

2017
**ANNUAL
REPORT**



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ABN 15 113 721 770

Level 8, 379 Collins Street,
Melbourne VIC 3000

Phone 1300 917 150
Email info@vdc.edu.au
Web www.vdc.edu.au

 **TWITTER**
[@VDCeduau](https://twitter.com/VDCeduau)

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ABOUT US

WHAT WE DO

The VET Development Centre (VDC) was established in 2005 by the Victorian Government to promote the development and raise the professional standing of people working in the Australian Vocational Education and Training (VET) Sector.

Through our services, the VDC provides continuous professional learning to all teaching and non-teaching staff in the VET Sector across Australia through the design and delivery of an extensive range of webinars, workshops, events as well as government funded grants, scholarships and evaluation activities.

GOVERNANCE

The VDC is a public company limited by guarantee, with the Victorian Minister for Training and Skills as the sole member. The VDC is governed by an experienced Board of Directors appointed for their specialist expertise in VET, workforce development and corporate governance.

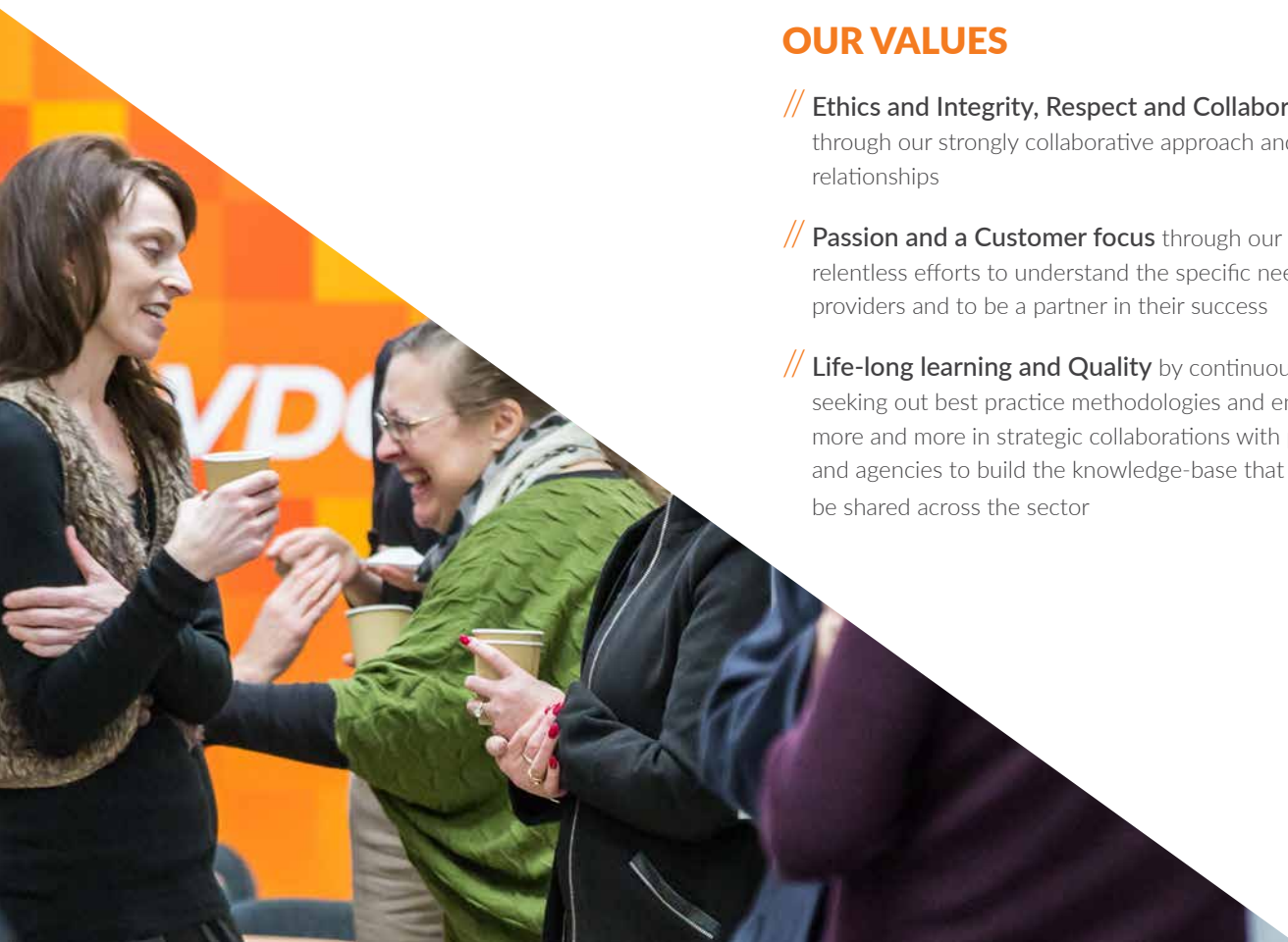
OUR VISION

The VDC is the Centre of Excellence for Continuing Professional Learning to the VET Workforce.

