



Bendigo Kangan Institute Annual Report 2021





Artwork by Aunty Dotty Lovett

ACKNOWLEDGEMENT OF COUNTRY

Bendigo Kangan Institute recognises the traditional custodians of the lands on which our campuses are located and pays its respects to Elders past, present and emerging, and their cultural heritage. We recognise their continuing connection to land, waters and culture.

Bendigo Kangan Institute acknowledges its campuses are located on the ancestral lands of the Wurundjeri Woi-wurrung people of the Kulin Nations, the Gunaikurnai people, the Djaara people of the Dja Dja Wurrung and Yorta Yorta Nations.

The vision of Reconciliation Australia that recognises the special place and culture of Aboriginal and Torres Strait Islander people as the First Australians is shared by Bendigo Kangan Institute; reconciliation will only be achieved if the past is acknowledged, the present understood, and the future based on equality, respect and genuine opportunity.

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“I have every confidence that TAFE will transform and prosper...”

Board Chairperson’s Report

On behalf of the Bendigo Kangan Institute and its Board, I am pleased to present our Annual Report for 2021.

Bendigo Kangan Institute again faced the challenges of the global COVID-19 pandemic and its impact on local, national and international communities. As a result, staff worked from home and classes moved to remote and flexible learning for much of the year. The closing of national borders severely curtailed our VETASSESS business as a major provider of international skills assessment services which impacted our budget. Working closely with the Victorian Government, the Institute responded quickly, efficiently and professionally to evolving health directives. Bendigo Kangan Institute’s approach was recognised as Victorian best practice, with our Institute being announced as a finalist in the Victorian COVIDSafe Business Awards – Community Award hosted by the Victorian Chamber of Commerce.

Despite all these challenges, 2021 was a year of achievement and progress. While not unexpectedly student numbers declined slightly, student commitment to Bendigo Kangan Institute was sustained and it was a real accolade when Andrew Jan was awarded Apprentice of the Year in the Victorian Training Awards. Much of the credit for our achievements goes to our incredible educators and administrative support staff, whose committed and tireless work provided the best student experience, despite unprecedented circumstances. Julie Kramer winning Teacher of the Year in the Victorian Training Awards best illustrates the depth of talent and passion Bendigo Kangan Institute educators offer students.

The Victorian State Budget in May allocated \$60 million for a new Health and Community Centre at our Broadmeadows Campus to address a key skills need in the local community. In November, the Hon Daniel Andrews MP, Premier of Victoria, and the Hon Gayle Tierney MP, Minister for Training and Skills, officially opened the stunning \$60 million revitalised Bendigo City Campus. In December our new Trades + Skills Centre opened at the Broadmeadows Campus to provide an upgraded skills focus, especially for plumbing apprentices. Also in the State Budget, the Government announced new governance arrangements for TAFE with the establishment of the Victorian Skills Authority and the Office of TAFE Coordination and Delivery in response to the Macklin Review Report – Future Skills for Victoria. The impact and influence of these changes for the TAFE Network will no doubt gain greater clarity in 2022.

A central focus for the Board and Executive Team in 2021 has been progressing North Star – the three-year transformation program - designed to build Bendigo Kangan Institute into a leading educator and trainer which is financially sustainable in the longer term. At the centre of North Star is implementing

a leading-edge student management system, overhauling our teaching model and a total revitalisation of our course offerings to ensure they meet government priority training needs and are fit for purpose. The Board firmly believes North Star is crucial to the future success of the Institute but recognises its implementation comes at a time of significant budgetary headwinds.

On behalf of the Board, I would like to thank our Chief Executive Officer, Sally Curtain, and her Executive Team for their leadership through 2021. Their successes in the face of significant adversity are a testament to their passion, commitment, and single-mindedness to achieve the best student outcomes.

I would also like to thank all Board members for their wise counsel and input over the year. The Board has continued its own governance improvement program which included the rationalisation of Board Committees in 2021. We are fortunate to have a dedicated, inquiring, and cohesive Board committed to the interests of Bendigo Kangan Institute, its students and staff.

Finally, as my last Board Chair’s message I would like to acknowledge it has been a privilege to be back working with TAFE again for the past six years. My long association with TAFE began in the 1980s and the experience has been profoundly rewarding, especially attending graduations, where students from a variety of backgrounds and educational levels are so genuinely proud of their achievements.

The Government introduced the Free TAFE initiative in 2019. The range of Free TAFE courses has since expanded and further TAFE governance reforms were introduced in 2021 to improve skills planning and TAFE network collaboration. It is vital for the future of TAFE that all the key stakeholders work closely together to ensure TAFE stays relevant, its training meets real industry needs, it uses contemporary training delivery systems, it is fairly funded and operates efficiently. I have every confidence that TAFE will transform and prosper, especially now, given Australia’s pandemic- induced skills shortage.

Peter Harmsworth AO
Board Chair
24 February 2022



“We continue to invest in our people, our greatest asset...”

Message from the Chief Executive Officer

TAFEs are a place that can change lives and unlock the enormous potential in our students. It has never been more important to provide the training and skills our students need to thrive now and into the post-pandemic world.

TAFEs continued to play a critical role in Victoria and were an essential service adapting to the challenges of 2021. We are proud of the contribution we made in providing a pipeline of job-ready nurses, aged care workers, electricians and plumbers to meet the demands of our community in a challenging year.

COVID restrictions added a degree of complexity to our extensive program of work with over 300 courses provided online, and at ten campuses, seven correctional facilities, and in approximately 1,100 workplaces. Nonetheless, our people and partners adapted and focused on making things happen.

I was joined by a new executive and senior leadership team in 2021 that brought valuable energy, experience and leadership to spearhead and focus our efforts. We continued to build on our 2020>2025 Strategic Plan with an effective second year of delivery. We also built a robust transformational change program, North Star, that will deliver real benefits to our systems, processes and people to continue to make Bendigo Kangan Institute a great place to work and delivering for our students.

With the support of the Victorian Government, Bendigo Kangan Institute delivered two significant infrastructure projects in 2021, including the \$60 million Bendigo City Revitalisation Project and the \$6.8 million Trades + Skills Centre at Broadmeadows, on time and on budget. Both will make a significant impact to enhance our students' learning experience and offer state-of-the-art training.

In a year when there was so much challenge and change, it was wonderful to see some of our ongoing industry partnerships go from strength to strength. This is perhaps best illustrated by the renewal of our longstanding partnership with Toyota for us to continue to deliver their automotive apprenticeship program. We have been proudly delivering this program for 20 years, and it's a wonderful reflection on our Automotive Centre of Excellence (ACE) and the commitment of our team to deliver great outcomes for industry. Looking to the future, we also began developing a dual qualification for mechanical and electrical automotive apprentices to meet the emerging trend for electric vehicles on our road network. The foundations for collaboration and advocacy to meet future demands will continue to be a critical target.

I took pleasure attending a number of graduations with our training partners in China and India, including our innovative partnership with India's first Automotive and Teacher Training upskilling program at the International Automobile Centre of Excellence (iACE) in Gujarat, India. We continued to think outside the box, and in 2021 have pioneered social procurement

outcomes and our new Mates to Managers program is designed to solve problems for industry. Central to our industry engagement is measuring our impact, launching our own Net Promoter Score measurement and adopting a robust industry engagement program.

Our sharp focus on putting the student at the centre was demonstrated in 2021 as some of our most significant improvements concentrated on our student support services, working strategically and flexibly to wrap the right supports in a timely way around our students most in need and ensuring no student is left behind. A proud recognition during the year was the announcement of Bendigo Kangan Institute as the winner of the Victorian Multicultural Award for Excellence in Vocational Education and Training Accredited Education & Training, as we supported many of our international students and local multicultural communities during the pandemic. Equally, this year the Karen Community Engineering Program for Karen Burmese refugees, run by the Loddon Campaspe Multicultural Services and conducted at Bendigo TAFE, was recognised with four awards at the Learn Local Awards. Our focus on being a more inclusive organisation and culturally aware workforce continued in the development and launch of the Innovate Reconciliation Action Plan, the first of its kind in the sector.

In 2021, Bendigo Kangan Institute's registration was renewed with the Victorian Registrations and Qualifications Authority as a Non-Senior Secondary School provider, and we remain focused on the Australian ASQA re-registration process in 2022.

Our staff's commitment to our students and sense of purpose remain strong. Despite the challenges of the pandemic, our people embraced the diverse leadership challenges, learning from experts and honing our skills. We continue to invest in our people, our greatest asset.

Thank you to our Board of Directors for their leadership and stewardship again in 2021. I would personally like to acknowledge Peter Harmsworth as Bendigo Kangan Institute's Board Chair, for his dedication and contribution to the organisation and TAFE sector. Peter's efforts to improve the Institute and the impact we can have on students' lives has been invaluable.

Finally, I want to thank the Executive team and all the staff at Bendigo Kangan Institute for your resilience and commitment to students, helping them realise their aspirations.



Sally Curtin
Chief Executive Officer
24 February 2022

OUR ORGANISATION



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 Training and Skills (or predecessors)
- Commercial Guidelines – TAFE Institutes
- 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*

Bendigo Kangan Institute Board

Bendigo Kangan Institute is governed by the Bendigo Kangan Institute Board established under the *Education Training and Reform Act 2006*. It reports to The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

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

The Bendigo Kangan Institute Board Members as at 31 December 2021:

Peter Harmsworth AO (Chair)
Margaret O'Rourke (Deputy Chair)
Katrina Lai
Anne Brosnan
Professor Hal Swerissen
Cheryl Woollard
Michael McCartney
Dr Margaret Salter
Sally Curtain (CEO)
Audrey Sanderson
 (Staff Representative from 22 June 2021)
Ajay Ahir
 (Staff Representative until 21 June 2021)

Finance, Audit and Risk Management Committee members as at 31 December 2021:

Michael McCartney (Chair)
Peter Harmsworth AO
Katrina Lai
Dr Margaret Salter
Professor Hal Swerissen
Cheryl Woollard

Board Committees

1 January to 30 June 2021

- Audit and Risk Management Committee
- Education Committee
- Finance and Resource Management Committee
- People, Performance and Remuneration Committee
- Technology and Innovation Committee
- VETASSESS Committee

1 July to 31 December 2021

- Education and Business Development Committee
- Finance, Audit and Risk Management Committee
- Governance and Culture Committee
- VETASSESS Committee

Executive structure as at 31 December 2021

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER Sally Curtain				CHIEF OF STAFF BOARD SECRETARY Madeleine Scanlon
CHIEF INDUSTRY ENGAGEMENT AND EDUCATION DELIVERY OFFICER Arron Wood	CHIEF GOVERNANCE AND QUALITY OFFICER Claire Rasmussen	CHIEF EXPERIENCE AND GROWTH OFFICER Gideon Perrott	CHIEF PEOPLE, CULTURE AND STRATEGY OFFICER Michelle Johnston	CHIEF OPERATING OFFICER Graham Fryer
EXECUTIVE DIRECTOR, VETASSESS Rob Thomason	EXECUTIVE DIRECTOR, CAMPUS TRANSFORMATION Annie Tiso	EXECUTIVE DIRECTOR, STUDENT JOURNEY TRANSFORMATION Phill Murphy		

2020 > 2025 Strategic Plan

Bendigo Kangan Institute's 2020>2025 Strategic Plan aims to position the organisation as a nationally renowned education institute, teaching and training students to meet industry and government demands of today, while being equipped to adapt to the requirements of the future.

Through the 2020>2025 Strategic Plan the focus of Bendigo Kangan Institute is to meet the rapidly changing needs of industry, providing workplaces with skilled, energised, and experienced people ready to embrace their work and succeed in their chosen field.

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

Our values underpin the behaviours expected of all employees at Bendigo Kangan Institute. They also reflect those expected of every employee in the Victorian Public Sector to uphold community expectations. All employees are expected to live these values daily, in all their decisions and actions.

Passion: our people display optimism and perseverance as we move towards the future and contribute to a fun and positive environment. We regularly encourage, acknowledge and celebrate team efforts, ideas and achievements.

Accountability: we take personal accountability in our roles in delivering the 2020>2025 Strategic Plan and embracing change when it occurs. We actively support continuous learning and personal performance improvement.

Collaboration: continuing to build an inclusive environment where people feel safe to contribute. We openly share knowledge using non-judgemental, two-way communication and feedback.

Client Experience: we are dedicated to meeting and enhancing internal and external clients' experiences, requirements and expectations. Establishing and maintaining trusted, respectful relationships with clients is critical.

Respect: we recognise and respect the different needs and perspectives of others, by treating everyone as we wish to be treated ourselves.

Integrity: we demonstrate unwavering ethical standards and strive to earn and sustain public trust.

Strategic Goals

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

The strategic goals will be achieved through six activity streams:

Improve our offering

Improve our experience

Improve our places

Digitally enable our operations

Build a united TAFE

Build a professional and financially sustainable organisation

These streams will guide the focus for all work program and reform projects. Each strategic stream reflects what needs to happen in order for the Institute to deliver on its 2020>2025 Strategic Plan. The simplicity of the language ensures that people across the organisation understand the intent and can easily find a place for their contribution.

Businesses, campuses and Centres of Excellence

Bendigo Kangan Institute has significant footprints in regional and metropolitan areas. As part of its TAFE activity, it operates 10 campuses, within which are three Centres of Excellence, providing leading-edge training in state-of-the-art facilities.

In addition, Bendigo Kangan Institute is among three TAFE providers offering vocational education and training to the Victorian prison system, delivering training at public and private prisons and a secure forensic mental health facility. There are also two Skills and Jobs Centres at the Bendigo and Broadmeadows campuses.

As a leader in work and life skills, Bendigo Kangan Institute employs more than 1,200 staff servicing over 24,000 student enrolments each year. The organisation is committed to minimising its environmental impact and supporting social initiatives that benefit local communities, while providing quality training and development programs to both local and international students.

BENDIGO KANGAN INSTITUTE COMPRISES FOUR BRANDS:

Kangan Institute



Provider of vocational education and training for central and northern metropolitan Melbourne and internationally through partnerships with overseas training institutes.

VETASSESS



VETASSESS is a leading Australian assessing authority and independent assessment-only registered training organisation for clients internationally.

A central focus is the provision of high-quality assessment services for skilled migration on behalf of the Commonwealth Government.

Bendigo TAFE

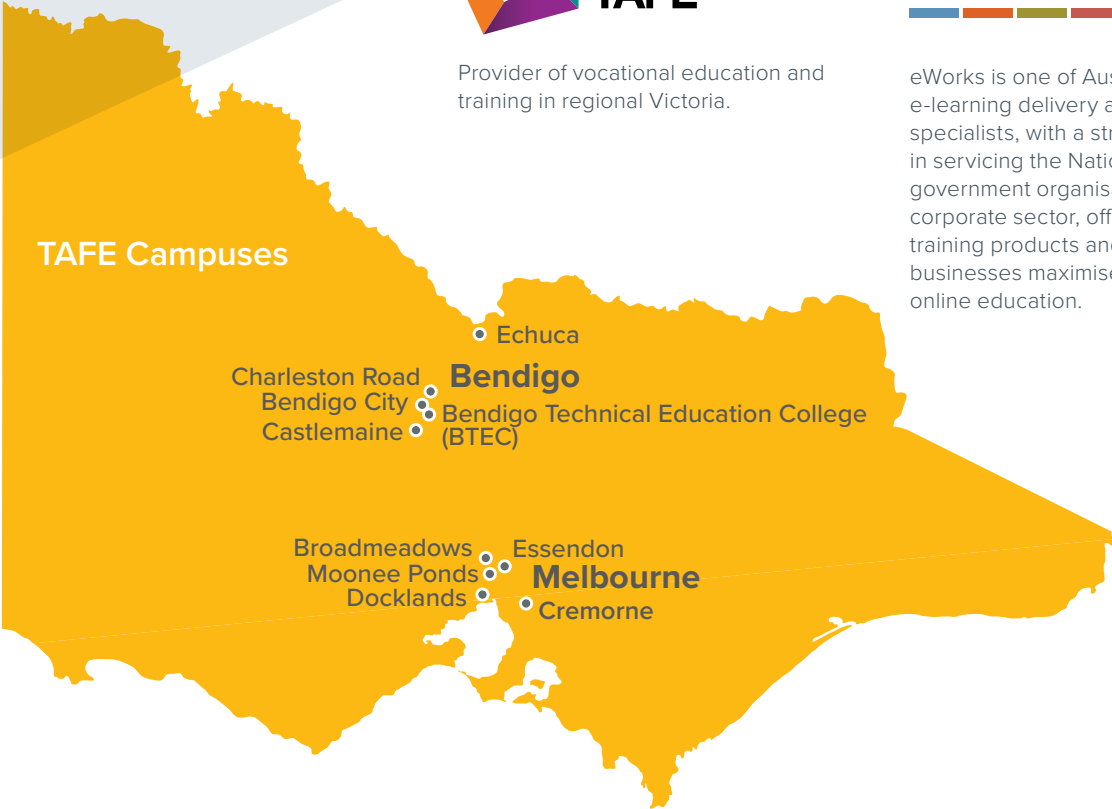


Provider of vocational education and training in regional Victoria.

eWorks



eWorks is one of Australia's leading e-learning delivery and consultancy specialists, with a strong foundation in servicing the National VET system, government organisations and the corporate sector, offering a range of training products and services to help businesses maximise the benefits of online education.



Automotive Centre of Excellence

Few facilities rival the Automotive Centre of Excellence (ACE) campus in Docklands. The facility is a major player in delivering automotive mechanical and electrical training.

ACE leads in developing state-wide automotive training approaches and practices based on industry-driven tailored training initiatives. The ACE model has seen Bendigo Kangan Institute recognised as the lead automotive provider in the TAFE network nationally and internationally.

It incorporates:

- world-class vehicle and engine testing facilities
- specialist workshop and workplace simulation spaces designed and maintained in consultation with industry
- a purpose-built auto electrical hub that continues to evolve to support alternative fuel vehicles.



