mandatory for the 31 December 2024 reporting period.

In March 2020, the AASB issued AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current, which makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

In December 2022, the AASB issued AASB 2022-6 - Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants, which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The amendment did not have an impact on the TAFE's financial statements.

AASB 2022-5 - Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback amends AASB 16 Leases to add subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendment did not have an impact on the TAFE's financial statements.

AASB 2023-1 - Amendments to Australian Accounting Standards - Supplier Finance Arrangements amends AASB 107 and AASB 7 to require an entity to provide additional disclosures about its supplier finance arrangements. The amendment did not have an impact on the TAFE's financial statements.

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Performance statements

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Independent Auditor's Report

To the Board of Bendigo Kangan Institute

Opinion	<p>I have audited the accompanying performance statement of Bendigo Kangan Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2024 • declaration by the Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion, the performance statement of Bendigo Kangan Institute in respect of the year ended 31 December 2024 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</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 of the institute 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>

Level 31 / 35 Collins Street, Melbourne Vic 3000

T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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 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 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
7 March 2025

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Bendigo Kangan Institute

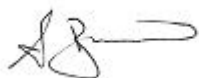
PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

DECLARATION BY BOARD CHAIR CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In our opinion, the accompanying Statement of Performance of Bendigo Kangan Institute, in respect of the year ended 31 December 2024, 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.



Ms. Sharan Burrow, Board Chair

Date 21 February 2025

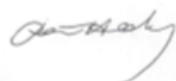
Melbourne



Ms. Sally Curtain, Chief Executive Officer

Date 21 February 2025

Melbourne



Mr. Peter Healey, Chief Financial Officer

Date 21 February 2025

Melbourne

Performance statement – Key performance indicators

Indicator title	Description and methodology	Metric	2024 Target	2024 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by:					
	Government Funded (GF)		33.4%	39.4%	GF revenue is higher than target and prior year due to increased student numbers.	35.9%
	Fee for Service (FFS)	%	60.6%	54.8%	FFS revenue is lower than prior year due to the increased income from government funded enrolments and is lower than target due to new income from business development being less than budget.	58.6%
	Student Fees & Charges (SF&C)		6.0%	5.8%	SF&C slightly above target and higher than the prior year due to the increase in student numbers.	5.6%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue (VTG and FFS) (Employment costs - Workforce reduction exp - Mental health levy + 3rd party training providers cost) / Training revenue	%	78.4%	83.9%	2024 employment costs as a percentage of revenue are in line with the prior year, the increase to the target is due to increased staff to service future growth, and delivery of strategic projects, and increases to oncosts compared to what the target assumed.	84.8%
Training revenue per teaching FTE*	Training Revenue (excl. revenue delivered by third parties) per Teaching FTE* Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*	\$	\$435,678	\$445,818	Training revenue per FTE is higher than target and prior year, due to teaching numbers increasing at a lower rate than student numbers.	\$393,904
Operating margin percentage	Operating margin % EBIT (excl capital contributions) / Total revenue (excl capital contributions)	%	-8.1%	-4.3%	The operating margin is higher than the target because employment and other costs have increased at a slower rate than income. Compared to the prior year, the increase is due to higher costs associated with project investments and expenses escalating at a faster rate than income.	-2.6%

Note: all account groupings (e.g. employment costs, training revenue etc.) included in the table above are prescribed by the Department of Jobs, Skills, Industry and Regions (DJSIR) financial account structure and are in line with the quarterly financial data submission template provided by DJSIR for completion by TAFEs.

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		Compliance statement	
		<ul style="list-style-type: none"> ▶ <i>The Annual Report must contain a statement of compliance with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</i> <ul style="list-style-type: none"> – Education and Training Reform Act 2006 (ETRA) – TAFE Institute Constitution – Directions of the Minister for Skills and TAFE (or predecessors) – TAFE Institute Commercial Guidelines – TAFE Institute Strategic Planning Guidelines – Public Administration Act 2004 – Financial Management Act 1994 – Freedom of Information Act 1982 – Building Act 1993 – Public Interest Disclosure Act 2012 – Carers Recognition Act 2012 – Local Jobs First Act 2003 – Gender Equality Act 2020 – Disability Act 2006 ▶ <i>Institutes that are enforcement agencies which issue infringements must also include the following legislation in the statement of compliance:</i> <ul style="list-style-type: none"> – Infringements Act 2006 – Public Records Act 1973 	
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RTO identifier 3077

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T/A eWorks