We are positioned to become the centre for all VET professional learning programs and advisory support to Government and providers by 2020. With a new state of the art facility that expands our face to face and digital reach, and a revitalised program focused on building quality through practice excellence and innovation, we are confident in our contribution to building the capability of the VET workforce.

OUR VALUES

- // **Ethics and Integrity, Respect and Collaboration** through our strongly collaborative approach and trusted relationships
- // **Passion and a Customer focus** through our relentless efforts to understand the specific needs of providers and to be a partner in their success
- // **Life-long learning and Quality** by continuously seeking out best practice methodologies and engaging more and more in strategic collaborations with providers and agencies to build the knowledge-base that can then be shared across the sector



STRATEGIC PLAN

OUR 2020 GOALS AND SUCCESS INDICATORS

To achieve our vision of a centre of excellence guided by our values, we have identified the following strategic goals and success indicators of our achievement by 2020:

OUR 2020 GOALS

Leading VDC	Enabling VDC	Customer-focussed VDC	Thriving VDC
Become the recognised leader of continuing professional learning and thought leadership for the VET sector workforce.	Enable the implementation of Victorian Government quality priorities for VET.	Enable VET providers and VET professionals to equip and inspire the delivery of quality learning outcomes.	Drive growth through exploration of new business opportunities.

OUR 2020 SUCCESS INDICATORS

Leading VDC	Enabling VDC	Customer-focussed VDC	Thriving VDC
<p>First choice for professional learning and thought leadership by VET teachers and support staff.</p> <p>Evidenced by survey feedback, increased delivery and advisory work.</p>	<p>Programs, activities and advice support and strengthen the 'Education State' and 'Skills First' initiatives.</p> <p>Evidenced by Ministerial and Department feedback and evaluations.</p>	<p>Continued high satisfaction ratings from customers.</p> <p>Positive impact evaluations from VET providers against their workforce performance indicators.</p>	<p>Funding mix reflects growth in fee-for-service delivery.</p>

ORGANISATIONAL STRUCTURE

VDC is governed by a Board of Directors appointed for their specialist skills and expertise in Vocational Education and Training (VET), professional development and organisational governance.

VDC staff are supported by specialist consultants and professionals for specific activities as required.



MESSAGE FROM THE CHAIR

It is with pleasure that I present the VET Development Centre Limited (VDC) 2017 Annual Report.

2017 was somewhat of a milestone year for the VDC, with the relocation of the organisation to new premises that incorporate training facilities. The self-funded new state of art premises position the VDC well to operate as "a centre of excellence for continuous professional learning to the VET workforce", our vision for 2020.

The Board has identified a new set of strategic goals and an ambitious agenda for the building the capability of the VET professional workforce to support the Victorian Government's Education State *Skills First* initiatives. I am energised by the vision for a centre of excellence and I am confident that this strategic plan enables the VDC to play a key role in driving quality through practice excellence and innovation in VET professional learning for Victoria and nationally.

The VDC achieved a performance surplus of \$157,411 in 2017. Building on the successes of 2016, the VDC has once again achieved record engagement in its programs. In total there were almost 8,900 participants for 295 government funded and fee for service events and services designed, delivered and/or hosted by the VDC in 2017. This represents a 31 percent increase in engagement on the previous (record) year. This dramatic increase reflects the ability of the organisation to attract and service a larger cohort of participants through the establishment of its own training centre, a revitalised staff structure and more proactive webinar based customised delivery.

Equally impressive was the collaboration and continuing commitment from the Victorian Department of Education and Training to resource the VDC to provide complimentary professional development opportunities to contracted *Skills*



First training providers and also VET for secondary school students' schools. More importantly, the satisfaction surveys for these continuing professional learning programs continue to consistently achieve satisfaction ratings in excess of 90 percent.

A real strength of the VDC continues to be the diversity of attendance at our professional learning programs, with TAFE, private provider, learn local organisations and VET in Schools teachers all participating collaboratively at PD activities.

We all want a strong VET sector that develops the knowledge, skills and attributes for the jobs of today and the future. I consider the unique position of the VDC as an institution accessed by public, private and community providers to be instrumental in providing teaching and learning professionals a central point of support for this aim.

A handwritten signature in black ink, reading "Susan Christophers".

Susan Christophers

Chairperson

8900

attendees at VDC programs and events in 2017 - up by **31%** on 2016, **95%** in 5 years

295

events hosted by VDC

95%

average satisfaction rating for attendees surveyed at VDC programs

1930

attendees at Victorian Government funded PD in 2017

3500

attendees at VDC customised programs and services in 2017 (**250%** increase on 2016)

CEO REPORT



2017 provided a number of challenges for the organisation. As CEO, the task of sourcing, securing, designing, building and relocating to new premises provided an invigorating challenge. Having the confidence and trust of the VDC Board to incorporate training facilities within a corporate office was key to the success of this ambitious endeavour.

And similar to any house relocation and subsequent renovation, as anyone who has experienced this will attest, your day to day responsibilities do not diminish whilst undertaking such dramatic change. I am proud to report that the VDC team and Board all supported each other not only to achieve the move to outstanding facilities but also design, implement and host a record number of programs.