Food and Fibre Centre of Excellence

Bendigo TAFE's Food and Fibre Centre of Excellence at the Charleston Road Campus is designed to enhance the delivery of animals and plants training.

With an emphasis on practical training, the centre boasts purpose-built workplace-simulated training facilities incorporating the latest in industry-standard training equipment, to recreate environments and

situations faced in employment.

The specialist spaces include:

- veterinary clinic
- dog grooming station
- multi-use live working hub
- greenhouses and gardens
- laboratories.

The flexible layout and design of the centre easily adapts to various training needs and encourages collaboration and connectivity, and the student hub provides space for study, group work and relaxation.



Health and Community Centre of Excellence

The Health and Community Centre of Excellence delivers high-quality teaching and provides students access to state-of-the-art facilities with a focus on applied learning. Located at Bendigo City Campus, with training expertise extending across to our campuses in Broadmeadows, Moonee Ponds, Essendon and Echuca, the Centre offers specialised courses in:

- aged care
- community services
- early childhood education and care
- education support
- disability and individual support
- National Disability Insurance Scheme (NDIS)
- health services
- nursing
- pathology
- dental assisting
- justice.
- allied health
- leisure and health.



Our student profile

TAFE students

Bendigo Kangan Institute is committed to placing students at the centre of everything the organisation does as well as providing high-quality education and training that leads to real employment opportunities. In 2021, Bendigo Kangan Institute offered over 300 courses across diverse study areas, including automotive and trades, business and IT, food and fibre, hair and beauty, health and community services, creative, culinary and hospitality, travel and tourism, Indigenous and Foundation courses.

There were 24,858 enrolments across 10 metropolitan and regional campuses, onshore and offshore sites. This included providing training for 6,666 apprentices and trainees.

The Victorian Government's Free TAFE Initiative continued to play a significant role in attracting new students into vocational training, with 4,902 Free TAFE students training at Bendigo Kangan Institute in 2021. The top three Free TAFE courses were the Diploma of Community Services, Diploma of Nursing and Diploma of Justice.

MEET FREE TAFE GRADUATE, KATHRYN STANFORD

After 28 years as a stay-at-home mum, Bendigo TAFE graduate Kathryn Stanford, who was named Bendigo TAFE's 2021 Student of the Year: Health, was able to pursue a career in nursing thanks to the Victorian Government's Free TAFE initiative.

Kathryn is just one of over four thousand students with Bendigo Kangan Institute who have taken advantage of this initiative, which was designed to assist Victorians into some of the state's most rewarding and in-demand jobs. Free TAFE also has a critical role in supporting Victoria's recovery from the COVID-19 pandemic.



“Because of Free TAFE I was able to study, keep up with home commitments and get employed. It wouldn't have been a possibility if not for this grant.” said Kathryn

Regional and metropolitan enrolment numbers	
Bendigo City Campus	2,959
Bendigo Charleston Rd	4,041
Bendigo Technical Education College (BTEC)	205
Castlemaine	103
Echuca	233
Broadmeadows	10,255
Cremorne	853
Docklands	4,078
Essendon	684
Moonee Ponds	504
Satellite (Industry sites)	183
Total	24,098

International enrolment number	
Offshore	446
Onshore	314
Total	760

Student support

Placing students at the centre of everything it does, Bendigo Kangan Institute provides a range of free and confidential student support services including counselling, welfare and disability support. The impact of the COVID-19 restrictions had significant implications for the student body, and Bendigo Kangan Institute's student support services team worked hard to provide necessary support.

Number of students provided wellbeing support:

1,075 students with **3,286** case sessions supported with wellbeing.

Number of students provided financial support:

376 students were given a total of **\$113,705** in financial support.

Number of international students supported through the Victorian Government's Study Melbourne Grant:

260 students provided a total of **\$7,700** in welfare support.

Number of engagement sessions and in-class presentations:

71 engagement/ orientation sessions provided support to **3,576** students.

Number of students living with a disability enabled to undertake their educational journey:

103 students with **519** sessions for disability support.

YEAR IN REVIEW



Top 20 highlights for 2021

CONTINUES NEXT PAGE

1.

Provided **3,286** wellbeing sessions

2.

Provided **\$113,705** of financial support to 376 students

3.

Provided **519** sessions for **disability support** to **103** students living with a disability

4.

Completed **year one** of our three-year North Star program

5.

Completed **year two** of our five-year 2020>2025 Strategic Plan

6.

Finalist in the Victorian COVIDSafe Business Awards' Community Award

7.

Won Victorian Multicultural Award for Excellence in Education
Vocational Education and Training Accredited Education and Training

8.

Victorian Training Awards Teacher **Teacher of the Year** Julie Kramer, Bendigo TAFE

9.

Victorian Training Awards Apprentice **Apprentice of the Year** Andrew Jan, Bendigo TAFE

10.

Published Accessibility and Inclusion Plan 2020–2025

More top 20 highlights for 2021

11.

Published inaugural **Innovate Reconciliation Action Plan**

12.

Opened **\$60m** revitalised Bendigo City Campus

13.

Partnered with **BMW and NextGen** to train **apprentice mechanics**

14.

Opened a **new veterinary clinic** at the Broadmeadows campus

15.

Received **\$60m** from the Victorian Government to build a **Health and Community Centre of Excellence**

16.

13 of our leaders were selected for external **public sector leadership development**

17.

Published **Environmental Sustainability Plan** for 2021–2030

18.

Increased **Free TAFE enrolments** by **over 20%**

19.

600+ staff contributed to the cultural transformation program

20.

Overall **employee satisfaction rate of 73%** on the People Matter Survey (a sustained 10% uplift from 2019)

COVID-19 Response

The second year of the COVID-19 pandemic required ongoing agility across the operation in both course delivery and student support.

Notably, the principles that Bendigo Kangan Institute adopted at the start of the pandemic, specifically putting staff and student safety first, provided a solid foundation for 2021. As the variants evolved and key government decisions were made, the COVIDSafe Plan and associated practices were continuously revised and implemented to reflect changed imperatives.

As at 31 December 2021, COVID-19 had significantly impacted practical completions, placements and education delivery. A total of 324 placements were impacted in 2021 when employers were required to close their businesses, delaying the completion of many courses for some students as well as the year kicking off with a similar course backlog as the year prior.

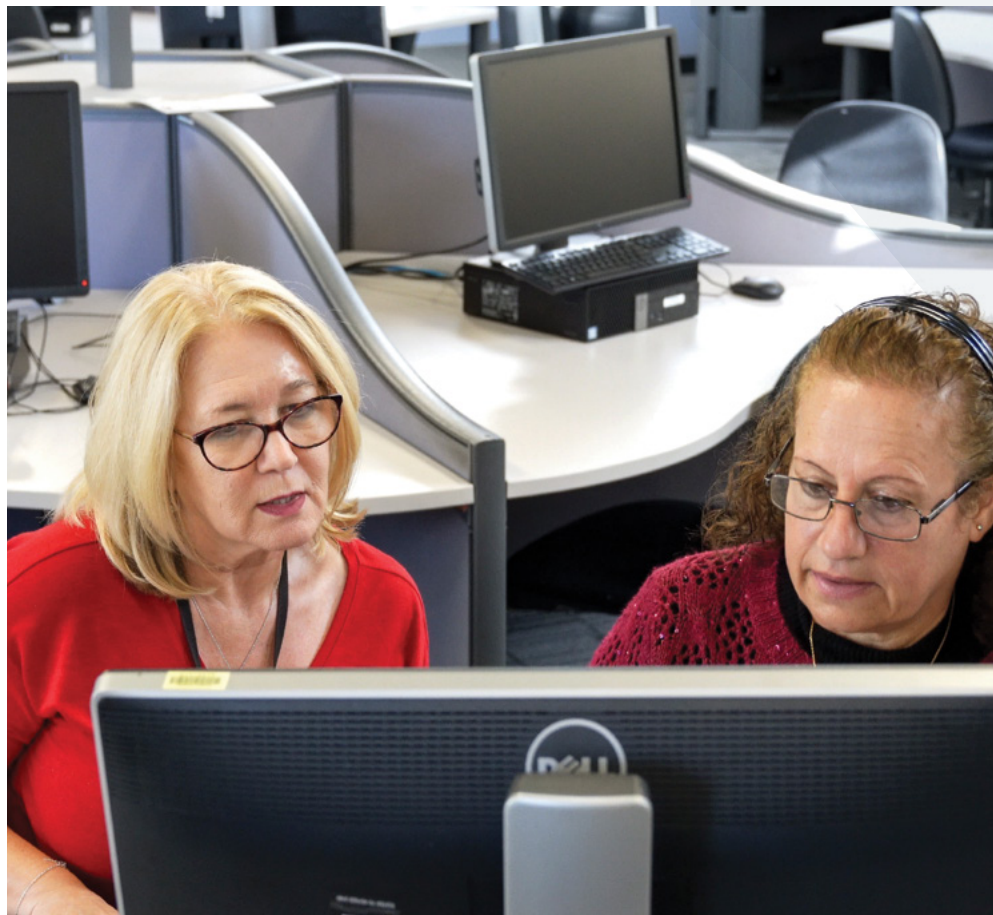
Online learning

Essential public health directions required a rethinking of how to provide all students with access to education. Following the pivot to online learning during 2020, Bendigo Kangan Institute continued to refine and expand its online offerings throughout 2021 during the various Government lockdowns.

Learning online was a challenge for some. Bendigo Kangan Institute's 750 Vocational English students had recently arrived as refugees from Iraq and Syria, with other students from Afghanistan, Iran, Turkey and Vietnam. Support to this group particularly focused on digital literacy. An outreach campaign for the highest-risk students, along with the provision of support material saw students begin their online learning journey well assisted. As online fatigue became an issue for some, educators responded with creative ways to keep students engaged. Meanwhile, our learning designers created new ways of delivering quality education.

While the stay-at-home restrictions were in place, Bendigo Kangan Institute's libraries provided online support for students needing help with online studies, research and information literacy skills. Over the year, the pivoted e-Library had over 39,000 visits and supported over 3,500 students online. Determined to reduce barriers to access, the library lent more than 100 laptops and internet dongles to disadvantaged students as part of our device loan scheme.

Skills and Jobs Centres went virtual and stayed engaged with job seekers to ensure all continued to get the equivalent level of support.



COVID community leadership

Bendigo Kangan Institute took a community leadership role to assist staff and students to be informed regarding vaccination. In collaboration with DPV Health (with Kangan Institute) and Bendigo Community Health Services (with Bendigo TAFE), medical professionals presented virtual information sessions to around 400 staff and students on COVID-related matters.

Bendigo Kangan Institute, through its Broadmeadows Campus, also worked closely with its local Hume City Council regarding COVID-related events, to staff and students.

COVID Response Team

On reaching 70 per cent double-vaccinated in the Victorian community, restrictions eased, and lockdowns began to lift during the latter half of 2021. Staff, students and the community embraced the idea of safely reactivating campuses. To do this, Bendigo Kangan Institute established a COVID Response Team (CRT), succeeding the work of the COVID-19 Crisis Management Team established at the beginning of

the pandemic. The CRT focused on response, advocacy and milestone changes and dealt with all COVID-related issues while planning for a post-lockdown environment.

To align messaging with the Victorian Government, several advocacy initiatives to increase community vaccination rates were launched. Bendigo Kangan Institute's in-market 'Heroes' advertising

campaign was adapted to 'Heroes Get Vaxxed', with staff explaining why they got vaccinated. Bendigo Kangan Institute also engaged with key stakeholders, including community organisations and schools, to align its COVID roadmap with the Victorian Roadmap.

Vaccinations and other activities

Along with the 'Heroes Get Vaxxed' campaign, a social media, website and campus signage campaign was rolled out. It was important to include all members of the Bendigo Kangan Institute community along the way. In particular, the significant culturally and linguistically diverse (CALD) student cohort meant COVIDSafe signage was in multiple languages. Staff were encouraged to include the vaccination promotion message on their email signature.

To validate the adopted COVID response, an independent review was commissioned to undertake a comprehensive risk assessment of the Broadmeadows Campus. This review confirmed that COVIDSafe practices were well above industry-standard. Learnings from this review were applied across all campuses.



COVID-19 response recognised

Measures to encourage COVID-19 safety within the community have been recognised among Victoria's best, with Bendigo Kangan Institute announced as a finalist for the Victorian COVIDSafe Business Awards' Community Award in late 2021.

The awards recognise industry leaders that have demonstrated exemplary responses to the COVID-19 pandemic, with finalists for the Community Award chosen for implementing and encouraging excellent COVIDSafe practices for their customers and the community.

The awards are presented by the Victorian Chamber of Commerce and Industry in partnership with the Victorian Government Department of Jobs, Precincts and Regions.

VETASSESS

During 2021, VETASSESS continued to win new business despite the challenges presented by snap lockdowns and changing COVID-19 requirements, and skills assessment for migration was necessarily moderated. National border closures have had a significant impact on revenue projections in 2021.

A new Memorandum of Understanding (MOU) was signed with the Chongqing Centre for International Education Exchange to partner on VET assessment practices. VETASSESS was also awarded a grant under the International Research Partnerships Program, run by veski and funded by the Victorian Government through Study Melbourne, to advance work with the Chinese Testing, Inspection and Certification Education Association to promote cross-border qualification recognition. This involves mapping Chinese vocational qualifications to Australian standards in select fields of study.

Other highlights of the year include:

- Memorandum of Understanding (MOU) signed with the National Skill Development Corporation of India
- successful ISO recertification audit
- launch of Assessment Development and Assessment Peer Review
- live streaming of practical assessments in India. South Africa and UK currently in testing
- introduced Recognition of Prior Learning online
- independent assessments conducted at seven TAFEs
- Job Ready Program applications up 45 per cent on 2019 pre-pandemic level.

Stakeholder engagement was enhanced through Skills Assessment webinars for agents and applicants, and a roundtable for leading migration agents. VETASSESS staff were active in authoring expert blogs, and 100 new information sheets for professional occupations were created over the year. A fall in the rates of phone dropouts and complaints indicated an improvement in customer service.

eWorks

In 2021, eWorks had 73 Open LMS sites, including for the Victorian Government, 21 registered training organisations, TAFEs and universities, and other organisations.

In 2021 eWorks successfully developed online learning materials for:

- the Victorian Department of Education
- TAFE NSW
- the Royal Australasian College of Surgeons.

Awards and achievements External awards

In 2021 Bendigo Kangan Institute was recognised as a preeminent provider of vocational education and training and community leader at the Victorian Training Awards, Victorian Multicultural Awards and the Victorian COVIDSafe Business Awards.

Staff and students at Bendigo Kangan Institute also demonstrated their strong capabilities as winners of national and state-level awards.

External awards

DESIGN MATTERS NATIONAL BUILDING DESIGN AWARDS (VIC, NSW & SA)

Winner: Best Digital Presentation and Best Response to a Design Brief by a Building Design Student: Lachlan McKern, Bendigo TAFE

Lachlan McKern



FASHION AWARDS AUSTRALIA'S STITCH DON'T DITCH COMPETITION

Third place winner: Olivia Barca, Kangan Institute

7NEWS YOUNG ACHIEVER AWARDS

Winner: People's Choice Award: Diyana Habeeb, Kangan Institute and Madison Blunden, Bendigo TAFE

VICTORIAN COVIDSAFE BUSINESS AWARDS

Finalist: Community Award: Bendigo TAFE and Kangan Institute

VICTORIAN MULTICULTURAL AWARDS

Winner: Victorian Multicultural Award for Excellence in Education– Vocational Education and Training Accredited Education & Training: Bendigo Kangan Institute

Chief Executive Sally Curtain (L) and Executive Director Hemant Kokularupan (R) with The Hon. Ros Spence, Minister for Multicultural Affairs



VICTORIAN TRAINING AWARDS

Finalist: Inclusive Training Provider of the Year: Bendigo Kangan Institute

Finalist: School-based Apprentice or Trainee of the Year: Massimo Zurzolo, Kangan Institute

Winner: Teacher of the Year: Julie Kramer, Bendigo TAFE

Winner: Apprentice of the Year: Andrew Jan, Bendigo TAFE

The Hon. Gayle Tierney MP, Minister for Training and Skills, with Victorian Apprentice of the Year Andrew Jan, Bendigo Kangan Institute CEO Sally Curtain and Mr Jan's employer Simon Lowe of Madedon Ranges Plumbing



Victorian Teacher of the Year Julie Kramer, Bendigo TAFE, with the Hon. Gayle Tierney MP, Minister for Training and Skills



Awards and achievements Internal awards

Internal awards

Bendigo TAFE Student of the Year:
Krystal Tate

Bendigo TAFE Apprentice of the Year:
Andrew Jan

Bendigo TAFE Inspirational Young Achiever of the Year: Madison Blunden

Kangan Institute Student of the Year:
Jasper Zeven

Kangan Institute Apprentice of the Year:
Melissa Serepisos

Kangan Institute Inspirational Young Achiever of the Year: Diyana Habeeb

Kangan Institute Teacher of the Year:
Irene Duffy

Bendigo TAFE Teacher of the Year:
Julie Kramer

Kangan Institute Outstanding International Student – Automotive:
Richy (Adrien) Riaca and Sudhish Burtony



Organisational transformation program - North Star

The three-year organisational transformation programme, North Star, is designed to ensure Bendigo Kangan Institute is recognised as a leading training provider serving industry and students from its various campuses along the Melbourne–Bendigo corridor, with offerings that meet the distinctive needs and opportunity of each campus community.

Underpinning the North Star umbrella is a suite of projects designed to reform Bendigo Kangan Institute's structure, systems and operations and ensure it is current and future ready. The 2020>2025 Strategic Plan outlines our vision and the destination – where we want to be in 2025. Delivering key projects and initiatives that give substance to the six activity streams within the plan, North Star provides the roadmap to help get there.