The creation and management of a physical VDC presence will develop new skill sets for our team, contribute to the VDC becoming both a centre of excellence and asset for all training providers to utilise and embrace as their own.

With the realisation of the VDC training facilities, free thought leader functions are now planned for 2018 and beyond. Not only VDC events but also functions which involve other organisations partnering with VDC to utilise our policy expertise and facilities in kind, as well as partnering to promote thought leader type functions.

In 2017, the VDC organised and hosted 295 events, including open access VET Professional Development programs, customised training programs, webinars, major corporate events, and the annual teaching and learning conference. In addition, for the first time the VDC undertook a comprehensive Industry Immersion Program for 100 VET for Secondary School Student teachers at government schools.

The success of our activities and the diligence in achieving the self-funded relocation within budget are reflected in record engagement in our professional development programs and services with 8,900 participants and the achievement of a performance surplus of \$157,411 as highlighted in this report.

This report provides a snapshot of the programs and events of 2017.

Martin Powell
Chief Executive Officer

2017 SNAPSHOT

900

VET in
Schools
teachers

900

attendees for
community based
organisations

\$3.6m

provided by Victorian Government
to support the VDC and related
professional development activities for
Victorian Government funded training
providers and VET for secondary school
teachers

33

scholarships
provided to
Victorian
Government
funded training
providers

35

workforce
development
project grants
funded

2017 HIGHLIGHTS

PROFESSIONAL DEVELOPMENT

The VDC Professional Development (PD) Program provides continuous professional learning for the VET workforce through an extensive range of one hour webinars, half and full day workshops and special events such as Thought Leader seminars, conferences and other functions.

Total engagement with the VDC programs, events and services in 2017 achieved record participation of 8886, an increase of 31% from 2016 and 95% since 2013.

This activity represents attendance at all professional development programs delivered including, VDC professional development programs, Victorian government funded professional development programs, scholarship and grants engagements, customised training, webinar hosting services, facilities hire attendees and attendance at major VDC events.

It is worth noting that the 2,113 attendance increase was a 31% increase on 2016 (previously a record year). This has been driven by customised PD attendances, VDC venue hire bookings as well as the maintenance of registration numbers for the VDC Professional Development Program.

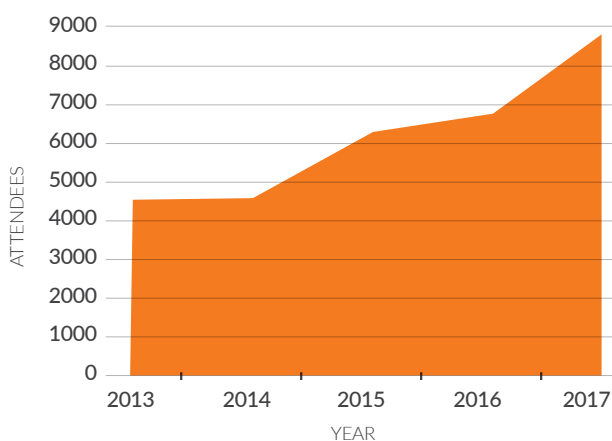
VDC Professional Development Program

The VDC Professional Development Program in 2017 provided a record number of 118 workshops and national webinars to the sector around the following key themes:

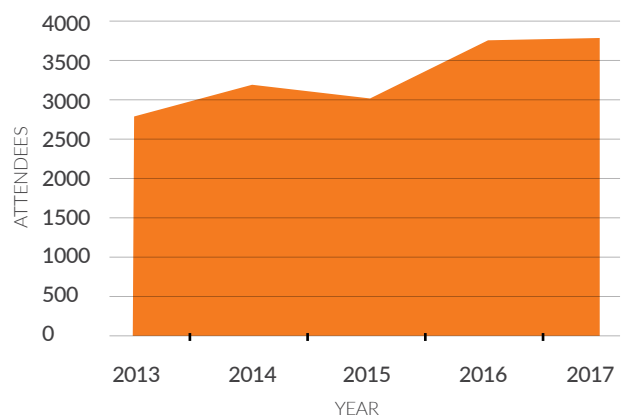
- // Quality, Compliance and Auditing
- // Assessment Tools
- // Mapping and Validation
- // Online Delivery
- // Teaching and Learning Strategies
- // Personal and Business Development
- // Industry Engagement
- // Executive Leadership and Management Coaching

Attendance at the VDC Professional Development Program maintained the record increase of 20% in 2016 with 3782 registrants (3756 in 2016) and has increased by 35% in the past five years. Workshops were conducted in Victoria, while webinars were accessed by all states and territories in Australia, as well as New Zealand.