2020>2025 Strategic Plan Key initiatives and achievements

While the much-needed response to the pandemic had a profound impact on Bendigo Kangan Institute's operations, work continued to progress within the activity streams of the 2020>2025 Strategic Plan.

Improving our offering

Improving our offering involves enhancing and developing new student-to-careers pathways. Key focus areas aligned to this activity stream include the development of new programs or services, collaborating with key clients to train and develop their workforces, and the forging of new and stronger industry and community partnerships. 2021 included some notable examples of progress in these focus areas.

Cremorne project

The Cremorne project is an employer-led partnership between Kangan Institute, the Digital Skills Organisation and key employers in the Cremorne precinct. The burgeoning technology precinct's major players – carsales, MYOB and LiveTiles – have signed Memoranda of Understanding with Kangan Institute to train more digital workers. The project aims to address Australia's digital skills shortage and build a world-class technology precinct providing spin-offs for the local, Victorian and Australian technology sector.

Employers and training providers will collaborate on a syllabus, process and practice of what local employers need. In recognition of the neighbouring fashion and textiles industries, the Cremorne Campus is now known as the Digital + Creative Skills Campus.



Certificate IV in Cyber Security

Preparation to launch the Certificate IV in Cyber Security at the Cremorne Campus was a key focus in 2021 in response to a strong demand for cybersecurity skills. Led by a multi-disciplined team created to expand courses and services in digital skills, the course is expected to be launched at Kangan Institute in early 2022. Aimed at aspiring cybersecurity professionals, the qualification will provide students with technical skills in data analytics, cloud platforms, network infrastructure, programming, and ethics and privacy.

Partnerships

A strategic goal of Bendigo Kangan Institute is to be recognised as a strong and responsive partner with industry. By working closely with key industry partners, Bendigo Kangan Institute ensures the training it delivers is relevant for students and employers.

TOYOTA

The Toyota Network Training Australia (TNTA) program has been providing pathways for school leavers seeking a Toyota apprenticeship (around 150 a year) since 2006. The Toyota Network Training (TNT) apprenticeship program is fully aligned with Toyota's product and technology. The Toyota Pro-Technician Apprenticeship Program combines on-the-job dealership training with course work. Some apprentices who show competency in all required assessments are allowed to progress faster, going from the traditional three to four years training to completing in two and a half years. These types of programs also maintain higher retention rates.

RENAULT

The collaboration with Renault's Dealer Network has grown significantly since 2015. Currently, through the partnership, Renault Australia (now part of the Ateco Group) delivers three new Renault Technical Training programs for dealership technicians:

1. Renault Apprenticeship Program, which includes Certificate III in Light Vehicle Automotive Technology and Certificate II in Automotive Air-Conditioning Technology
2. Renault Technical Training including Technician, Advanced Technician and Cotech
3. Renault New Vehicle Training

NEXTGEN/BMW

Announced in April, the partnership with BMW and NextGen allows Kangan Institute apprentice students to hone their trade skills on some of the world's best cars. This customised Certificate III in Light Vehicle Mechanical Technology offered by the Automotive Centre of Excellence in Docklands benefits both students and Australia's BMW dealers looking for trained staff. Students will get hands-on experience with the latest BMW technologies, including electric vehicles. Importantly, by standardising training, all BMW apprentices can be provided with consistent, quality learning.





DPV HEALTH

DPV Health is a community health provider that operates in Melbourne's northern metropolitan growth corridor. As there are common communities of interest between DPV Health and Bendigo Kangan Institute, a Memorandum of Understanding was signed in 2021. Work is also being undertaken on the potential implementation of a leadership program delivered by Kangan Institute to DPV staff, for those moving from clinic roles to management positions for the first time.

MOONEE VALLEY CITY COUNCIL

In November 2021 Bendigo Kangan Institute signed a memorandum with Moonee Valley City Council to establish upskill and training pathways for staff through specialist traineeship programs.

AGCO

Bendigo TAFE joined forces with AGCO Australia, a global leader in agricultural equipment, to support regional Victoria's next generation of agricultural mechanical technicians. The partnership allowed Bendigo TAFE to deliver a Certificate III in Agricultural Mechanical Technology in 2021 with specialised training in using, maintaining and getting the best performance from a range of critical machinery.

NORTHERN HEALTH

A new Memorandum of Understanding was signed in 2021 with Northern Health to collaborate on courses in nursing, dental assisting, pathology collection, disability and early childhood, with a future focus on virtual healthcare, eHealth and assistive technologies.

The Hon Gayle Tierney MP, Minister for Training and Skills, and Higher Education, and Member for Broadmeadows, Frank McGuire MP, attended the signing of the MOU.

BROADMEADOWS REVITALISATION BOARD

Chief Executive Officer Sally Curtain represented Bendigo Kangan Institute as part of the Broadmeadows Revitalisation Board in 2021. Chaired by Member for Broadmeadows, Frank McGuire MP, the Board provides a local voice to the Victorian Government's Suburban Revitalisation program and identifies opportunities for locally led projects to make Broadmeadows thrive.

Current projects underway that will contribute to the revitalisation of Broadmeadows include the \$60 million Health and Community Centre of Excellence at Bendigo Kangan Institute's Broadmeadows Campus.

IACE

Bendigo Kangan Institute CEO Sally Curtain and the Chief Executive Officer of the International Automobile Centre of Excellence (iACE), Mr M M Singh, signed a Service Level Agreement in 2021 to partner in the development of India's first industry-driven Automotive and Teacher Training upskilling program in Gujarat, India.

India's rapidly expanding automotive market is expected to be the world's third largest by 2026, ensuring a strong demand for automotive skills. An International Skills Training (IST) program for iACE trainers is underway to enable them to deliver high-quality courses using Bendigo Kangan Institute digital courseware and digital platforms.

LODDON CAMPASPE SECTOR SKILLS AND PATHWAYS ROADMAP

In June, Bendigo TAFE hosted the Minister for Regional Development, The Hon Mary-Anne Thomas MP, and State Member for Bendigo West, Maree Edwards MP, at the Bendigo City Campus to launch the Loddon Campaspe Health Sector Skills and Pathways Roadmap.

The roadmap was developed by Regional Development Victoria's Loddon Campaspe Regional Partnership, and included Bendigo TAFE, Bendigo Health, Bendigo Senior Secondary College, and La Trobe University. It recommends actions to support the needs of the region's future health sector workforce as it faces growing demand and changes to service delivery. A big focus is on further collaboration between industry, education, and community to strengthen regional learning systems and better address skills needs in health.

AUSTRALIAN AUTOMOTIVE AFTERMARKET ASSOCIATION

To meet a surging demand for specialist four-wheel drive (4WD) technicians, Kangan Institute collaborated with the Australian Automotive Aftermarket Association's specialist 4WD Industry Council in 2021 to develop a customised 4WD Accessories Technician Course culminating in a Certificate II in Automotive Service Technology. The course's 20 competency units are delivered over 28 sessions at Kangan Institute's Automotive Centre of Excellence at Docklands in Melbourne.

DENTAL HEALTH SERVICES VICTORIA

Kangan Institute secured an extension of the successful 2020 program with industry partner Dental Health Services Victoria to deliver Certificate III and IV in Dental Assisting courses in 2021. The partnership has developed an innovative solution to address public dental health needs, with practical, remote delivery enabling Kangan Institute to work with students across many metropolitan and regional locations.

Improving our experiences

Improving our experience means an unwavering commitment to seek out and respond to opportunities that provide all who interact with Bendigo Kangan Institute a better experience. This work includes the systems and processes the Institute uses in interactions, the standards expected in those interactions, and behaviour and understanding of all people involved in those interactions. All three dimensions are featured in the selected achievements below.

Student Journey Transformation Program

The Student Journey Transformation Program (SJTP) is a significant investment by Bendigo Kangan Institute in students, people, systems and processes. It is a necessary four-year transformation to move away from a manual, paper-based working environment with disparate campus systems and processes to provide a digital, online, consistent staff and student experience. It will deliver capability and user experience improvements across the end-to-end student lifecycle and is a key enabler for Bendigo Kangan Institute to improve the student experience.

The deployment of JobReady Plus, the new student management system, for enrolment, study delivery, compliance and reporting variations for all student cohorts is a large and complex activity. Originally scheduled to go live at the end of 2021, the SJTP Project Control Group delayed implementation into 2022 to fully mitigate all risks.

Work to replace the current student management system, Banner, started in April 2019 by taking enrolment applications online. The design and build were completed at the end of 2021 and a JobReady Plus pilot will run from February to April 2022. Its success will determine the JobReady go-live date, with all courses and new students expected to use JobReady Plus from the second half of 2022 in preparation for 2023 study delivery.

Customer Service Charter

A Customer Service Charter for Bendigo Kangan Institute was launched in June. This is a promise document telling customers how service will be delivered to them, and what they should expect. The Charter's definition of customers includes students, community, industry partners, employers, alumni and campus visitors.

A new Customer Service Champion award was also introduced within the organisation to celebrate outstanding examples of customer service.

Inclusivity plan

Bendigo Kangan Institute is committed to inclusivity and does not tolerate discrimination at any campus.

Adopted in early 2021, the Accessibility and Inclusion Plan 2020–2025, through a series of planned activities and commitments, puts students at the centre of everything while building a high performing workforce. Regardless of a student's gender, sexuality, ethnicity or disability, Bendigo Kangan Institute seeks to provide them with modern accessible training facilities with industry-standard equipment and support.



Innovate Reconciliation Action Plan (RAP)

Launched in August, Bendigo Kangan Institute's inaugural Innovate RAP will play a key role in reconciliation and ensuring our Aboriginal and Torres Strait Islander staff and students are fully engaged in education, employment, and training. It will drive meaningful, lasting change and provide a working framework for better reconciliation efforts. Importantly, the RAP was endorsed by Reconciliation Australia. The RAP Committee consists of local Aboriginal and Torres Strait Islander community members representing the three regions in our geographical footprint.

The RAP aligns with Bendigo Kangan Institute's strategic vision and values – particularly respect and collaboration, and moves the organisation closer to a reconciled, just and equitable Australia. It is aspirational and aims to gain a deeper understanding of our sphere of influence and establish the best approach to reconciliation and new ways to empower Aboriginal and Torres Strait Islander peoples.

Bendigo Kangan Institute's RAP commits us to:

- restoring First Nations people to a place of equity
- ensuring that Aboriginal and Torres Strait Islander cultures are fully valued by all
- working towards restoring broken relationships and eradicating social inequalities
- reducing the historical gap of social and economic disadvantage
- building accountable relationships, respect and opportunities
- ensuring cultural awareness of Aboriginal and Torres Strait Islander student needs.

This will be achieved by:

- building relationships, respect and opportunities in a way that's accountable to ourselves and the Indigenous community
- providing better access to education and meaningful employment
- being culturally aware of Aboriginal and Torres Strait Islander student needs
- actively supporting First Nations enterprises in our procurement
- achieving practical outcomes.

Gender Equity

The Gender Equality Act (Victoria) commenced operation on 31 March 2021. As Bendigo Kangan Institute is a defined entity under the Act, it must take positive action towards achieving workplace gender equality and promote gender equality in its policies, programs and services. A workplace gender audit was undertaken in 2021 and, drawing upon this audit, drafting of the first Gender Equality Action Plan commenced.

Addressing disability

Bendigo Kangan Institute continued to identify perceived barriers and to develop remedial strategies for students with a disability to ensure they get the best educational experience. During 2021, laptops and internet dongles were loaned to students living with a disability to ensure they were not disadvantaged during the pandemic. Two virtual rooms were established – one for students without a disability and another for students with a disability and their support worker. For vision-impaired students, workstations were set up in the library with 27" monitors and large print keyboards.

The Accessibility and Inclusion Plan (AIP) continued to underpin the delivery of accessibility, diversity and inclusion initiatives across the organisation as the pandemic increased demand for education for people with a disability. After publishing its AIP, Bendigo Kangan Institute was invited to participate on an Australian Tertiary Education Network on Disability panel aimed at supporting other institutes to develop or improve their own AIPs. Bendigo Kangan Institute was requested to present to the Victorian Parliament Inquiry into Access to TAFE for Learners with Disability and the TAFE Disability Inclusion Working Group. Bendigo Kangan Institute also met with New Zealand's Tertiary Education Commission to discuss its sector-wide disability action plans.

During 2021, despite changed delivery models, the Bendigo Kangan Institute Student Support Services and Skills and Jobs Centres continued to work closely with local community services to provide information and support for any prospective students living with a disability.

Indigenous Education Centre

With funding support from the Victorian Government under the Wurreker Strategy, the Indigenous Education Centre (IEC) continued to evolve in 2021 as an innovative environment that fosters and promotes learning, while supporting Aboriginal and Torres Strait Islander (ATSI) students undertaking study and training in a wide array of courses.

Dedicated mentors and Koorie Liaison Officers at the IEC played an important role in supporting ATSI students at Bendigo Kangan Institute in 2021 with the challenges of the lockdowns, including:

- providing a welcoming environment and support for students unfamiliar with virtual learning
- helping them find the right course
- getting them enrolled and started in their training.

The IEC continued to provide expert advice as Bendigo Kangan Institute developed new courseware to ensure that all ATSI students are given every opportunity to gain skills and knowledge while improving their networks and employment options.

During the year the IEC continued to support external organisations in gaining a greater understanding of Aboriginal and Torres Strait Islander history and culture through the delivery of Indigenous Cultural Awareness Training (ICAT).

The ICAT program provides participants with practical understanding required for successfully working with the Victorian Indigenous community. The Bendigo Kangan Institute Board was one of many groups involved with the ICAT sessions.



Our multicultural experience

In 2021, Bendigo Kangan Institute was awarded the Victorian Multicultural Award for Excellence in Education – Vocational Education and Training Accredited Education and Training, in recognition of its commitment to students from multicultural communities.

The Adult Migrant Education Program (AMEP) provides free English language lessons to eligible migrants and humanitarian entrants over 18 years of age. This year, Bendigo Kangan Institute assisted refugees and asylum seekers from the Middle East – mainly Syria – with English and other skills to help them settle in Australia successfully, get a job and engage with the community. Through the Wrap Around program, Bendigo Kangan Institute gave students skills to establish community networks, encourage community participation, social inclusion, work readiness, independence and wellbeing.

MEET ENGLISH GRADUATE, BERAT KAYA

Kangan Institute graduate Berat Kaya, originally from Turkey, is one of many English students to benefit from the TAFE's Wrap Around program.

He works at Brotherhood of St Laurence as a youth advisor supporting other young people with connecting to society, a job he attained following an initial connection established through his Certificate IV in Spoken and Written English studies.



“Kangan has really friendly teachers and students and it helped me a lot. When some community workers from the Brotherhood of St Laurence visited our classes, it changed my life in a good way. I started to participate in their workshops and events, which made me more confident about being myself and speaking English. I work with young people and try to motivate, encourage and connect them with society. I also create workshops and projects for youth. I love being able to help people. When I first arrived in this country, I was lost, but with the help of youth workers I found my path and now I can stand on my own feet. With this work I can give back to the community,” said Berat.

A virtual campus community for international students

COVID-19 had an immense economic and social impact on our international student community in 2021. Many students were ineligible for Commonwealth Government subsidies or assistance. Many were in desperate straits. Not unexpectedly, many turned to Bendigo Kangan Institute for help and a virtual campus online hub was created to:

- foster a sense of community Melbourne among international students
- develop and maintain connections with their peers
- provide a shared voice for their welfare and wellbeing needs.

The virtual campus was funded through a grant from the Victorian Government's Study Melbourne initiative and its International Student Welfare Program, and provided:

- a virtual food relief service
- a student working group
- an internship program for international students
- virtual wellbeing sessions
- job-search assistance sessions
- virtual fitness sessions
- chat buddy sessions
- leadership workshops
- communication and mentoring skills.

Of the 112 international students contacted, 67 were dealing with wellbeing issues, three with academic issues and around two-thirds had lost their jobs. Bendigo Kangan Institute referred 12 students for wellbeing support and one for academic support.

Improving our places

Vocational education is, to a large extent, campus based with students benefiting from applied learning under the supervision of skilled trainers. Improving the safety, amenity, and functionality of facilities across all campuses is an ongoing journey and 2021 saw some significant achievement on this front.

Bendigo City Campus revitalisation

On 10 November, the \$60 million revitalised Bendigo City Campus was officially opened, boasting state-of-the-art facilities that will prepare its nearly 3000 students for the future of work. The 20-month, Victorian Government-funded transformation project was delivered on time and on budget and opened by The Hon Daniel Andrews MP, Premier of Victoria, and The Hon Gayle Tierney MP, Minister for Training and Skills.

The revitalised campus features a mix of new and refurbished heritage-listed buildings that feature improved disabled access and environmental sustainability.

The campus, which has a 167-year history in Bendigo, was redeveloped in collaboration with the local community, including the Djandak and the Dja Dja Wurrung Clans Aboriginal Corporation to feature Dja Dja Wurrung cultural elements across the building facade and landscaping. Both Building G's facade and interior feature impressive multi-storey images of Waa the crow, one of the two main features of the Dja Dja Wurrung cultural and belief systems, which is the main entrance to the campus.

Designed by award-winning architects Architectus and Six Degrees, the revitalisation project prioritised hiring local tradespeople including Bendigo TAFE graduates and apprentices. The creation of local jobs was an important part of the project.

New buildings were constructed to house the customer service centre, a learning hub and library, along with best-in-class hair, beauty and barbering salon facilities. A new Indigenous Education Centre named Djimbayang (in consultation with the Dja Dja Wurrung Clans Aboriginal Corporation, meaning teaching and learning) was also introduced, along with a life skills laboratory, a rooftop breakout space and classrooms for English, Victorian Certificate of Applied Learning (VCAL) and work education.

A number of heritage buildings were refurbished to house new bakery and hospitality, barista, cafe and restaurant training facilities. A new rehabilitation gym and classrooms for visual arts and information technology were also part of the refurbishment.



Broadmeadows Trades + Skills Centre

A new Broadmeadows Trades + Skills Centre was completed in late 2021. The facility boasts specialist features including a multi-storey plumbing training tower, pneumatics and hydraulics facilities, and a gas equipment fitting training room. It also features a simulation sandpit to facilitate various plumbing training activities, including laying pipe systems, gas lines and trench shoring.

The new facility addresses a skills training gap in the northwest metropolitan corridor and has the capacity to train 300 additional students annually. Offering additional plumbing courses will allow Kangan Institute students to continue their learning beyond the Certificate II course currently offered at the campus and will also feature electrical training laboratories and welding bays.

Broadmeadows Veterinary Clinic

Bendigo Kangan Institute opened a new veterinary clinic at Kangan Institute's Broadmeadows Campus in August 2021.

The clinic's simulated surgical settings and specialist equipment align with training practice standards recommended by the Australian Veterinary Association.

This new facility meets the demand for work-ready veterinary nursing graduates and enables Kangan Institute to continue providing industry-specific, practical training to aspiring nurses within Victoria's north-west and beyond who are completing the Certificate II to Diploma studies in Animal Studies and Veterinary Nursing.

The clinic reflects a real-life contemporary veterinary clinic, from surgical settings through to pathology and autoclaving equipment.

The refurbishment was completed by Barpa, a majority Indigenous owned and operated commercial construction company certified by Supply Nation.



Broadmeadows Health and Community Centre of Excellence

Paving the way for the continued revitalisation of the Broadmeadows campus, an allocation of \$60 million was provided in the 2021 Victorian Budget to fund the construction of a Health and Community Centre of Excellence. Construction of the new facility will begin by the end of 2022, with completion planned for 2024.

The centre will see Kangan Institute expand its course offering in Melbourne's growing northern corridor and, in partnership with industry partners, deliver new courses in areas such as nursing, dental assisting, pathology collection, disability, early childhood, aged care, mental health and allied health. The new facility will feature flexible learning spaces, laboratories and outdoor spaces.

The Centre will offer training in essential health services while embedding skills for now and into the future with a focus on virtual healthcare, eHealth and assistive technologies.

Stronger TAFE Fund

Other campuses were refreshed and improved through a series of works in 2021 financed by the Victorian Government's Stronger TAFE Fund.

Staff and student safety was a primary focus of the maintenance program, with the priority being replacement of fire-prone cladding at the Echuca and Docklands campuses and asbestos removal at Broadmeadows and Essendon campuses. Preliminary work was completed in 2021 and works will begin in early 2022. The improvements to the hydrant and sprinkler system at the Broadmeadows campus in 2021 improved fire safety. Security improvements included CCTV and access control upgrades across all campuses.

Structural repairs and maintenance work at Bendigo Charleston Road and Cremorne campuses included heating, ventilation and air-conditioning upgrades.

Digitally enabling our operations

Digitally enabling operations allows Bendigo Kangan Institute to transform business support and delivery capability by better leveraging rapidly evolving digital solutions. It also involves investing to improve the strength of the organisation's digital foundations, making them safer and improving usability.

Identity and Access Management (IAM) system

In 2021, Bendigo Kangan Institute began replacing its IAM system to improve authentication, authorisation and access controls, as well as privileged access management. A contract was awarded following a public tender process, with completion expected mid-2022.

Finance system

Bendigo Kangan Institute's finance system, FinanceOne, went cloud-based in 2021. The upgrade will enhance the experience for all FinanceOne users, providing staff with improved finance reporting, greater automation and ability to manage finances from any device.

Contract management system

A new cloud-based contract management system, TechnologyOne, went live in July 2021. It increases the effectiveness of contract management while reducing costs. All existing contracts will be migrated into the system over 2022.

Datacentre modernisation

The final, major stage of modernising the two enterprise Datacentres (Bendigo and Broadmeadows) was successfully undertaken in 2021. Previous obsolete on-premise infrastructure and architectures were replaced by new 'hybrid cloud' datacentres, providing robust, well-supported capability where digital workload is readily switched between on-premise and cloud platforms, depending on requirements. This reduces the risk of major system failure and is key to strengthening our cybersecurity resilience.

An adjunct project also saw the implementation of a diesel power back-up plant for the Broadmeadows datacentre, enabling technology-dependent services to continue to operate when mains power is lost.

Overhaul of intranet sites and migration to SharePoint online.

The staff intranet project successfully eliminated disparate in-house infrastructure, outdated content and processes by merging onto a single, cloud-based platform in 2021. The project required the upgrading and migration of our on-premises SharePoint version to the cloud and removal of older, duplicated intranet content.

Cybersecurity strengthened

The implementation of a new email filtering system, network access control applications and secure gateways for a stronger digital perimeter in 2021 significantly improved identification and blocking of malicious threats. Internal cyber security awareness was also strengthened, with cybersecurity training rolled out and regular phishing simulations conducted to improve cyber resilience.

Digital learning approach

Significant progress was made in 2021 to improve the consistency of learning approach across all campuses. Led by a dedicated project team, a new approach is being planned to harness relevant technology to simplify learning and assessment for students and teachers, as well as to establish an organisation-wide standard for courseware development and delivery of training and assessment.

The Digital Learning Approach involves a four-year roadmap and its vision will be realised by 2025. Works commenced with the establishment of a Greenfields Moodle site in 2021.

Building a united TAFE

Building a united TAFE reflects the importance of the people who work at Bendigo Kangan Institute. This activity stream focuses on people, including how they are led, how they are developed and how they are supported. 2021 saw significant and positive change on this front.

Executive Team

A new executive structure commenced in January 2021. It is a streamlined executive team with clear accountabilities aligned to Bendigo Kangan Institute's priorities, particularly improving the industry focus and academic quality of our training delivery, the student experience as well as key capability and efficiency across all operations.

Senior Leadership Team

In July, the new Senior Leadership Team structure that sits directly below the Executive was implemented. It introduced several new roles in response to feedback through formal consultation including one-on-one meetings with staff:

- Head of Change and Internal Communications
- Head of Teaching and Learning
- Head of Campus for Bendigo
- Head of Campus for Broadmeadows.

By the end of 2021 all roles were in place.

Culture transformation program

In late 2021 the Executive Team heard from over 600 staff as part of Bendigo Kangan Institute's ongoing cultural transformation program aimed at becoming a sustainable, caring and high-performing organisation. Activities included:

- a culture survey to assess current culture
- focus groups and online jams
- aspirational culture determination through workshops and a 'virtual ideas wall'
- design and implementation of a roadmap to bring about cultural change.

This work will continue into 2022.

People Matter Survey

From May to June 2021, the Victorian Public Sector Commission conducted the 2021 People Matter Survey (PMS) across the entire Victorian public sector. PMS is an employee opinion, engagement, and organisational climate survey. The survey is entirely confidential and conducted on an anonymous basis.

Bendigo Kangan Institute's response rate in 2021 of 68 per cent was above comparator group averages, including other TAFEs at 60 per cent and the wider Victorian public sector at 39 per cent.

The overall employee satisfaction rate of 73 per cent was relatively stable compared with the previous year (75 per cent), however, it represents a sustained uplift on 2019 (63 per cent) and 2015 (40 per cent).

Other key findings included a belief that Bendigo Kangan Institute is a supportive environment; that immediate team and managers are a source of support and are trusted; Bendigo Kangan Institute's positive and proactive response to COVID-19 was appreciated; and that improvements were evident in communications and transparency.

Results were shared internally through institute-wide briefings for staff as well as more specific engagement with staff by people leaders.

Staff engagement

All staff were invited to a virtual Town Hall held quarterly in 2021 to reflect on Bendigo Kangan Institute's performance, and progress against the 2020>2025 Strategic Plan, with a particular focus on North Star initiatives. Various speakers were invited to provide insight into our external environment and student experience.

Town Halls were an opportunity to acknowledge the exceptional contributions made by staff and provide staff an opportunity to ask questions. The March Town Hall had 634 participants, June had 488, October had 579 and December had 401. Conferencing technology was utilised to cross live to a number of sites during the Town Halls.

On a weekly basis, CEO Sally Curtain provided a video message to all staff giving an update on new developments around Bendigo Kangan Institute, recognising achievements and relaying key issues discussed at the weekly Executive meeting.

Additionally, daily staff updates on key announcements were uploaded to SharePoint and sent to staff.

Staff also had an opportunity to engage directly with the CEO through monthly, semi-informal 'Random Acts of Coffee' sessions. All staff were invited to express their interest, with five chosen and asked to bring along a colleague, ideally someone who would otherwise not have the opportunity to meet with the CEO.



People matter
survey 2021

Have your say

Building a professional and financially sustainable organisation

Building a professional and financially sustainable organisation means a focus on quality, efficiency, and professionalism.

Quality 2022 program

Every seven years, Bendigo Kangan Institute is reviewed for re-registration with the Australian Skills Quality Authority (ASQA), ensuring Registered Training Organisation (RTO) status is retained, as well as staying on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). Bendigo Kangan Institute's current registration has been in place since 2015 and expires on 30 June 2022.

Quality 2022 is a program that operated throughout the year, leading a comprehensive review and improvement exercise with the aim to deliver:

- a quality student experience
- better connections with industry
- an improved culture of quality, compliance and integrity
- clear responsibilities for quality maintenance and improvement, and
- better integration of critical systems and processes.

The work includes addressing any gaps in Bendigo Kangan Institute's Training and Assessment Strategy (TAS) and assessment tools ahead of registration renewal.

Teacher qualifications, vocational currency and professional competency are key to Bendigo Kangan Institute's ASQA re-registration in 2022. This has been combined into a central data repository, making it easy to get a single teacher view and provide this information to individual teachers.

Teacher workforce professional development

A two-year teacher workforce professional development plan is a key element of this activity stream. Co-funded by the Department of Education and Training's TAFE Teaching Capability Fund, it aims to:

- develop teaching excellence and assessment practice
- increase proficiency in digital literacy
- enhance industry immersion
- improve individual TAFE teachers' capacity for innovation and change.

A priority for 2021 was building teacher capability via Educator Passport – a holistic teacher capability development program. Achievements included:

- the delivery of 367 programs to 1,622 participants to enhance teaching delivery, digital teaching, student support and quality assurance
- a completion by 60 teachers at Bendigo Kangan Institute of the e-Teacher program, enabling them to be certified by the Blackboard Academy as digital champions.

Developing leaders in 2021

A key 2021 focus was providing high-quality development experiences for our leaders and building trust across leadership levels. Initiatives included:

- 13 leaders being selected for external public sector leadership development opportunities, including the Williamson Community Leadership Program, Integrity and Ethical Leadership Program and Barrington Djinang Leadership Program
- 34 senior leaders participating in an in-depth leadership development journey involving 360-degree assessments, immersion workshops and coaching circles to unlock capability and capacity to meet the adaptive challenges of transformation
- 63 frontline educational leaders doing targeted development programs on 'Leading people through change' and 'Coaching conversations' to develop lead educator competence to drive innovation and change and effectively manage performance.

Participating in the TAFE sector in 2021

As part of the Victorian TAFE Association and the Regional TAFE Network, Bendigo Kangan Institute collaborated with TAFEs across Victoria to improve student outcomes, coordinate responses to sector issues, drive continuous improvement and share strengths. This included:

- the Education Leaders Network
- the Quality Network
- Risk, Audit Compliance Enterprise Reference Group
- the new metropolitan education executives working group focusing on course retirements
- Australian Skills Quality Authority (ASQA) transition extensions
- best practice knowledge exchange.

Bendigo Kangan Institute participated in TAFE Directors Australia's national quality network and worked with TAFEs across Australia to discuss solutions to key sector issues and drive continuous improvement. Key discussion points included transitioning qualifications, extensions to transitions and self-assurance practices.

Quality and strong student outcomes continued to be a focus, with positive results from our '21 Skills First' contract audit in October and successful Victorian Registration and Qualification Authority (VRQA) re-registration in December for all VCAL programs.

A key change to TAFE Network governance and collaboration occurred in 2021 when the government established a new Office of TAFE Coordination and Delivery (OCTD) within the Department of Education and Training. The OCTD has a clear charter to better promote collaboration and innovation across the Network. The OCTD has the capacity to be a game changer for TAFE.

Financial performance

Bendigo Kangan Institute is committed to its goal of financial sustainability with a structured approach focusing on improving TAFE financial performance through growing other revenue streams and pursuing cost-control initiatives.

	2021	2020	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Total income from transactions	191,374	211,679	164,365	161,231	167,194
Total expenses from transactions	-196,117	-175,461	- 172,117	- 159,444	-156,497
Total other economic flows	-150	878	- 820	397	- 2,551
Net results	- 4,893	37,096	- 8,572	2,184	8,146
Changes to asset revaluation surplus	13,846	- 4,881	2,270	-	76,926
Comprehensive result	8,953	32,215	- 6,302	2,184	85,072
Total assets	496,600	509,078	482,177	456,248	456,694
Total liabilities	56,783	78,214	77,331	40,100	42,730
Net assets	439,817	430,864	404,846	416,148	413,964

The net result for 2021 was a deficit of \$4.893 million compared to a surplus of \$37.096 million for the year ended 31 December 2020. This is mainly due to the following:

- Impact of COVID-19 and various restrictions such as lockdowns and closure of international borders
- Reduction in Business Continuity Grants and other one-off capital funding provided by the Department of Education and Training
- Higher employment costs driven by negotiated increases for teaching and support staff and filling of various vacant positions towards the end of 2020 and in early 2021.

At 31 December 2021, Bendigo Kangan Institute's net assets were \$439.817 million (2020: \$430.864 million). The increase in net assets was due to:

- Revaluation of Land in 2021 and recording a surplus of \$13 million
- Reduction in contract liabilities by \$18.4 million due to recognition of revenue based on completion of construction projects
- Construction works in progress recognised in relation to Bendigo City Campus Revitalisation Project.

The increase in net assets due to the above were partially offset by the reduction in cash and cash equivalents.

The total assets amount for 2020 was adjusted in 2021 - details are provided in Note 9.5.2 of Bendigo Kangan Institute's Financial Statements on page 106 and 108.

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.

Demographic data

Headcount	All Employees		Ongoing			Fixed term and Casual	
	Number	FTE	Full-time	Part-time	FTE	Number	FTE
December 2021							
Gender							
Women Executives	4	4	4	0	4.0	0	0.0
Women (total staff)	745	630.6	362	230	516.4	153	114.2
Men Executives	6	5.6	5	1	5.6	0	0.0
Men (total staff)	551	529.9	361	113	462.8	77	67.1
Self-described	0	0	0	0	0	0	0.0
Age							
15-24	23	20.5	11	4	13.4	8	7.1
25-34	165	154.1	105	29	126.5	31	27.6
35-44	306	273.2	177	69	226.8	60	46.4
45-54	358	320.4	204	84	266.2	70	54.2
55-64	335	298.1	182	109	263.1	44	35.0
65+	109	94.2	44	48	83.2	17	11.0
Total employees	1296	1160.5	723	343	979.2	230	181.3

All figures reflect employment levels for the final full pay period of 2021, in accordance with the general reporting requirements detailed in FRD221.

Employees have been correctly classified in the workforce data collections.

2021 saw an increase in FTE compared to 2020, primarily attributed to increased FTE for existing staff (in particular, for teachers who had been converted from sessional employment).

2021 continued the shift in our workforce composition that commenced in 2020. Following a review of fixed term, casual and sessional arrangements, eligible staff were offered an employment status conversion in line with our enterprise agreement obligations.

Total 2021 headcount remained comparable to 2020 profile, with increased number of ongoing employees, and fewer Fixed term and Casual employees.

Changes to the Public Entity Executive Remuneration (PEER) policy that came into effect at the end of 2020 resulted in differences in the executive numbers quoted for 2021 in comparison to the previous year's numbers.

The 2021 headcount for executives does not include individuals who served in acting executive roles.

Demographic data continued

Headcount	All Employees		Ongoing			Fixed term and Casual	
	Number	FTE	Full-time	Part-time	FTE	Number	FTE
December 2020							
Gender							
Women Executives	6	6	6	0	6	0	0
Women (total staff)	742	610.1	345	216	481.7	181	128.4
Men Executives	4	4	4	0	4	0	0
Men (total staff)	557	484.3	342	83	394	132	90.3
Self-described	0	0	0	0	0	0	0
Age							
15-24	28	25.6	19	4	22	5	3.6
25-34	201	179.9	117	35	140.7	49	39.2
35-44	299	254.8	153	63	194.3	83	60.5
45-54	335	296.1	192	67	234.2	76	61.9
55-64	336	271.6	168	101	232	67	39.6
65+	100	66.4	38	29	52.5	33	13.9
Total employees	1299	1094.4	687	299	875.7	313	218.7

Workforce data

	Full-Time		Part-Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
Dec 2021							
PACCT Staff	379.6	120.0	83.6	15.9	0.2	2.5	601.8
Executive	7.5			0.4			7.9
Other	1.0		0.1	0.2			1.2
Teacher	286.3	25.7	120.1	14.1	36.8		483.1
Total employees	674.4	145.7	203.8	30.6	37.0	2.5	1093.9

	Full-Time		Part-Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
Dec 2020							
PACCT Staff	325.5	117.8	69.2	20.4		16.4	549.1
Executive	10.5			0.6			11.1
Other							0.0
Teacher	274.8	46.9	102.2	20.4	37.6		481.9
Total employees	610.8	164.7	171.4	41.4	37.6	16.4	1042.2

Workforce data tables include all staff employed during the reporting year, with data calculated in accordance with the general reporting requirements required by TAFEs as approved by the Department of Education and Training.

COMPLIANCE



Occupational Health and Safety

Bendigo Kangan Institute recognises and is committed to the delivery of a positive health, safety and wellbeing culture, workplace and learning environment underpinned by our legal and social responsibilities. The organisation's Health, Safety and Wellbeing Policy was updated in 2021 to strengthen its scope as well as its commitments to driving health, safety and wellbeing.