ATTENDEES AT VDC ACTIVITIES

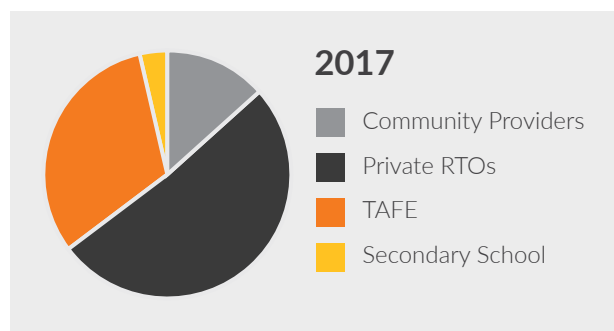


ATTENDEES AT VDC PROFESSIONAL DEVELOPMENT PROGRAMS



The VDC experienced an increase in private training provider attendees of the VDC Professional Development events, as well as a record number of VET in Schools Teachers to this program. Learn Local Organisations also attended in greater numbers than 2016. TAFE attendees maintained a one third share of attendees in line with 2016 results.

	2013	2014	2015	2016	2017
Community Providers	544	538	527	473	505
Private RTOs	1056	1304	1313	1757	1943
TAFE	1188	1349	1126	1463	1204
Secondary Schools			51	63	130
TOTALS	2788	3191	3017	3756	3782



Customised Professional Development Programs

In addition to the VDC Professional Development Program the VDC designs Professional Development Programs that meets individual workforce development needs for training organisations. Customised programs can be delivered in house for all VET providers across Australia.

Our highly experienced content experts and consultants work with training organisations to design a program that identifies the organisation's workforce development needs and is delivered at a time and place that is convenient to an organisation. Major clients in 2017 included Federation Training and RMIT.

With the introduction of the new VDC training facilities, 2017 saw the introduction of venue hire services for the first time. In addition, webinar hosting services were also provided for major VET stakeholders including the ACFE Board of Victoria, VETASSESS, VTA and DeafConnect.

As a result of these expanded services, in 2017 attendees surged to over 2800 participants in customised training delivery across 72 programs, plus 680 attendees at venue hire functions at the VDC facilities.



VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

In 2017 the VDC delivered a range of professional development programs funded by the Victorian Government available to all training providers that held a *Skills First* funding contract with the Victorian Department of Education and Training and a training program for VET for Secondary School Student Teachers at government schools. Over 1900 VET workforce participants accessed 56 complimentary PD events in 2017.

The following pages provide a summary of each initiative.

PROGRAMS	2017
Putting Students First: Delivering suitable and appropriate training workshops	230
Developing Effective Training and Assessment Strategies workshops	228
Improving the Quality of Online Delivery Workshops	134
Industry Engagement in VET Workshops	123
Engaging Asylum Seekers and Refugees Workshops	46
Pre-accredited Learn Local Organisations: Access, Choice and Equity Workshops	61
Establishing a quality system in your Learn Local Organisation	173
Adult, Community & Further Education (ACFE) PD Program	164
VET in Schools - Building Foundation Skills into your Teaching	30
VET in Schools - Using Foundation Skills to Improve Student Outcomes	33
VET in Schools PD Program	214
VET for Secondary School Students Industry Themed Forums	179
VET for Secondary School Students Structured Workplace Learning Forums	149
VET for Secondary School Students Industry Immersion Workshops	171
TOTALS	1935

The facilitator was knowledgeable and engaging. It was easily the best training I have experienced in any PD session.

Putting Students First: Delivering suitable and appropriate training

The Victorian Department of Education and Training (DET) provided funding since 2015 for a professional development program to support every *Skills First* contracted training provider to improve the experience of students undertaking government funded training through the delivery of training that is both suitable and appropriate. This initiative forms part of the Government's response to the Review of quality assurance in Victoria's VET system. The DET-funded *Skills First* additional Professional Development Program for 2017 included funding for delivery of 10 Putting Students First workshops.

The workshops were delivered by a team of three VDC facilitators who worked together to ensure a consistent experience for participants. Staff from 138 different organisations registered for the workshops; 133 Private Registered Training Organisations, 16 Adult Community Education and Learn Local organisations, and 9 TAFE Institutes.

// 98% of respondents agreed the program delivery and content was good or excellent.



Developing effective PTR strategies, review of PTR and initial consultation procedures, was good to learn other strategies adopted by other RTOs.



Developing Effective Training and Assessment Strategies workshops

The Victorian Department of Education and Training (DET) provided funding for a professional development program to support every contracted RTO in preparing Training and Assessment Strategies that are consistent with Standard 1 of the National RTO Standards and the Users' Guide to the Standards for Registered Training Organisations (RTOs) 2015.

Ten workshops explored the requirements of the *Skills First* contract that requires a provider to develop a Training and Assessment Strategy for each course and for each cohort within a particular course, as well as the Standards to focus on the design, development and implementation of effective and comprehensive Training and Assessment Strategies.

VDC consultants developed and delivered the workshops drawing on their experience from a range of roles in VET that include responsibility for quality and compliance, contract management, educational leadership and servicing of industry needs. These experts worked together closely to ensure a consistent experience for participants and were committed to building the capability of VET professionals and providers to create quality training opportunities aligned with evolving policy and professional practice expectations. Based on the evaluations received, participants found the workshop delivery to be engaging, interactive and participant focused.