In 2021, health, safety and wellbeing initiatives included:

- Establishing or reviewing appropriate policies and procedures outlining safe practices
- Developing and embedding a Leader Led Positive Health, Safety and Wellbeing Culture, with leaders appointed as 'officers' to champion the initiative
- Consulting and communicating with employees regarding their obligations under the Health, Safety and Wellbeing policy. This includes providing training to employees to ensure they have the necessary skills and knowledge to work safely and contribute to ongoing improvements in safety performance
- Engaging in effective hazard identification and risk assessments, with the aim of eliminating risks, applying learnings and preventing recurrence
- Setting and measuring health, safety and wellbeing objectives and targets on a regular basis, while embedding continuous improvement into practice

- Supporting and promoting Health, Safety and Wellbeing Committees within the organisation
- Maintaining and regularly reviewing the performance of the Health Safety and Wellbeing Framework 2020>2025
- Undertaking periodic audits of health, safety and wellbeing activities across the Institute
- Providing adequate resources to ensure employees are supported to apply safe systems of work and fulfil their health and safety responsibilities
- Supporting employees to achieve full recovery following workplace (or where practicable, personal) illness or injury.

A key focus for 2021 was to build the foundation for the Leader Led Positive Health, Safety & Wellbeing Culture. Virtual training sessions were held for all people leaders to outline 'officer' roles and responsibilities.

The Safety Wellbeing, Ask Questions, Listen and Learn, Connect (WALC) initiative was relaunched in March 2021 to encourage leaders and employees to check in on their team members.

To support this, the Safety WALC app was relaunched providing augmented reality delivery of Safety WALC topics and the ability to record Safety WALC moments. The initiative was positively received with 592 Safety WALC check-ins recorded, a threefold increase from 2020.

Another priority in 2021 was the development of robust COVIDSafe Plans, which were routinely reviewed and updated in line with government requirements, to enable staff to work safely on campus.

In 2021 there were 74 reported incidents causing injury or illness (including personal illness). Of these, 38 incidents were related to staff and 36 were related to students. Additionally, there were 100 reported hazards or near miss incidents, a 50 per cent decrease compared to 2020. In total there were 182 incidents and hazards relating to staff.

There were 10 Lost Time Incidents reported during 2021 resulting in a final Lost Time Injury Frequency Rate (LTIFR) of 5.14 in 2021, an increase from a reported LTIFR of 1.97 in 2020.

Category	Commentary for material variances			
	2019	2020	2021	
Hazards/incidents (per 100 FTE)	31.05	20.39	15.68	Due to COVID-19 restrictions and physical absence of staff from campus, there was a reduction in Hazard and Incident Reporting in 2021
Lost Time Standard Claims Hazards/ incidents (per 100 FTE)	.65	.37	.86	In 2021 there was an increase in Number of Lost Time Standard Claims, most of which were mental health claims due to the continued challenges of COVID-19 and its impacts.
Average Cost Per Claim	\$137,537	\$91,467	\$89,673	The number of mental health claims increased as a result of the COVID-19 challenges and its continued impacts. BKI was successful in closing a number of claims in 2021 which reduced the average cost of claims despite an increase in total numbers.

WorkCover claims

There were 18 active WorkCover claims (equivalent to 1.55 claims per 100 FTE staff) managed in 2021, including six new additional incurred cost claims. Five of the six claims were of a psychological nature.

Freedom of Information Act 1982

Bendigo Kangan Institute is subject to the provisions of the *Freedom of Information Act 1982* (FOI Act). The FOI Act gives a right of access (subject to exemptions and exceptions) to information held in the form of a document. In accordance with Part II of the Act, Bendigo Kangan Institute has facilitated access to information without recourse to the provisions of the FOI Act, subject to privacy and confidentiality provisions. A wide range of material related to its governance and organisation, learning and teaching and engagement functions is published. These publications may be made available upon request, subject to the provisions of the FOI Act.

This year Bendigo Kangan Institute prepared and submitted to the Office of the Victorian Information Commissioner (OVIC) its report on FOI activity for the period 1 July 2020 to 30 June 2021 for OVIC's Annual Report. In 2021, the Institute received four requests for information under the FOI Act.

Subject to the provisions of the FOI Act, the following information is retained by the Accountable Officer and is available on request:

- 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

All FOI enquiries should be directed to:

**The Freedom of Information Officer
Bendigo Kangan Institute
Private Bag 299, Somerton VIC 3062
or emailed to: legalkangan.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 matter to be investigated. Bendigo Kangan Institute provided guidance on its intranet and public website about its Improper Conduct Policy and Procedure, which reflects Bendigo Kangan Institute's obligations under the Act.

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

Financial management compliance attestation

'I, Peter Harmsworth AO, on behalf of the Responsible Body, certify that the Bendigo Kangan Institute for the period 1 January 2021 to 31 December 2021, has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.'



Peter Harmsworth AO Chair
Bendigo Kangan Institute Board

24 February 2022

Compliance with Carers Recognition Act 2012

Bendigo Kangan Institute ensures that the rights and interests articulated in the *Carers Recognition Act 2012* are considered when delivering its services to clients in a care relationship. During 2021, the organisation has taken all practical measures to comply with its obligations under the Act

Compliance with Child Safe Standards

Commitment to child safety

Bendigo Kangan Institute is committed to promoting a child safe culture and is committed to providing a safe learning environment, and opportunities for children and young people to participate in education and to empower all children under 18 years of age. Bendigo Kangan Institute has a zero-tolerance policy towards child abuse. All allegations and safety concerns are addressed under the appropriate criminal, civil and disciplinary sanctions.

Duty of care

Bendigo Kangan Institute legally has a duty of care for all its students which requires it to take reasonable measures to keep them safe and protect them from injury and related risks that could have reasonably been foreseen. Bendigo Kangan Institute recognises it must ensure learning facilities, campuses, and online environments have been designed with safety at the forefront of its design process. Bendigo Kangan Institute promotes child safety through identifying potential risks and applying mitigations to reduce or eliminate these as documented in the Child Safe Standards Risk Assessments.

Bendigo Kangan Institute provides an Indigenous Education Centre, Koorie Liaison Officers and mentors, cultural programs and celebrations for example to support the safety, wellbeing, participation and inclusion of Indigenous children and young people.

Bendigo Kangan Institute provides International Student Officers, Child Safety Officers, Student Counsellors, Disability Liaison Officers, Accessibility Support Officers, and Youth Workers to promote children and young people's safety, wellbeing, participation and inclusion.

Empowering children

Students are active participants and central to processes that keep them safe. Children are empowered to make decisions for themselves within the mature minor criterion. The Bendigo Kangan Institute Child Safety Reference Group meet quarterly with student representatives providing input to improve practice and raise awareness. The Child Safety Officer and Student Counselling teams provide orientation sessions detailing supports, how to report concerns, rights and responsibilities. Supports and contacts are available online, in student handbooks, and displayed on campuses. Students are provided opportunities to give feedback and through regular survey research. This feedback is valued and incorporated into practice where possible.

Governance and leadership

Bendigo Kangan Institute recognises all levels of leadership are responsible for child safety, ensuring escalation frameworks are followed, concerns are taken seriously and responded to appropriately. The Board, CEO and relevant Board and management committees are provided updates on child safety trends and initiatives. Annual Reports are accessible to the broader community and detail compliance activities. Regular messaging occurs via internal publications, and continuous improvement through regular reviews, informing action plans to further enhance child safety practices and ensuring these are reflected as required.

Communication with parents and carers

Bendigo Kangan Institute recognises that regular communication with parent(s) or carer(s) of students under 18, concerning wellbeing, needs, attendance, and learning progress, promotes safety. Bendigo Kangan Institute is committed to providing relevant information to parents, carers and the wider community, welcoming and valuing feedback.

Ensuring people are safe to work with children

Bendigo Kangan Institute takes all reasonable steps to employ skilled and safe people to work with children. Selection criteria and advertisements demonstrate our commitment to child safety and an awareness of responsibilities. All employees engaged will be subject to employment suitability checks as outlined in the Recruitment Policy and Procedure. All Bendigo Kangan Institute employees and volunteers (regardless of role performed), and contractors performing child-related work must hold and provide evidence of the relevant valid Working with Children Clearance (WWCC), in line with the Bendigo Kangan Institute Working with Children Procedure per Department of Justice and Community Safety and *Worker Screening Act 2020* requirements.

National competition policy

Bendigo Kangan Institute provides education and training in a contestable market. Bendigo Kangan Institute and its trading businesses implement a pricing model and policy that is consistent with maintaining commercial competitiveness in the marketplace with competitive neutrality principles outlined in Victoria's

competitive neutrality policy. The pricing policy and approach explains how Bendigo Kangan Institute meets legislative requirements and government guidelines to set prices for the sale of its programs, products and services.

Compulsory non-academic fees, subscriptions and charges

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

The 2021 Student Services and Amenities fees were calculated on the basis of \$0.40 per student contact hour for students that enrolled more than 125 hours with a maximum fee of \$200 and minimum fee of \$60.

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

In 2021 student services fees generated \$846,952 in revenue. A number of engagement and support services were provided to students in 2021 and funded by the student services, amenities fees and government grant programs, including but not limited to on-campus/virtual events for students, counselling and welfare services, disability support services and student employment centre.

Building and maintenance

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

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

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

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

Environmental performance and impacts

Bendigo Kangan Institute is committed to being an innovative provider of quality education, training and services while maintaining a strong commitment to an environmentally sustainable future.

Bendigo Kangan Institute ensures that staff and students work together to identify and reduce the Institute's environmental impacts, carry out a proactive response to environmental best practices and achieve innovative solutions, guided by its Environmental Sustainability Plan 2021–2030.

Key activities in 2021 included:

- Ensured new buildings were designed to a 5 Star Green Star Design and As Built standard, with refurbishment plans designed to improve building efficiency. Officially opened in 2021, the revitalised Bendigo City Campus features an underground rainwater tank storage, solar array, a dedicated waste management store, rainwater irrigation features, energy efficient lighting and low flow water fixtures. In 2021 planning commenced for the new Health and Community Centre of Excellence at Broadmeadows Campus which will be designed, constructed and accredited as 5 Star Green Star.
- Reviewed current fleet composition and introduced recommendations to roll out environmentally friendly fleet by end-2022 including standard hybrid and electric vehicles at each campus.

- Commenced site review to identify opportunities to increase the number of shade trees across all campuses, with tree planting expected to start in 2022.
- Initiated a review of solar opportunities at the Bendigo Charleston Road Campus as a trial site reducing energy consumption, with works expected to commence in 2022.

This section presents Bendigo Kangan Institute's reports on energy use, water use, greenhouse gas emissions, transportation, paper use, waste production and procurement.

Energy use

The table below charts the energy use across all campuses and sites, including associated greenhouse gas emissions. Energy performance has fluctuated throughout the year depending on student term break periods and COVID-19 lockdown restrictions, which produced a reduction of energy use across all sites.

Energy figures are not available for Moonee Ponds campus which is a rented property.

Site	Electricity				Gas		
	Megajoules	Co2 tonne	Per FTE	Per m2	Megajoules	Per FTE	Per m2
Bendigo City	4,407,357	1286	4027	275.0301	107,764,426	98469.0	6724.769
Broadmeadows	6,743,751	1999	6162	279.6496	4,832,434	4415.6	200.3912
BTEC	242,777	72	222	150.9995	120,698	110.3	75.07028
Castlemaine	59,114	N/A	54	148.1925	N/A	N/A	N/A
Bendigo Charleston Rd	4,019,538	876	3673	341.2635	1,907,544	1743.0	161.9527
Cremorne	1,664,040	496	1521	208.3957	2,419,791	2211.1	303.0421
Docklands	4,516,105	1343	4127	300.7929	4,207,002	3844.1	280.2053
Echuca	385,195	115	352	159.832	366,998	335.3	152.2813
Essendon	773,440	174	707	289.5694	418,182	382.1	156.5638

Waste production

The table below charts the waste production across all campuses and sites. No data is provided for Moonee Ponds campus (which is a rented property), as well as Bendigo Technical Education College (BTEC), Maryborough and Castlemaine due to different waste contractors. There are no liquid waste removal services for Cremorne campus.

Waste				
Site	Total (Tonnes)	Recycle Rate % (Solids Only)	Co2 (Tonnes)	Liquid Waste (Tonnes)
Bendigo City	46.5	26	25.8	6.1
Broadmeadows	202.3	23	137.8	11.7
Bendigo Charleston Rd	71.6	14	47.5	9.2
Cremorne	30.5	39	15.4	0
Docklands	38.47	23	22.4	4.9
Echuca	7.8	N/A	4.6	1.4
Essendon	8.4	7	8.5	0.25

Transportation

The table below charts transportation use across the Institute, including associated greenhouse gas emissions. Encouraging the use of video conferencing as an alternative to driving to meetings in 2021 was also a feature.

Transportation		
	Distance travelled (KM)	Co2 emission (Tonnes)
Car	920,149	108
Light Commercial Vehicle (LC)	193,396	41
Heavy Commercial Vehicle (HC)	N/A	N/A

Water consumption

The table below charts water consumption across campuses and sites in 2021, except for Moonee Ponds campus which is a rented property and does not accrue water charges.

Water		
	Kilolitres	Per FTE
Bendigo City	2981	2.723867
Broadmeadows	6956	6.355994
BTEC	114	0.104167
Castlemaine	49	0.044773
Bendigo Charleston Rd	2031	1.855811
Docklands	1187	1.084613
Echuca	265	0.242142
Essendon	709	0.647844
Cremorne	1820	1.663012

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		
	Project A	Project B
Applied Local Jobs First Policy (Y/N)	A	A
Date registered with Industry Capability Network (ICN)	13/11/19	8/4/21
Industry development 10% weighting applied (Y/N)	Y	Y
Jobs outcomes 10% weighting applied	Y	N
MPSG applicable (Y/N)	Y	N
Local content committed (%)	Y	Y
No. of SMEs in supply chain	385	100
Local jobs to be created	9	10
Local jobs to be retained	71	6
Apprenticeships to be created	3	2
Apprenticeships to be retained	4	2
Traineeships to be created	1	2
Traineeships to be retained	1	2

All projects						
	# of projects	Value	Average local content	Jobs	Jobs created	Jobs retained
Metro	1	\$4,440,699	91%	10	4	6
Regional	1	\$55,184,011	91%	80	9	71
Statewide	0	0	0	0	0	0
Grand total	2	\$59,624,710	91%	90	13	77

All completed projects						
	# of projects	Value	Average local content	Jobs	Jobs created	Jobs retained
Metro	0	0	0	0	0	0
Regional - PROJECT A - Bendigo City Campus Revitalisation Project	1	\$55,184,011	91%	80	9	71
Statewide	0	0	0	0	0	0
Grand total	1	\$55,184,011	91%	80	9	71

All commenced projects

	# of projects	value	average local content	jobs	jobs created	jobs retained
Metro - PROJECT B - Broadmeadows Trades + Skills Centre	1	\$4,440,699	91%	10	4	6
Regional	0	0	0	0	0	0
Statewide	0	0	0	0	0	0
Grand total	1	\$4,440,699	91%	10	4	6

Major commercial activities

In 2021 the Bendigo Campus Revitalisation Project was officially completed, a \$60m project funded by the Victorian Government which saw the development and refurbishment of a new central campus in Bendigo.

In May 2021 funding was announced for a \$60m Health and Community Centre of Excellence in Broadmeadows campus as part of the 2021–22 Victorian Budget. Construction is expected to begin in 2022 and expected to be completed by 2024.

Advertising expenditure

Name of Campaign	Campaign Summary	Start / End	Advertising and Media	Creative Development	Research	Print and collateral	Other campaign
Always on	Acquisition	Jan - Dec 2021	\$ 707,863	-	-	-	-
Sem 1 2021	Acquisition	Jan - Apr 2021	\$ 910,923	-	-	-	-
Sem 2 2021	Acquisition	May - Jul 2021	\$529,547	-	-	-	-
Sem 1 2022	Acquisition	Oct - Dec 2021	\$298,957	-	-	-	-

Consultancies expenditure

Consultants for services are engaged when specialist skills are required. The total consultancy cost incurred during 2021 was \$2.06 million (excl. GST).

There were 26 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2021 in relation to these consultancies was \$81,773 (excl. GST).

There were 25 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021 in relation to these consultancies was \$1.97 million (excl. GST).

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

Kangan Institute:

www.kangan.edu.au/information-and-resources/publications/annual-reports

Bendigo TAFE:

www.bendigotafe.edu.au/aboutbendigotafe/documentlibrary

Information Communication Technology expenditure

Business as Usual (BAU) ICT expenditure 2021	Non-Business as Usual (Non-BAU) ICT expenditure 2021	
	Operational	Capital
\$9,921,670	\$6,830,047	NIL

Victorian Public Service Travel Policy

All overseas and domestic travel by employees during the 2021 reporting year was compliant with the Victorian Public Service Travel Policy as per its November 2017 update by the Department of Treasury and Finance.

Overseas operations

With border closures restricting travel into and out of Australia, virtual training delivery and online study tours were a strong focus for international projects over the year.

International revenue		
Year 2021	International student numbers*	Revenue
International onshore (VET + ELICOS)	169 (156 VET + 13 ELICOS)	\$1.4m
International offshore + study groups (exc. VETASSESS)	293 (238 offshore + 55 study tours)	\$0.6m
Total TAFE international revenue	462	\$2m

International projects			
Client	Number of Students	Income (\$AUD)	Project
JEI University, South Korea	40	41,000	Online Study Tours – Hospitality, Hair and Beauty, Business Management
International Automobile Centre of Excellence (iACE)	15	20,000	International Skills Training – Trainer and Assessor

*This figure reflects the number of unique international students enrolled. It does not represent the total number of international enrolments (see page 16), which may include students enrolling in multiple programs.

Asset Management Accountability Framework (AMAF) maturity assessment

This section summarises Bendigo Kangan Institute’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). 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.

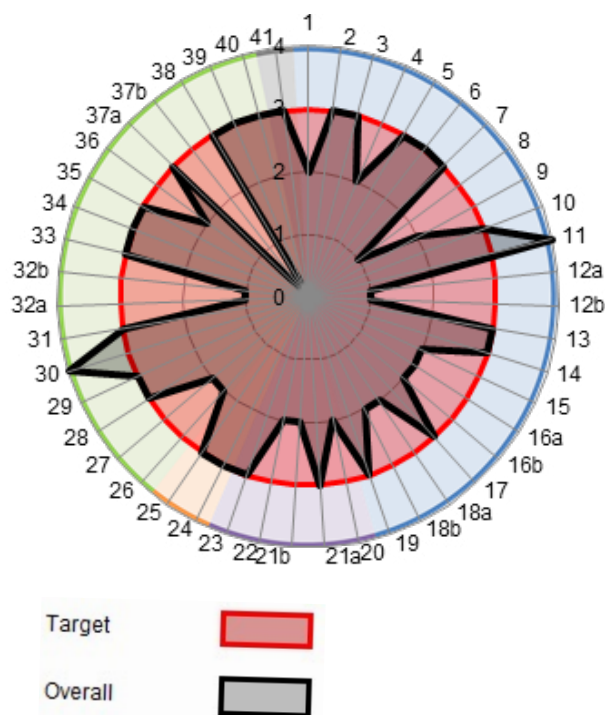
Bendigo Kangan Institute has completed the maturity assessment to the best of its ability. Its target maturity rating is ‘competence’, meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance and AMAF minimum requirements.

Leadership and accountability (requirements 1-19)

Bendigo Kangan Institute has not sufficiently met the requirements relating to leadership and accountability, on the basis that it has not met all of the required components of the AMAF. While Bendigo Kangan Institute has met some obligations relating to allocating asset management responsibility, there are still some areas and classes of assets where responsibility and accountability for decision making in relation to each stage of an asset’s lifecycle are unclear, and where current systems may not support the AMAF fully. Asset management performance and reporting is a key area of focus for Bendigo Kangan Institute to strengthen its AMAF compliance and maturity and to ensure that its investment in existing and new assets is proportionate and achieves desired outcomes.

Planning (requirements 20-30)

Bendigo Kangan Institute has not met its target maturity level in this category across all classes of assets. Its asset management strategy requires revision to ensure that it addresses the organisation’s entire asset base over the asset lifecycle and that the strategy is evaluated. Clear risk mitigation and treatment plans are needed for some assets.



Legend	
Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Acquisition (requirements 24-25)

Bendigo Kangan Institute met its target maturity level for this category.

Disposal (requirement 41)

Bendigo Kangan Institute has met its target maturity level in this category.

Operation (requirements 26-40)

Bendigo Kangan Institute met its target for information management. Additional work is needed to ensure it can monitor assets and take appropriate preventive action. Bendigo Kangan Institute did not comply with areas relating to proactive monitoring and preventive action. Discussions will continue with the Department of Education and Training and the Office of the TAFE Coordination and Delivery about their plans to develop a sector-wide asset management system.

FINANCIAL STATEMENTS for the year ended 31 December 2021

Independent Auditor's Report

To the board of the Bendigo Kangan Institute

<p>Opinion</p>	<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 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the Board Chair, Chief Executive and Chief Finance Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2021 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>
<p>Basis for Opinion</p>	<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 <i>APES 110 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>
<p>Board's responsibilities for the financial report</p>	<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>

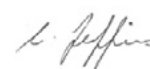
Auditor's responsibilities for the audit of the financial report

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.



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
24 March 2022

Bendigo Kangan Institute

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

DECLARATION BY BOARD CHAIR CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

The attached financial statements for the Bendigo Kangan Institute have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

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

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

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



Mr Peter Harmsworth AO, Board Chair
Melbourne 18 March 2022



Ms Sally Curtain, Chief Executive Officer
Melbourne 18 March 2022



Ms Melissa Chalker, Chief Finance Officer
Melbourne 18 March 2022

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FINANCIAL STATEMENTS

Comprehensive Operating Statement

For the year ended 31 December 2021

	Note	2021	2020
		\$'000	\$'000
CONTINUING OPERATIONS			
Revenue and income from transactions			
Revenue from government contributions	2.1.1	86,496	106,147
Income from government contributions	2.1.2	35,154	27,357
Revenue from fees, charges and sales	2.2	67,700	71,717
Other income	2.3	2,025	6,458
Total income from transactions		191,374	211,679
Expenses from transactions			
Employee benefits	3.1.1	135,561	120,151
Depreciation and amortisation	3.6	18,268	15,483
Supplies and services	3.3	30,975	26,781
Finance costs	3.5	92	157
Other operating expenses	3.4	11,221	12,889
Total expenses from transactions		196,117	175,461
Net result from transactions		(4,743)	36,218
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.1.3	30	1,060
Net gain/(loss) on financial instruments	9.1a	(617)	11
Other gains/(losses) from other economic flows	9.1b	437	(193)
Total other economic flows included in net result		(150)	878
Net result		(4,893)	37,096
Other economic flows - other comprehensive income			
Items that will be reclassified to net result			
Changes in physical asset revaluation surplus	9.2	13,846	(4,881)
Comprehensive result		8,953	32,215

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

Balance Sheet

As at 31 December 2021

	Note	2021	2020
		\$'000	\$'000
ASSETS			
Financial assets			
Cash and deposits	6.1	51,350	99,746
Receivables	5.1	11,380	17,465
Total financial assets		62,730	117,211
Non-financial assets			
Property, plant and equipment	4.1	418,518	375,120
Right of use assets	6.4	2,666	4,504
Intangible assets	4.2	6,729	7,319
Other non-financial assets	5.2	5,957	4,924
Total non-financial assets		433,870	391,867
Total assets		496,600	509,078
LIABILITIES			
Payables	5.3	6,900	13,627
Contract and Other liabilities	5.4	15,999	34,301
Employee provisions	5.5	26,965	21,794
Other provisions	5.6	1,831	1,831
Borrowings	6.2	2,803	2,793
Lease liabilities	6.4	2,285	3,868
Total liabilities		56,783	78,214
Net assets		439,817	430,864
EQUITY			
Accumulated surplus		46,895	51,788
Contributed capital	6.3	246,762	246,762
Reserves	9.2	146,160	132,314
Net worth		439,817	430,864

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

Statement of Changes in Equity

For the year ended 31 December 2021

	Note	Physical assets revaluation surplus	Accumulated Surplus	Contributions by owner	Total
		\$'000	\$'000	\$'000	\$'000
As at 1 January 2020		137,195	20,889	246,762	404,846
Impact of change in accounting policy	9.5.2	-	(6,197)	-	(6,197)
As at 1 January 2020 - adjusted		137,195	14,692	246,762	398,649
Net result for the year		-	37,096	-	37,096
Other economic flows - other comprehensive income		(4,881)	-	-	(4,881)
Total comprehensive income		(4,881)	37,096	-	32,215
Year ended 31 December 2020		132,314	51,788	246,762	430,864
Net result for the year		-	(4,893)	-	(4,893)
Other economic flows - other comprehensive income		13,846	-	-	13,846
Total comprehensive income		13,846	(4,893)	-	8,953
Year ended 31 December 2021		146,160	46,895	246,762	439,817

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

Cash Flow Statement

For the year ended 31 December 2021

	Note	2021	2020
		\$'000	\$'000
Cash flows from operating activities			
Receipts			
Government contributions		110,466	139,193
Receipts from customers - fees, charges and sales		80,111	70,835
Goods and services tax recovered from the ATO		1,533	1,913
Interest received		351	812
Other receipts		6,125	6,255
Total receipts from operating activities		198,586	219,008
Payments			
Payments to employees		(126,150)	(115,602)
Payments to suppliers		(71,923)	(49,927)
Goods and services tax paid to the ATO		(1,602)	(2,014)
Interest paid – lease liability		(81)	(138)
Total payments from operating activities		(199,756)	(167,681)
Net cash flows from operating activities	6.1	(1,170)	51,327
Cash flows from investing activities			
Payments for property, plant and equipment		(42,576)	(37,396)
Payments for intangible assets		(3,097)	(9,587)
Proceeds from sales of non-financial assets		30	2,615
Net cash flows used in investing activities		(45,643)	(44,368)
Cash flows from financing activities			
Payment of lease liabilities		(1,583)	(1,477)
Net cash flows used in financing activities		(1,583)	(1,477)
Net increase in cash and cash equivalents		(48,396)	5,482
Cash and cash equivalents at beginning of year		99,746	94,264
Cash and cash equivalents at end of year	6.1	51,350	99,746

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

Its registered office and principal address is:

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

1.1 Basis of preparation

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.5);
- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring Bendigo Kangan Institute'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.

These financial statements cover Bendigo Kangan Institute as an individual reporting entity. Bendigo Kangan Institute had no controlled entities for the period ended 31 December 2021.

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 has substantial economic dependency on Government operating and capital contributions.

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

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

1.2 Compliance information

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

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

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

1.3 Impact of COVID-19

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

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

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

Bendigo Kangan Institute continued to conduct classes through remote learning where possible, hold examinations online, place restrictions on non-essential work, and implement work from home arrangements where appropriate.

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

The key impacts on the performance is summarised as follows:

Basis of preparation

As at 31 December 2021, Bendigo Kangan Institute was in a net asset position of \$439,817,000 (2020: \$430,864,000), a net current asset position of \$11,099,000 (2020: \$38,997,000), net deficit of \$4,893,000 (2020: net gain of \$37,096,000) and generated negative operating cash flows of \$1,170,000 (2020: positive operating cash flows of \$51,327,000). Despite the TAFE's financial position, the TAFE has concluded that it is appropriate to prepare the financial statements on a going concern basis:

- Bendigo Kangan Institute has received confirmation from the Department of Education and Training for all funding agreements relating to the 2022 financial year, which provides assurance to enable it to continue as a going concern.

- Bendigo Kangan Institute 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. reduced maintenance and similar services during campus or building closures

Revenue and other income

Bendigo Kangan Institute's response to the pandemic included implementing remote learning and online training delivery to ensure continuing classes, acceptance of one-off operational Grants and Capital Grants, and continuing delivery of service as a contracted provider of Fee For Service delivery. The Department of Education and Training provided Business Continuity Grants to assist Bendigo Kangan Institute with the continuing impact to revenue from the pandemic, provided support to retain staff, assisted with Bendigo Kangan Institute's transition to online and remote learning and to maintain government funding at pre-pandemic levels. Bendigo Kangan Institute also received essential personal protective equipment free of charge under a State supply arrangement. This is further discussed in Note 2.1.

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

- Literacy & Numeracy Support
- Certificate II in Automotive Vocational Preparation
- Certificate II & III in Security Operations
- Certificate III in Concreting
- Certificates II and III in Security Operations; and
- Certificate I In General Education For Adults.

The total financial implication from the fall in student enrolments, pre Business Continuity Grants, was approximately \$4.8 million.

Further, COVID-19 has also impacted the International onshore student revenue due to students being unable to attend classes, leading to cancellations and deferment of their courses. Approximately \$1,236,000 reduction in revenue noted compared to previous year.

VETASSESS Group, which operates as a separate division within Bendigo Kangan Institute, was awarded Government Programs. The revenue was still impacted due to national border closures which affected both immigration and national assessments. The revenue impacted in 2021 was mitigated with improved performance in Skills Recognition General Occupations and Vocational Education and Training (\$5.5 million above 2021 Budget).

Expenses

The TAFE's daily activities were impacted by the pandemic. This resulted in certain direct and indirect costs being increased, such as additional staffing costs for new or expanded services, additional supplies and consumables for staff and students, staffing costs for replacement and maintenance of core staffing and additional security and cleaning costs to ensure COVID restriction compliance was adhered to. Similarly, cost reductions have occurred such as reductions in building maintenance. Pursuant to Government policy, the TAFE also provided all employees with a "working from home allowance" to offset an increase in working from home costs.

Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Without being allowed to travel away from home, staff were reluctant to take leave during the Victorian State lockdown. As a result, the leave provisions have increased by \$5,171,000 (2020: \$4,059,000). This is further discussed in Note 5.5.

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

Allowance for expected credit losses

Although both local and international students have been impacted by the pandemic, the TAFE has not experienced a decline in the collectability of its trade receivables. 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 remained 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, including the continued impact of the pandemic on students' payment history has been considered in determining the expected credit loss for the 2021 financial year.

It should also be noted that the 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) 1031. A full revaluation of education assets normally occurs every five years, with this last occurring for the year ended 31 December 2017. Due to COVID-19, there is an increased element of estimation uncertainty with regard to the fair values of the TAFE's non-financial physical assets. This is further discussed in Note 7.3.

1.4 Economic Dependency

Bendigo Kangan Institute is dependent on the continued financial support of the State Government and in particular, the Department of Education and Training (DET). DET has provided confirmation of all funding agreements for the 2022 financial year to ensure Bendigo Kangan Institute can meet its current and future obligations as and when they fall due. On that basis, the financial statements have been prepared on a going concern basis.

2. HOW WE EARNED OUR FUNDS

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 several Operating grants to assist with its operations from DET.. Grants such as Stronger TAFE, Community Service Funding and other grants assist the TAFE with operational costs such as Maintenance and Asset Management, and assist the TAFE in better servicing special community needs by providing funding to assist with the cost of hiring Community Service Officers.

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

Capital Grants

The TAFE was eligible for a \$59.9 million capital works grant to be paid from 2018 - 2021 for the revitalisation of the Bendigo City Campus as approved in the 2018-19 State Budget. During the current year, the TAFE received \$5 million government contribution upon successful completion of milestones as specified in the original grant agreement. The TAFE also received a further \$5.58 million grant to build a fit-for-purpose Sustainable Plumbing Centre in Broadmeadows. In the 2021/2022 State Budget, the TAFE was allocated a \$60 million capital works grant to be paid between 2021-2025 for the construction of a Health and Community Centre of Excellence as the first stage of the revitalisation of Broadmeadows Campus. \$3 million of this grant was received in 2021.

2.1 Government contributions

2.1.1 Revenue from government contributions

	2021	2020
	\$'000	\$'000
Grants and other transfers		
Government contributions – operating		
State government – contestable	61,321	71,958
State government – other contributions	25,174	34,189
Total government contributions – operating	86,496	106,147

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

Revenue from government contributions

Where grants or contracts are recognised over time, the input method of costs incurred-to-date has been used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date mainly comprise salaries accordingly, costs incurred-to-date is the best measure of the transfer of control over the service or product. Where government contributions 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. Specific revenue recognition criteria are set out below.

Revenue Type	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to contributions received from a given pool of government funding for which the TAFE must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.	Provision of education services	Over time, as the student receives and consumes the educational services
State government – other contributions	Refers to funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts.	These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised on receipt or right to receive payment.	
		Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.	At the point-in-time when the final product is delivered.
			Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided.
		Provision of a specific number of internships with an industry partner.	At the point-in-time when each internship is completed. Transaction price is the amount agreed with the customer for each internship.

Note: the above accounting policies shall be reassessed by the TAFEs at the end of each reporting period to determine whether they remain appropriate and amended as needed.

2.1.2 Income from government contributions

	2021	2020
	\$'000	\$'000
Government contributions – capital		
State government – capital	35,154	27,357
Total government contributions - capital	35,154	27,357
Total government contributions	121,650	133,504

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

2.2 Revenue from fees, charges and sales

	2021	2020
	\$'000	\$'000
Student fees and charges	10,741	10,472
Fee for service – government	23,482	25,268
Fee for service – international operations – onshore	1,386	2,622
Fee for service – international operations – offshore	8,292	7,875
Fee for service – other	23,501	25,140
Other non-course fees and charges		
Sale of goods	298	340
Total revenue from fees, charges and sales	67,700	71,717

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

	2021	2020
	\$'000	\$'000
Revenue recognised over time	59,110	63,502
Revenue recognised at a point in time	8,590	8,215
Total revenue from fees, charges and sales	67,700	71,717

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

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

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

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.

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	The TAFE provides educational services to the general public, both nationally and internationally.	Provision of education services	Course fees and charges revenue are recognised as the course is delivered to the student and is measured as the amount the TAFE expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – government, international operations	<p>Fee for service relates to course fees funded by industry partners, government or students.</p> <p>The TAFE holds fee for service contracts with a range of Industry partners in the Health, Fashion, Community, Automotive, Construction, Electrical, Corrections and Hospitality sectors.</p> <p>The TAFE may also perform contracted teaching services for overseas Institutions.</p>	Provision of services	<p>Revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered.</p> <p>Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.</p>
Fee for service – other	Relates to non-course fees and charges.	Provision of services	Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent is recognised as the TAFE provides the use of space to the public.
Revenue from sale of goods		Delivery of goods	Revenue is recognised when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year. Refer to note 5.4 for contract liabilities carried forward at year end.

	2021	2020
	\$'000	\$'000
Student fees and charges	3,314	5,311
Fee for service	2,755	6,360
Capital grants	24,980	21,752
	31,049	33,423

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:

	Note	Total	2022	2023	2024
		\$'000	\$'000	\$'000	\$'000
Revenue expected to be recognised	5.4	15,999	15,833	166	-

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

Payment terms

The payment terms for student fees are as follows:

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

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

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

2.3 Other Revenue and Income

	2021	2020
	\$'000	\$'000
Interest income	335	789
Rental income	214	292
Donations, bequests and contributions	40	68
Other	1,436	5,309
Total other income	2,025	6,458

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

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2021	2020
	\$'000	\$'000
Salaries, wages, overtime and allowances	104,912	94,481
Superannuation	10,120	9,031
Payroll tax	5,585	5,188
Workers compensation	1,224	909
Annual leave	9,615	8,612
Long service leave	4,033	1,669
Termination benefits	73	261
Total employee benefits	135,561	120,151

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

IMPACT OF COVID-19.