The program, consisting of a full day workshop, was developed by the VDC after consultation with Vocational Education and Training experts and careful referencing of VET documentation including the *Skills First* Contract. Staff from 145 different organisations registered for the workshops. 112 Private Registered Training Organisations, 20 Adult Community Education and Learn Local organisations, and 13 TAFE Institutes.

// **99% of respondents agreed the program delivery and content was good or excellent.**

Improving the Quality of Online Delivery Workshops

The Victorian Department of Education and Training (DET) provided funding in 2017 for a professional development program to support contracted training providers to improve the experience of students undertaking government funded training. This initiative formed part of the government's response to the Quality Assurance Review in Victoria's VET system by improving the quality of training and/or assessment delivered partly or wholly online.

As the workshops were being delivered for the first time, various potential presenters, materials and resources were sourced to ensure that a quality product was designed and delivered. The final program developed for the workshop explored a range of quality processes and strategies in the online learning environment. Participants were guided through the principles of quality online delivery and assessment, and the challenges and requirements faced when offering training and assessment online. The workshop also covered how good design supports regulatory standards and *Skills First* 2017 VET Funding Contract requirements.

This workshop, its accompanying presentation and participant workbook included:

- **Skills First and quality online delivery**
- **Student induction and support**
- **Collaboration, facilitation and learner engagement**
- **Content in an online environment**
- **Training design and delivery**
- **Assessment.**

Five workshops were delivered to staff from 83 different organisations. The breakdown between training providers' staff were: 100 Private Registered Training Organisation staff, 11 Adult Community Education and Learn Local organisation staff, and 23 TAFE Institute staff.

// **98% of respondents agreed the program delivery and content was good or excellent.**

Industry Engagement in VET workshops

The Victorian Department of Education and Training (DET) provided funding in 2017 for a professional development program to support contracted training providers to develop and strengthen strong partnership between industry and employers. This initiative formed part of the government's response to the Quality Assurance Review in Victoria's VET system by improving the relationships and enhancing the responsiveness of training providers to the needs and demands of industry. The workshop included the provision of practical advice and guidance on how best to incorporate successful industry engagement into the training provider's business. DET supported the *Skills First* additional Professional Development Program for *Skills First 2017* contracted providers by funding three industry themed workshops.

The purpose of the program was to improve the quality of training and assessment for *Skills First 2017* VET contracted training providers by focussing on how training providers can engage with industry and employers in the delivery of training and assessment, such as the development of assessment tools and a Training and Assessment Strategy (TAS). The program focused on the provision of practical advice and guidance on how best to incorporate successful industry engagement into the training provider's business.

The following industries were selected due to the majority of delivery occurring across these sectors. This ensured that there was good coverage of training providers and the largest possible benefit to the contracted market.

- **Building & Construction and Plumbing – CPC Construction, Plumbing and Services Training Package**
- **Community Services – CHC Community Services Training Package**
- **Health and Community Services - HLT Health Training Package**

The development of the workshop content was also informed by and aligned with the *Jobs and Training Needs Reports* published by DET.

The workshop topics included: working with industry to improve the quality of training and assessment delivery; Skills currently needed in industry; How training providers can engage with industry and employers in the delivery of training and assessment; and Information on industry trends, job clusters, technology and future employment.

Staff from **76** *Skills First* contracted training providers registered for the three workshops held at the VDC with 123 of 150 potential places being filled.

// **98% of respondents agreed the program delivery and content was good or excellent.**



The presentation opened my eyes about the lack of content on future trends in the training package and also how to keep students interest



Adult, Community and Further Education (ACFE) PD Program

The Victorian Department of Education and Training (DET) provided funding to VDC in 2017 for a professional development program which included funded places for staff at Learn Local Organisations (LLO) to attend VDC fee for service Professional Development Programs as well as tailored programs. 917 LLO staff participated in the 2017 program.



As a trainer and course co-ordinator the content fitted my needs. Loved the modelling of so many teaching strategies, and feedback regarding different research. A day to remember!! Thank you, a huge effort on your behalf and thank you VDC and ACFE for funding. The fact the course was free made all the difference to me...



- Pre-accredited Learn Local Organisations: Access, Choice and Equity Workshops

The Victorian Department of Education and Training (DET) provided funding to VDC in 2017 for a tailored LLO Pre-accredited Series.

In 2016, DET consulted with LLOs offering pre-accredited training to identify the professional development required to meet the sector's needs. It was evident that a professional development program that focussed on the outreach and engagement of students through to pathways into further education and /or employment was needed. In addition LLOs need to understand how to connect to the broader community and value-add to their delivery of training services to meet the community's needs. The tailored pre-accredited series of four workshop programs was developed through discussions with DET.

The tailored pre-accredited series of four workshop programs reflects the goal of the pre-accredited Quality Framework which is to ensure that quality and continuous improvement are embedded throughout all aspects of pre-accredited planning, program design and delivery, and learner pathways. VDC subject matter experts with knowledge of the Learn Local sector and strong skills and experience in training delivery to the VET sector undertook preliminary planning in consultation with the DET and LLOs to ensure that the program captured the issues, needs and skill requirements.