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

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

3.2 Superannuation

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

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

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

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

	2021	2020
	\$'000	\$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	141	154
Total defined benefit plans	141	154
Accumulation contribution plans:		
VicSuper	4,310	3,969
Other	5,863	4,889
Total accumulation contribution plans	10,173	8,858
Total paid contribution for the year	10,314	9,012
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	-	201
Other	-	243
Total accumulation contribution plans	-	444
Total paid contribution for the year	-	444

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

	2021	2020
	\$'000	\$'000
Building repairs and maintenance	1,854	1,130
Communication expenses	1,498	1,760
Contract and other services	21,545	18,101
Fees and charges	330	427
Purchase of supplies and consumables	5,748	5,363
Total supplies and services	30,975	26,781

IMPACT OF COVID-19.

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

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

3.3.1 Other expenditure commitments

Commitments for future maintenance, repairs to property and other operating expenditure commitments in existence at reporting date but not recognised as liabilities are as follows:

	2021	2020
	\$'000	\$'000
Payable		
Within one year	3,956	4,387
Later than one year but not later than five years	2,639	3,076
Later than five years	-	-
Total other expenditure commitments	6,595	7,463
GST payable on the above	600	637
Net other expenditure commitments	5,995	6,826

3.4 Other operating expenses

	2021	2020
	\$'000	\$'000
Audit fees and services	248	346
Reclamation of funds	-	861
Equipment below capitalisation threshold	762	763
Marketing and promotional expenses	3,664	3,841
Staff development	1,000	778
Travel and motor vehicle expenses	269	328
Utilities	2,427	2,451
Expenses relating to short-term leases	314	483
Expenses relating to low-value leases	11	35
Other	2,525	3,003
Total other operating expenses	11,221	12,889

IMPACT OF COVID-19.

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

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

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

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

3.5 Finance costs

	2021	2020
	\$'000	\$'000
Interest on debt	10	19
Interest on lease liabilities	82	138
Total finance costs	92	157

3.6 Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Depreciation of property, plant and equipment	13,026	11,270
Depreciation of right of use assets	1,837	1,839
Amortisation of intangible assets	3,405	2,374
Total depreciation and amortisation	18,268	15,483

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	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	121,328	107,482	-	-	121,328	107,482
Buildings	304,932	252,550	(36,757)	(28,197)	268,175	224,353
Construction in progress	5,804	30,256	-	-	5,804	30,256
Plant and equipment	63,100	48,453	(40,051)	(35,655)	23,048	12,799
Motor vehicles	2,070	2,190	(2,013)	(2,101)	57	88
Leasehold improvements	506	506	(407)	(381)	99	124
Cultural assets	1,983	1,983	(1,977)	(1,965)	6	18
Net carrying amount	499,723	443,420	(81,205)	(68,299)	418,518	375,120

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2021, an assessment was conducted using indices provided by the Valuer-General Victoria (VGV). A revaluation adjustment was made 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.

4.1.1 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
2021								
Opening net book amount	107,482	224,353	30,256	12,799	88	124	18	375,120
Additions	-	-	40,096	2,480	-	-	-	42,576
Revaluations	13,846	-	-	-	-	-	-	13,846
Disposals	-	-	-	-	-	-	-	-
Transfers	-	52,382	(64,548)	12,166	-	-	-	-
Depreciation	-	(8,560)	-	(4,397)	(31)	(25)	(12)	(13,025)
Net carrying amount	121,328	268,175	5,804	23,048	57	99	6	418,518

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

4.1.2 Capital commitments

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

	2021	2020
	\$'000	\$'000
Payable		
Within one year	19,871	49,042
Later than one year but not later than five years	59,800	6,658
Later than five years	-	-
Total other expenditure commitments	79,671	55,700
GST payable on the above	7,243	5,064
Net capital expenditure commitments	72,428	50,636

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

	2021	2020
	\$'000	\$'000
Net gain on disposal of property plant and equipment	30	1,060
Net gain on disposal of property plant and equipment	30	1,060

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

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

4.2 Intangible assets

The TAFE has capitalised expenditure for the Development of Online Learning Modules. During the year \$2.1 million of Online Course Development expenditure was capitalised.

	Note	Software	Developments in progress	Total
2021				
		\$'000	\$'000	\$'000
Opening net book amount		4,910	2,409	7,319
Additions		-	3,097	3,097
Transfers to software		2,147	(2,147)	-
Written-off		-	(282)	(282)
Amortisation charge		(3,405)	-	(3,405)
Net carrying amount		3,652	3,077	6,729

	Note	Software	Developments in progress	Total
2020				
		\$'000	\$'000	\$'000
Opening net book amount		4,243	3,510	7,753
Additions		50	9,537	9,587
Transfers		2,991	(2,991)	-
Effect of change in accounting policy	9.5.2	-	(7,647)	(7,647)
Amortisation charge		(2,374)	-	(2,374)
Net carrying amount		4,910	2,409	7,319

Initial recognition

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

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

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

Subsequent measurement

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

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, and freehold buildings.

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

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

Class of assets	Useful life
Buildings	5 - 50 years (2020: 5 - 50 years)
Plant and equipment	3 - 10 years (2020: 3 - 15 years)
Motor vehicles	5 - 10 years (2020: 5 - 10 years)
Leasehold improvements	5 - 50 years (2020: 5 - 50 years)
Land and building improvements	10 - 40 years (2020: 10 - 40 years)
Right of use assets	Lease term (2020: lease term)
Software	3 - 4 years (2020: 3 - 4 years)

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

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

5. BALANCES FROM OPERATIONS

5.1 Receivables

	2021	2020
	\$'000	\$'000
Current		
Accounts receivable	7,940	7,530
Loss allowance on accounts receivable	(3,845)	(3,282)
Accrued income	6,246	10,905
Other receivables	367	316
Total receivables from contracts with customers	10,708	15,469
Total contractual receivables		
	10,708	15,469
Represented by		
Current receivables	10,708	15,469
Statutory		
GST input tax credit recoverable	672	1,996
Total current receivables	11,380	17,465

Receivables consist of:

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

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable.

Receivables that are contractual are classified as financial instruments. Statutory receivables are 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 is considered to be the same as their fair value.

Impairment

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

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

	2021	2020
	\$'000	\$'000
Balance at the beginning of the year	(3,282)	(3,862)
Amounts written off	-	463
Reversal of unused loss allowance recognised in net result	-	117
Increase in loss allowance recognised in net result	(563)	-
Balance at the end of the year	(3,845)	(3,282)

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
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables (net)	4,095	1,554	2,213	137	191	-
Other receivables	367	367	-	-	-	-
Total	4,462	1,921	2,213	137	191	-

	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables (net)	4,248	3,562	347	115	224	-
Other receivables	316	316	-	-	-	-
Total	4,564	3,878	347	115	224	-

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

The average credit period on sales of goods is 30 days.

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

5.2 Other non-financial assets

	2021	2020
	\$'000	\$'000
Current		
Prepayments	5,957	4,924
Total other non-financial assets	5,957	4,924

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

	2021	2020
	\$'000	\$'000
Current		
Contractual		
Supplies and services	6,193	11,720
Total contractual payables	6,193	11,720
Statutory		
GST payable	683	1,188
FBT payable	24	24
Other taxes payable	0	695
Total statutory payables	707	1,907
Total current payables	6,900	13,627

Payables consist of:

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

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

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

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
2021						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Supplies and services	6,193	6,193	6,193	-	-	-
Total	6,193	6,193	6,193	-	-	-

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
2020						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Supplies and services	11,720	11,720	11,720	-	-	-
Total	11,720	11,720	11,720	-	-	-

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

The average credit period is 30 days. No interest is charged on the other payables.

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

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

5.4 Contract and other liabilities

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

	2021	2020
	\$'000	\$'000
Student fees	3,503	3,823
Fee for service	4,137	5,478
Other	-	20
Government contributions - other contributions	252	-
Total contract liabilities	7,892	9,321

Contract liabilities

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

	2021	2020
	\$'000	\$'000
Other liabilities		
Deferred capital grants	8,107	24,980
Total other liabilities	8,107	24,980

Deferred capital grants

Grant consideration was received from the DET to support the construction of Bendigo City Campus Revitalisation, Broadmeadows Sustainable Plumbing Centre and the 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 because the costs of construction are most closely reflect the stage of completion of the Bendigo City Campus, Sustainable Plumbing Centre, and Broadmeadows Health and Community Centre of Excellence. As such, the TAFE has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

	2021	2020
	\$'000	\$'000
Contractual		
Deferred capital grants at beginning of the year	24,980	21,752
Grant consideration for capital works received during the year	18,504	30,658
Grant consideration recognised as income under AASB 1058	(35,377)	(27,430)
Closing balance of deferred capital grants	8,107	24,980
Total Contract and Other Liabilities	15,999	34,301

5.5 Employee benefits in the balance sheet

	2021	2020
	\$'000	\$'000
Annual leave	9,816	7,541
Long service leave	13,267	11,466
Total short-term benefits	23,083	19,007
Long service leave	3,882	2,787
Total long-term benefits	3,882	2,787
Total employee provisions	26,965	21,794

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 \$23,083,000 (2020: \$19,007,000) is presented as current, since the TAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the TAFE does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$5.1M (2020: \$4.1M). The impact of COVID-19 is further discussed in Note 1.3.

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

	2021	2020
	\$'000	\$'000
Unconditional and expected to wholly settle within 12 months	9,874	8,747
Unconditional and expected to wholly settle after 12 months	13,209	10,260
Total current employee provisions	23,083	19,007

5.6 Other provisions

	2021	2020
	\$'000	\$'000
Make good provision	1,831	1,831
Total other provisions	1,831	1,831

Make good provision

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

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

Reconciliation of other provisions

	2021	2020
	\$'000	\$'000
Opening balance	1,831	1,831
Additional provisions recognised	-	-
Closing balance	1,831	1,831

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	51,350	99,746
Total cash and deposits	51,350	99,746

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

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

	2021	2020
	\$'000	\$'000
Net result for the year	(4,893)	37,096

Non-cash movements		
Depreciation / amortisation of non-financial assets	18,268	15,483
Net gain on sale of non-financial assets	(30)	(1,060)
Write off of work in progress	282	-
Notional interest on borrowings	9	19

Movements in assets and liabilities		
Decrease / (increase) in trade receivables	6,085	(1,091)
Decrease in inventories	-	3
Increase in other assets	(1,033)	(1,471)
Decrease in payables	(6,727)	(2,589)
Increase in provisions	5,171	4,059
(Decrease) / increase in contract liabilities	(18,302)	878
Net cash flows from operating activities	(1,170)	51,327
Per cash flow statement	(1,170)	51,327

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.

6.2 Borrowings

	2021	2020
	\$'000	\$'000
Current		
Advances from Government	2,646	2,646
Non-current		
Advances from Government	157	147
Total borrowings	2,803	2,793

Advances from Government

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

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

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

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

Maturity analysis of borrowings

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Advances from Government	2,803	2,803	-	-	2,646	157
Total	2,803	2,803	-	-	2,646	157

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

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

	2021	2020
	\$'000	\$'000
Balance at 1 January	246,762	246,762
Balance at 31 December	246,762	246,762

Funding that is in the nature of contributions by the Victorian State Government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 *Contribution by Owners Made to Wholly Owned Public Sector Entities*. Capital funds provided by the Commonwealth Government are treated as income.

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.

Right-of-use assets that arise from below market (including peppercorn) leases, which are measured at cost in accordance with FRD 123.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate as provided by Treasury Corporation of Victoria (TCV). Generally, the TAFE uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the TAFE is reasonably certain to exercise, lease payments in an optional renewal period if the TAFE is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the TAFE is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured:

- when there is a change in future lease payments arising from a change in an index or rate;
- if there is a change in the TAFE's estimate of the amount expected to be payable under a residual value guarantee; or
- if the TAFE changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Peppercorn leases

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

Following are the peppercorn leases held by the TAFE:

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

Right of use assets

	Property	Vehicles	Total
2021	\$'000	\$'000	\$'000
Balance as at 1 January 2021	4,504	-	4,504
Disposals	-	-	-
Amortisation	(1,838)	-	(1,838)
Balance as at 31 December 2021	2,666	-	2,666

	Property	Vehicles	Total
2020	\$'000	\$'000	\$'000
Balance as at 1 January 2020	6,342	15	6,357
Additions	-	(15)	(15)
Amortisation	(1,838)	-	(1,838)
Balance as at 31 December 2020	4,504	-	4,504

Lease liabilities

	2021	2020
	\$'000	\$'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	1,107	1,665
Later than one year but not later than five years	1,227	2,334
Later than five years	-	-
Total undiscounted lease liabilities as at 31 December	2,334	3,999
Future finance charges	(49)	(131)
Total discounted lease liabilities as at 31 December	2,285	3,868
Current	1,015	1,310
Non-current	1,270	2,558
Total lease liabilities	2,285	3,868

Short-term and low value leases

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

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

	2021	2020
	\$'000	\$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	51,350	99,746
Receivables	10,340	15,153
Other receivables	367	316
Total contractual financial assets	62,057	115,215
Contractual financial liabilities		
Loans and payables		
Supplies and services	6,193	11,720
At amortised cost		
Lease liabilities	2,285	3,868
Contract liability (Advances from Government)	2,803	2,793
Total contractual financial liabilities	11,281	18,381

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).

The TAFE recognises the following assets in this category:

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

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

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

7.1.1 Financial risk management objectives and policies

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

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

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

7.1.2 Credit risk

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

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

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

The trade receivables balances at 31 December 2021 and 31 December 2020 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

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

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

	Financial institutions (AA-rating)	Government institutions (AAA-rating)	Other counterparty	Total
2021	\$'000	\$'000	\$'000	\$'000
Cash and deposits	51,350	-	-	51,350
Receivables	-	-	10,708	10,708
Total contractual financial assets	51,350	-	10,708	62,057

	Financial institutions (AA-rating)	Government institutions (AAA-rating)	Other counterparty	Total
2020	\$'000	\$'000	\$'000	\$'000
Cash and deposits	99,746	-	-	99,746
Receivables	-	-	15,469	15,469
Total contractual financial assets	99,746	-	15,469	115,215

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

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

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

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

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2021 and the past 48 months before 31 December 2020, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The 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.

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

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
31 December 2021				
	\$'000	%	\$'000	(yes / no)
Current (not past due)	1,505	0%	-	No
1-30 days past due	3,170	30%	951	No
31 – 60 days past due	151	5%	8	No
61 – 90 days past due	-	0%	-	No
More than 90 days past due	3,254	89%	2,887	Yes
	8,080		3,845	

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

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

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

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Of the above impairment losses, \$3.8M (2020: \$3.3M) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

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

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

The TAFE manages liquidity risk by:

- maintaining adequate short-term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

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

7.1.4 Market risk

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

The management ensures that all market risk exposure is consistent with the TAFE's business strategy and within the risk tolerance of the TAFE. Regular risk reports are presented to the Finance, Audit and Risk Management Committee of 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 net interest earnings. Management monitors movement in interest rates on a monthly basis.

There has been no significant change in the organisation's objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. However, the organisation is more exposed to a loss of net interest earnings driven by lower interest rates set by the Reserve Bank of Australia, which is being directly passed on by the authorised deposit taking institutions holding the Institute's funds.

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

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount at 31 December	Interest rate exposure		
			Floating interest rate	Fixed interest rate	Non-interest bearing
2021					
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	0.40%	51,350	51,350	-	-
Trade receivables		10,340	-	-	10,340
Other receivables		367	-	-	367
Total financial assets		62,057	51,350	-	10,708
Financial liabilities					
Trade and other payables		6,193	-	-	6,193
Total financial liabilities		6,193	-	-	6,193

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

Sensitivity analysis and assumptions

	Carrying amount at 31 December	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result	Equity	Result	Equity
2021					
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	51,350	(513)	(513)	513	513
Total impact		(513)	(513)	513	513

	Carrying amount at 31 December	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result	Equity	Result	Equity
2020					
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	99,746	(997)	(997)	997	997
Total impact		(997)	(997)	997	997

7.2 Contingent assets and contingent liabilities

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

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

Contingent assets

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

Quantifiable contingent assets

	2021	2020
	\$'000	\$'000
Funding arrangements - (i)	57,000	5,330

(i) The TAFE has entered into funding agreements with the DET for the revitalisation of the Broadmeadows Campus. The release of these funds is contingent on the TAFE demonstrating that the agreed milestones have been achieved.

Contingent liabilities

Contingent liabilities are:

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

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

Quantifiable contingent liabilities

	2021	2020
	\$'000	\$'000
Bank guarantees (i)	377	377

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

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

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

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

The Valuer-General Victoria (“VGV”) is the TAFE’s independent valuation agency.

Fair value determination of financial assets and liabilities

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

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

(a) Fair value determination of non-financial assets

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

The TAFE, in conjunction with the 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.

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

	Carrying amount at 31 December	Fair value hierarchy		
		Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
2021				
		\$'000	\$'000	\$'000
Non-specialised land	-	-	-	-
Specialised land	121,328	-	-	121,328
Total land at fair value	121,328	-	-	121,328
Non-specialised buildings	-	-	-	-
Specialised buildings	268,175	-	-	268,175
Total buildings at fair value	268,175	-	-	268,175
Plant and equipment	23,048	-	-	23,048
Vehicles	57	-	-	57
Leasehold improvements	99	-	-	99
Land improvements				
Total other assets at fair value	23,204	-	-	23,204

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

Impairment

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

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

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

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

(b) Valuations of property, plant and equipment

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

For the year ending 31 December 2021 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; and
- (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.