The key themes of the series were:

- **To improve educational and training access**
- **Improve wellbeing for disadvantaged learners**
- **Build social capital (research project)**
- **Deliver Best/Targeted placement of limited resources**
- **Offer pathways to accredited training and employment**

The series proved most popular and engaging with 173 participants registering from 118 LLOs attending the workshops at the VDC.

- Establishing a quality system in your Learn Local Organisation

A Victorian Department of Education and Training (DET) consultation with Learn Local Organisations (LLOs) identified that the training providers required professional development to strengthen their knowledge and understanding of regulatory standards (AQTF & VRQA Guidelines or SRTOs 2015), *Skills First* compliance contracts, pre-accredited frameworks and funding body accountabilities. By understanding a quality system would enable LLOs to implement a systematic and organised approach, DET funded VDC to develop workshops to assist LLOs in establishing quality systems that meet both funding and regulatory compliance regimes.

Planning and development of the workshops' content was undertaken by VDC in consultation with a subject matter expert in LLOs' program planning, assessment, course delivery and validation. VDC developed a full day learner centred workshop to inform the development of quality systems. The workshop program identified commonalities between regulation and *Skills First* funding contracts and RTO Standards (VRQA, AQTF and ASQA), and explored how LLOs could implement systems to ensure that they were meeting all requirements.

The two full day workshops were fully subscribed with 30 participants at each workshop.

// **90% of respondents agreed the program delivery and content was good or excellent**



Asylum Seeker Learning Plan (ASLP) program

In 2017 DET sought Expressions of Interest from Learn Local Organisations wishing to develop and implement a program that will provide eligible asylum seekers and refugees with temporary residence, with an assessment of their education and skills, get advice about possible VET pathways, and connect with their local communities.

The VDC developed two one-day workshops, to support shortlisted applicants implementing the program within their organisation. The aim of the ASLP is to assist eligible asylum seekers to engage with their local community, and with learning. The VDC workshop was designed to assist shortlisted applicants and their network partners to understand the role of the ASLP in this context.

Planning and development of the program content was undertaken by VDC content experts in consultation with industry leaders AMES Australia.

Topics covered in the workshop included: the objectives and requirements of the Asylum Seeker and Refugee Learning Plan; Community orientation sessions: Models and frameworks; Exploring the needs of asylum seekers and refugees in a learning context; and Developing Individual Learning Plans and the Foundation Skills Assessment Tool.

// **100% of respondents agreed the program delivery and content was good or excellent.**



Enjoyed mixed media – diagrams, YouTube. Networking and conversation with peers. Info from AMES was very helpful and well presented.



Inspiring – real life examples, excellent knowledge of content, relaxed atmosphere. All presenters were very knowledgeable in their specific area. AMES speaker very informative.



VET in Schools Program

The Victorian Department of Education and Training (DET) provided funding to VDC in 2017 for a professional development program which included funded places for professionals at training providers that deliver VET in Schools Programs to attend VDC fee for service Professional Development Programs as well as tailored workshops. Two workshops, Building Foundation Skills into your teaching, and, Using Foundation Skills to improve student outcomes were developed and delivered under this program. 277 VETiS teachers participated in the 2017 program.

// **The two tailored workshops obtained a 90% satisfaction rating from participants.**

Enhance the VET capacity of Teachers providing VET programs to Government Secondary School Students

In 2017 the Victorian Department of Education and Training (DET) supported professional development activities to enhance the VET capacity of teachers providing VET programs to government secondary school students. The VDC was engaged by DET to develop and implement a range of professional development initiatives that would strengthen industry currency and the capacity of teachers and trainers providing VET programs to students in Victorian government secondary schools. The VDC designed three professional development initiatives.

VET for Secondary Schools (VETfSS) Industry Themed Forums comprising ten state-wide professional development forums.

Structured Workplace Learning (SWL) Forums comprising four state-wide forums promoting best practice in SWL.

Industry Immersion Opportunity comprising a ten-day professional development opportunity for approximately 100 teachers, comprising an induction and post-placement workshops; a six-day placement in industry as well as activities that showcase contemporary industry practices.

The program provided over 400 professional development opportunities for teachers and related professionals to participate in the three initiatives. The ten VETfSS Industry Themed Forums attracted 179 participants and the four SWL Forums attracted 144 participants. In total, 98 Teachers applied for the Industry Immersion Opportunity from 63 Victorian Government Secondary Schools, across 18 Industry Groups.



This course should be compulsory for all VETiS teachers. Thank you, lots to take away with me!



Victorian Government Workforce Development Projects and Grants

In 2017 the Victorian Department of Education and Training provided \$1.1 million of grant funding to the VDC for allocation for workforce development initiatives to organisations and individuals in the Victorian VET Sector. Organisations or employees of organisations that had a *Skills First* funding contract were eligible to apply.