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

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

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

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

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

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

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

For the TAFE's majority of specialised buildings, the depreciated replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

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

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

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

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

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

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

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 2020 and 31 December 2021

	Leasehold improvements	Specialised land and buildings	Plant and equipment	Vehicles
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair value measurements 2020				
As at 1 January 2020	150	339,844	11,831	120
Additions	-	188	2,800	-
Disposals	-	(1,555)	-	-
Depreciation	(26)	(7,829)	(3,369)	(32)
Revaluation	-	-	-	-
Write-ups/transfers/(write-offs)	-	(4,881)	-	-
Transfers into or out of Level 3	-	6,068	1,537	-
Balance as at 31 December 2020	124	331,835	12,799	88

Level 3 Fair value measurements 2021				
As at 1 January 2021	124	331,835	12,799	88
Additions	-	-	2,480	-
Disposals	-	-	-	-
Depreciation	(25)	(8,560)	(4,397)	(31)
Revaluation	-	13,846	-	-
Write-ups/transfers/(write-offs)	-	-	-	-
Transfers into or out of Level 3	-	52,382	12,166	-
Balance as at 31 December 2021	99	389,503	23,048	57

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	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)

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 Minister, Accountable Officer and Responsible Persons in the TAFE were as follows:

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MLC	1 January 2021 to 31 December 2021
Chief Executive Officer (Accountable Officer)	Ms Sally Curtain	1 January 2021 to 31 December 2021
Board Member	Mr Peter Harmsworth AO	1 January 2021 to 31 December 2021
Board Member	Ms Anne Brosnan	1 January 2021 to 31 December 2021
Board Member	Mr Michael McCartney	1 January 2021 to 31 December 2021
Board Member	Ms Margaret O'Rourke	1 January 2021 to 31 December 2021
Board Member	Dr Margaret Salter	1 January 2021 to 31 December 2021
Board Member	Ms Katrina Lai	1 January 2021 to 31 December 2021
Board Member	Prof Hal Swerissen	1 January 2021 to 31 December 2021
Board Member	Ms. Cheryl Woolard	1 January 2021 to 31 December 2021
Board Member	Mr Ajay Ahir	1 January 2021 to 30 June 2021
Board Member	Ms. Audrey Sanderson	1 July 2021 to 31 December 2021

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: \$360,000 – \$370,000 (2020: \$350,000 – \$360,000).

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

	2021	2020
	\$'000	\$'000
Income range		
\$30,000 – \$39,999	7	7
\$50,000 – \$59,999	1	-
\$60,000 – \$69,999	2	1
\$120,000 - \$129,999	-	1
\$350,000 - \$359,999	-	1
\$360,000 - \$369,999	1	-
Total number	11	10
Total remuneration (\$'000)	774	790

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

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 provide a measure of full time equivalent executive officers over the reporting period.

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

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

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

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

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

	2021	2020
	\$'000	\$'000
Remuneration		
Short-term employee benefits	1,816	2,310
Post-employment benefits	179	214
Termination benefits	-	-
Total remuneration	1,995	2,524
Total number of executives	12	12
Total annualised employee equivalents (i)	8.4	11.3

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

8.3 Related parties

Related parties of Bendigo Kangan Institute include:

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

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

Transactions with related parties

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

Transactions and balances with key management personnel and other related parties

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

Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Related party transactions				
Melbourne Polytechnic	6,251	6,880	33	12
Box Hill Institute	1,112	562	-	82
Goulburn Ovens TAFE	57	297	27	-
William Angliss Institute of TAFE	6	12	-	-

Key management personnel of the TAFE include the Minister for Higher Education and Minister for Training and Skills, directors of the Board, Chief Executive Officer, and members of the Executive Committee. The compensation detailed below excludes the salary and benefits received by the Minister for Training and Skills and the Minister for Higher Education. The Ministers' remuneration and allowances is reported within the Department of Parliamentary Services' Financial Report.

Compensation of key management personnel

	2021	2020
	\$'000	\$'000
Remuneration		
Short-term employee benefits	2,546	3,032
Post-employment benefits	223	282
Other long-term benefits	-	-
Termination benefits	-	-
Total remuneration	2,769	3,314

Transactions and balances with key management personnel and other related parties

The TAFE had no related party transactions for the period ending 31 December 2021.

8.4 Remuneration of auditors

	2021	2020
	\$'000	\$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	65	65
Total remuneration of the Victorian Auditor-General's Office	65	65
Remuneration of other auditors		
Internal audit services	188	224
Total remuneration of other auditors	188	224
Total	253	289

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

	2021	2020
	\$'000	\$'000
(a) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(617)	11
Total net loss on financial instruments	(617)	11
(b) Other gains/(losses) from other economic flows		
Net gain / (loss) arising from revaluation of long service leave liability	418	(187)
Net gain / (loss) arising from revaluation of annual leave liability	19	(6)
Net gain on non-financial assets (including PPE and intangible assets)	30	1,060
Total other gains from other economic flows	467	867
Total other economic flows included in net result	(150)	878

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

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

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

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

9.2 Other equity reserves

	2021	2020
	\$'000	\$'000
Physical asset revaluation surplus		
Balance at 1 January	132,314	137,195
Revaluation increment/(decrement) on non-current assets	13,846	-
Reversal of impairment losses	-	(4,881)
Balance at 31 December	146,160	132,314

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

9.3 Events after reporting date

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

9.4 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2021 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 2020-1 - Amendments to Australian Accounting Standards - Classification of liabilities as current or noncurrent amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued *2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non current - Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The amendment is not expected to impact the TAFE and the TAFE will not early adopt the standard.

9.5 New or amended Accounting Standards and Interpretations adopted

9.5.1 *Conceptual Framework for Financial Reporting (Conceptual Framework)*

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

9.5.2 *IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)*

The TAFE has adopted the IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets) from 1 January 2021. The Agenda Decision requires management to capitalise elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure either by applying AASB 138 or applying another accounting standard.

The TAFE conducted an analysis on all costs incurred in relation to its Cloud Computing Arrangements. Through this analysis the TAFE identified that costs in relation to Student Journey Transformation Project were capitalised despite not having control of the cloud application software [Job Ready Plus] and therefore not meeting the criteria for capitalisation under AASB 138. Consequently, the cumulative impact on the financial statements as a result of this change in policy for the 31 December 2021 and comparative period ending 31 December 2020 have been presented below. There is no impact to the 31 December 2019 financial statements.

Adjustments made to statement of financial position

	Under previous acct. policy	Effect of change in acct. policy: IFRIC Agenda	As presented
Year ended 31 December 2021			
	\$'000	\$'000	\$'000
Assets			
Non-financial assets			
Property, plant and equipment	418,518	-	418,518
Right of use assets	2,666	-	2,666
Intangible assets	12,816	(6,087)	6,729
Other non-financial assets	4,208	1,749	5,957
Total non-financial assets	438,208	(4,338)	433,870
Total assets	500,938	(4,338)	496,600
Net assets	444,155	(4,338)	439,817
Equity			
Accumulated surplus / (deficit)	51,232.83	(4,338)	46,895
Contributed capital	246,762	-	246,762
Reserves	146,160	-	146,160
Net worth	444,155	(4,338)	439,817

	Under previous acct. policy	Effect of change in acct. policy: IFRIC Agenda	As presented
Year ended 31 December 2020			
	\$'000	\$'000	\$'000
Assets			
Non-financial assets			
Property, plant and equipment	375,120	-	375,120
Right of use assets	4,504		4,504
Intangible assets	14,966	(7,647)	7,319
Other non-financial assets	3,474	1,450	4,924
Total non-financial assets	398,064	(6,197)	391,867
Total assets	515,275	(6,197)	509,078
Net assets	437,061	(6,197)	430,864
Equity			
Accumulated surplus / (deficit)	57,985	(6,197)	51,788
Contributed capital	246,762	-	246,762
Reserves	132,314	-	132,314
Net worth	437,061	(6,197)	430,864

PERFORMANCE STATEMENT

for the year ended 31 December 2021

Independent Auditor's Report

To the Board of the Bendigo Kangan Institute

<p>Opinion</p>	<p>I have audited the accompanying performance statement of the Bendigo Kangan Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2021 • declaration by Board Chair, Chief Executive and Chief Finance Officer <p>In my opinion, the performance statement of the Bendigo Kangan Institute in respect of the year ended 31 December 2021 presents fairly, in all material respects.</p>
<p>Basis for Opinion</p>	<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>
<p>Board's responsibilities for the performance statement</p>	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

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

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

MELBOURNE
24 March 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Bendigo Kangan Institute

PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

DECLARATION BY BOARD CHAIR CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

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

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

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



Mr Peter Harmsworth AO, Board Chair
Melbourne 18 March 2022



Ms Sally Curtain, Chief Executive Officer
Melbourne 18 March 2022



Ms Melissa Chalker, Chief Finance Officer
Melbourne 18 March 2022

Performance Statement

for the year ended 31 December 2021

Key Performance Indicators

Indicator title	Description and methodology	Metric	2021 Actual	2021 Target	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue split by Government funded and Fee for Service	%			<ul style="list-style-type: none"> > Training revenue outperformed targets in Student Fees & Charges but slightly underperformed in VTG and FFS. > Slight underperformance in VTG revenue against targets was due to reduction in Department of Education and Training support to subsidise reduced attendance due to COVID-19; this resulted in revenue diversity being weighted from VTG revenue to other streams. > FFS revenue targets were not achieved as a direct impact of COVID19 due to international border restrictions. > SF&C administrative improvements resulting in reduced Fee Waivers 	
	Training revenue split by:					
	• Victorian Training Guarantee (VTG)		47.7%	47.9%		50.3%
	• Fee for Service (FFS)		44.0%	44.4%		42.3%
	• Student Fees & Charges (SF&C)		8.3%	7.7%	7.4%	
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 + third-party training delivery costs / training revenue	%	105.3%	108.4%	Decreased employment costs as a percentage of training revenue driven by higher training revenue due to slightly improved Government funding from department support as compared to targets.	83.8%
Training revenue per teaching FTE*	Training revenue (excl. revenue delivered by third parties) per teaching FTE* Training Revenue (excl. revenue delivered by third parties) / Teaching FTEs*	\$	\$266,339	\$273,097	Slightly lower revenue per teaching FTE driven by a combination of increased training revenue compared to targets offset by an increase in teaching FTE due to the conversion of number of sessional teachers to ongoing across the Institute.	\$296,979
Operating margin percentage	Operating margin % Earnings Before Interest and Taxes (EBIT) excluding Capital Contributions) / Total Revenue (excl Capital Contributions)	%	-25.5%	-38.8%	Higher training revenue and other revenue from one-off grants and reduced operational expenditure has resulted in an improved operating margin compared to targets.	4.9%

DISCLOSURE INDEX

Item No.	Source	Summary Of Reporting Requirement	Page Number
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1.	FRD 22I	Manner of establishment and the relevant Minister	7
2.	FRD 22I	Purpose, functions, powers and duties > Purpose, functions, powers and duties linked to a summary of activities, programs and achievements for the reporting period.	7
3.	FRD 22I	Key initiatives and projects > Include significant changes in key initiatives and projects from previous years and expectations for the future. > Include reference to Victorian Government initiatives.	24-33
4.	FRD 22I	Nature and range of services provided > Include communities served.	10-15
MANAGEMENT AND STRUCTURE			
5.	FRD 22I	Organisational structure > Detail members of the Board, Audit Committee, CEO, Senior Officers, and their responsibilities. > The organisational chart/s must be sufficiently detailed to provide an understanding of the accountabilities for an entity's main activities. > The chart should represent the structure at 31 December of the reporting year. > The names of Board and Committee members relates to members who have served in the reporting year and there is no requirement to list current or previous term commencement and expiry dates. Where the full year has not been served, please note.	7
FINANCIAL AND OTHER INFORMATION			
6.	FRD 10A	Disclosure Index	116-118
7.	FRD 22I	Employment and conduct principles > Statement on appointment and selection process. > Include a statement that employees have been correctly classified in the workforce data collections.	35
8.	FRD 22I	Workforce data disclosures > Present data for current and previous reporting period. > If applicable, include a statement on workforce inclusion policy with a measurable target and report on progress towards the target.	26, 35-37
9.	FRD 22I	Occupational health and safety policy > Reporting must include all items listed at 5.10(a) to (e) in FRD 22I.	39
10.	FRD 22I	Summary of the financial results for the year > Include comparative information for the preceding four reporting periods.	34
11.	FRD 22I	Significant changes in financial position during the year	34
12.	FRD 22I	Summary of operational and budgetary objectives > Include performance against objectives and achievements.	8-9, 22-33, 113
13.	FRD 22I	Major changes or factors affecting performance	34

Item No.	Source	Summary Of Reporting Requirement	Page Number
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FINANCIAL AND OTHER INFORMATION (continued)			
14.	FRD 22I	Subsequent events	105
15.	FRD 22I	Application and operation of the <i>Freedom of Information Act 1982</i>	40
16.	FRD 22I	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	43
17.	FRD 22I	Statement on National Competition Policy > Include statement on compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria', and any subsequent reforms.	42
18.	FRD 22I	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	41
19.	FRD 22I	Application and operation of the <i>Carers Recognition Act 2012 (Carers Act)</i>	41
20.	FRD 22I	Details of consultancies over \$10 000 > Total number of consultancies individually valued at \$10,000 or greater (ex GST) and the total expenditure (ex GST) on these engagements for the reporting period. > Location (e.g. website link) where the schedule with the below details of the consultancies over \$10,000 has been made publicly available: <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (ex GST) • Expenditure for reporting period (ex GST) • Any future expenditure committed to the consultant for the project 	47
21.	FRD 22I	Details of consultancies under \$10 000 > Total number of consultancies individually valued at less than \$10,000 (ex GST) and the total expenditure (ex GST) on these engagements for the reporting period.	47
22.	FRD 22I	Disclosure of government advertising expenditure > For each government advertising campaign with total media buy of \$100 000 or greater (ex GST), include a schedule of the details found at FRD 22I 5.16 (a)-(d).	47
23.	FRD 22I	Disclosure of ICT expenditure > Total entity ICT BAU expenditure and Total entity ICT Non-BAU expenditure, provide a breakdown for: <ol style="list-style-type: none"> i. Operational expenditure (OPEX); and ii. Capital expenditure (CAPEX). 	48
24.	FRD 22I	Asset Management Accountability Framework (AMAF) maturity assessment	49
25.	FRD 22I	Summary of Environmental Performance > TAFEs are encouraged to adopt the requirements of FRD 24D.	44
26.	FRD 22I	Statement of availability of other information > List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	40
27.	FRD 25D	Local Jobs First	46
28.	SD 5.2	Specific requirements under Standing Direction 5.2	54

Item No.	Source	Summary Of Reporting Requirement	Page Number
REPORT OF OPERATIONS			
FINANCIAL AND OTHER INFORMATION (continued)			
29.	CG 10 Clause 27	Summary of Major Commercial Activities <ul style="list-style-type: none"> > Major Commercial Activity means a Commercial Activity that involves a transaction or transactions with a total estimated cost greater than 5 per cent of annual revenues, but does not include: <ul style="list-style-type: none"> • the supply of vocational training and higher education that is consistent with the TAFE institute's strategic plan; or • the supply of vocational training and higher education that is supplied pursuant to a competitive tender process. 	47
30.	CG 12 Clause 33	TAFE Institute Controlled Entities	60
COMPLIANCE ATTESTATION AND DECLARATION			
31.	SD 5.1.4	Financial Management Compliance Attestation Statement <ul style="list-style-type: none"> > The Responsible Body (Board) must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies. > The compliance attestation must relate to compliance for the entire year 1 January 2021 – 31 December 2021. > The Audit Committee must review the attestation. > This attestation also covers requirements under SD 3.71. 	41
32.	SD 5.2.3	Declaration in report of operations <ul style="list-style-type: none"> > The report of operations must be signed and dated by a member of the Responsible Body (the Board). 	4
DECLARATION			
33.	SD 5.2.2	Declaration in financial statements <ul style="list-style-type: none"> > Requirements of the declaration: <ul style="list-style-type: none"> (a) An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> (i) the Accountable Officer; (ii) subject to Direction 5.2.2(c), the CFO; and (iii) for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. (b) The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> (i) the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and (ii) the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. (c) If an Agency's CFO (including an acting CFO) does not have expertise and qualifications in compliance with Direction 2.4.5(a), or if an Agency does not have a CFO: <ul style="list-style-type: none"> (i) the CFO must not sign financial statements; and (ii) the Accountable Officer must ensure that the financial statements are instead signed by a person with the expertise and qualifications required under Direction 2.4.5(a). 	54

Item No.	Source	Summary Of Reporting Requirement	Page Number
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OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2			
34.	SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	54
35.	SD 5.2.1(a)	Compliance with Standing Directions	41, 54
OTHER DISCLOSURES AS REQUIRED BY FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
36.	FRD 11A	Disclosure of ex-gratia expenses	N/A
37.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	102-103
38.	FRD 103I	Non-financial physical assets	63, 74-76, 98-99
39.	FRD 110A	Cash flow statements	59
40.	FRD 112D	Defined benefit superannuation obligations	70-71
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
41.	Legislation	<p>Compliance statement</p> <p>> The Annual Report must contain a statement of compliance with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Education and Training Reform Act 2006 (ETRA) • TAFE Institute Constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE Institute Commercial Guidelines • TAFE Institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Public Interest Disclosure Act 2012</i> • <i>Carers Recognition Act 2012</i> • <i>Local Jobs First Act 2003</i> 	7
42.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2021	43
43.	Policy	Statement of compliance with the Victorian Public Service Travel Policy	48
44.	KPIs	<p>Key Performance Indicators:</p> <ul style="list-style-type: none"> • Employment costs as a proportion of training revenue • Training revenue per teaching FTE • Operating margin percentage • Training revenue diversity 	113
45.	PAEC and VAGO (June 2003 Special Review Recommendation 11)	<p>Overseas operations:</p> <ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved 	48



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