Thirty five workforce development projects have been provided for eligible training providers to improve student outcomes. Eligible providers were invited to submit a workforce development funding proposal under the following project categories:

- // 14 Digital Innovation Projects
- // 12 Workforce Development Projects
- // 3 Language Literacy and Numeracy Projects
- // 3 Community Engagement CALD Projects
- // 3 Community Engagement Disability Projects

To support individuals in the VET workforce 20 VDC Specialist Scholarships and 13 *Skills First* Trainer and Assessor Academic Grants were provided to the sector.

2017 *Skills First* Trainer and Assessor Academic Grant

The Victorian Department of Education and Training provided funding in 2017 for a professional development program to support teachers to develop their academic qualifications through undertaking post graduate studies in education. This program was managed by the VDC.

The program provides teachers with significant financial support for their studies and direct engagement in additional professional development in 2017, coordinated by the VDC. The aim of this program is to build teaching professionalism in VET, improving outcomes for students, industry and the community. The program concluded in December 2017. A total of 13 Academic Grant scholarships were awarded in 2017.

To be eligible applicants had to be a current VET Trainer and Assessor and employed by a Registered Training Organisation contracted as a provider of Victorian government subsidised training to new students in 2017 under the *Skills First* Program.

The Academic grant program provided each recipient with:

- // A maximum of \$8,000 towards enrolment fees and requirements of post Certificate IV studies in education leading to the award of a higher level qualification in Vocational Education & Training; and
- // Support for other capability building activities that build their VET professionalism, such as additional VDC professional development programs, VDC Teaching and Learning Conference and membership of professional associations; and
- // Workplace coaching and mentoring support

The workplace coaching and mentoring component of the program supported each participant to establish a “mentoring relationship” with someone within their workplace to support them throughout the period of their studies. One on one coaching sessions in the workplace were also conducted by the VDC specialist consultant. Each participant was required to consider what the implications were for them individually when adding the pressures of study to their existing work and life challenges. It is believed that having a support person at hand to assist with these challenges would safeguard the completion of their studies.



Jessie DiBlasi

Vocational Education Teacher, RMIT University

2017 Skills First Academic Grant recipient

For students and employers, the industry currency of VET teachers is a primary signal of the ability to develop and deepen skills that have application in the contemporary workplace. Jessie DiBlasi is an exemplar in that regard. She blends industry currency and pedagogical know-how as she teaches RMIT University's Certificate IV and Diploma in Photography and Photo Imaging.

Now a professional photographer and writer, Jessie formerly worked in the financial sector, both domestically and internationally. Specialising in long form documentary projects, she has exhibited in Australia, Japan and the UK, and her work is held in a private and public collections. With her sister, she published *Nonna to Nana: Stories of food and family* – a social documentary cookbook.

As a part-time teacher, Jessie's students have ready access to her expertise in photography skills, managing commercial photography services, and in establishing sustainable creative practices. That amounts to high value industry currency.

The impact of study on teaching practice

Through the VET Development Centre's (VDC) Academic Grants program, Jessie elected to deepen her teaching practice by enrolling in Charles Sturt University's Graduate Diploma in Adult and Vocational Education. After one semester's study in the second half of 2017, Jessie reflects positively on her learning and its immediate relevance to her teaching. In particular, she says the Graduate Diploma has deepened her ability to recognise and value diversity in her student cohorts, expressed as it is in many forms including learning difficulties and cultural differences.

Jessie now has a richer palette of teaching strategies for maximising learning outcomes for her students. In part, this has emerged from guided reflection through her studies that has assisted her to identify and build on what she, as a teacher, brings to diversity in each learning context. In effect, Jessie observes, the Graduate Diploma has kick-started ongoing investigations into her professional practice as both a teacher and artist.

Jessie sees opportunities ahead to incorporate insights gained from her studies into instructional design, training delivery and learning resources. The implementation of a new LMS at RMIT in 2018 offers great scope to build those insights into professional conversations and planning projects centred on the new LMS as a learning, teaching and assessment platform.

Coaching, mentoring and collaboration – prized elements of the Academic Grants program

Beyond tangible benefits from the Graduate Diploma, Jessie strongly endorses other aspects of VDC's Academic Grants program.

She lauds Helen Storr's facilitation of the introductory workshop which elicited a sense of individual purpose and mutual support among participants. She valued Helen's introduction of practical tools for reflective practice and for establishing priorities amid the many claims on her time, including study. Further access to Helen's educational and coaching expertise, via one-to-one sessions after the workshop, has assisted Jessie in applying those tools to realistically manage her own expectations.

Jessie benefited from Helen's structured process for selecting a mentor, and was impressed by Helen's support to both Jessie and her mentor in framing a mentoring agreement. This process also offered Jessie a new knowledge base from which to understand and activate mentoring relationships with her students.

Jessie describes the VDC Conference in one word: 'brilliant.' Attending as part of the Academic Grants program, Jessie found the practitioner focus rewarding and was buoyed by the collaborative mindset among delegates. She is enthusiastic about the Conference program's scope, and by its emphasis on tools and techniques that energise teaching.

CASE STUDIES

David Robertson

VCAL Coordinator, Victoria Polytechnic

2017 Skills First Academic Grant recipient

It was a timely email from the VET Development Centre (VDC) that alerted David to the VRC's Academic Grants program. Timely because without that prompt he might not have enrolled in a Masters program in 2017. His second child was newly arrived, and he had just started work as Victoria Polytechnic's VCAL Coordinator. He had considered commencing a Masters, but it seemed like too much to take on at an already busy time.

What tipped the balance in David's reckoning was access to coaching and mentoring through the Academic Grants program, along with access to a network of other Grant recipients. David anticipated the study time, theory, practice and assessment would be more demanding than anything he had studied before. But with the right support, tackling further study seemed doable. He took the leap. In the second half of 2017, David began Charles Sturt University's (CSU) Master in Education, with a specialisation in Adult and Vocational Education.

Structured support built-in to the Academic Grants program

VDC's Academic Grants program includes five one-to-one sessions with a coach, Helen Storr. David admires the wealth of educational leadership experience and skill Helen brings to her coaching practice. Helen's individually focused sessions assisted David to establish priorities in busy family, work and study contexts.

In addition, Helen's introductory workshop introduced Grant recipients to a range of tools and practices that helped them clarify goals and select a mentor of their own choosing. The workshop also laid the groundwork for a network among Grant recipients.

Deepening leadership awareness and skills

Experience counts. Meeting the challenge of coordinating design and implementation of Victoria Polytechnic's new VCAL program draws on David's recent experience with a private RTO where he taught and managed VETIS programs.

Learning counts too. David has drawn ready connections between his new leadership role and his Masters studies. His leadership awareness and skills are being actively shaped by high order critical thinking, further enriched by a more grounded understanding of the education system's purposes, structures and possibilities.

Through the Master's program, David has developed a firmer grasp on reflective practice as an essential dimension of educational leadership and professional teaching practice. It is a dimension he has also explored in one-to-one sessions with Helen Storr – together they canvassed modes of reflective practice that enabled David to extract unanticipated benefits from his studies.

David regards the study gateway provided by the Academic Grant program as a valuable career development opportunity. That personal opportunity translates to a broader contribution. His increasingly well-honed leadership acumen benefits both learners in the VCAL program and his colleagues. It also enlarges the stock of leadership skills in the VET sector that have a determinative influence on the quality and responsiveness of vocational education and training.

David completed his Certificate IV in Training Assessment soon after arriving in Australia seven years ago, then completed CSU's Bachelor of Adult and Vocational Education in 2016. The Masters is another step in David's lifelong learning journey. It is a step he almost didn't take. That email from the VDC about the Academic Grants program made the difference.



DAVID ROBERTSON
VCAL CO-ORDINATOR,
VICTORIA POLYTECHNIC

VDC Specialist Scholarships

The Victorian Department of Education and Training provided funding of \$80,000 in 2017 for 20 scholarships of \$4,000 each to support non-teaching staff who wish to develop their skills, capability and professional standing within the VET system. Four scholarships were awarded to staff from Private RTOs, 12 scholarships awarded to TAFEs and 4 scholarships awarded to staff from Community Providers.

The Specialist Scholarship program focuses on the professional development of non-teaching staff in the context of high level administrative and specialist tasks required of them by internal and external stakeholders. Successful applicants received a scholarship valued at up to \$3,000 which contributed towards costs associated with the proposed professional development activity. This could include a research activity, a process improvement project, an action learning project, a study tour, attendance at a professional seminar or conference, placement in a professional organisation, activities designed to develop new skills or learn new technology, or a course of study relevant to their role.

The Specialist Scholarship program focuses on the professional development of non-teaching staff in the context of high level administrative and specialist tasks required of them by internal and external stakeholders. The scholarships aim to raise the professional standing and profile of staff in support or specialist roles, enable innovation and opportunities for increased partnerships and enhance the capacity of VET providers and the system overall. The program aims to enable individual recipients to improve their professional capability in a particular field of practice, build networks, enhance their leadership capability, career mobility and development, and to have their contribution to the VET system recognised.

Throughout the program recipients were supported by and engaged with the VDC through additional professional learning workshops. The workshops designed and provided for the scholars were a 2 day Leadership and Management Program as well as a Professional Learning workshop on influencing without authority.



The program has challenged me to understand and address my thought patterns and behaviours that are currently holding me back and preventing me from building on my own strengths. I have also gained clarity on my purpose, identified my personal values, set new visionary goals, and ready to execute my personal development strategy. It has strengthened my drive to become an authentic leader, to adapt more prescriptive strategies by guiding and directing activities and behaviour of my team towards goals and opportunities for greater accomplishments.



Myles Kendall

Project Manager, Complete Hospitality Training

VDC Specialist Scholar Grant recipient

There were questions on Myles Kendall's mind before he was awarded a VET Development Centre (VDC) Specialist Scholar Grant.

Where do we look for best practice in VET? A competitive VET sector often suppresses willingness among VET providers to share ideas and resources. Compliance with regulatory regimes offers safeguards for quality provision, but what are the most effective mechanisms for prioritising quality, for giving it direct expression in practice and in systems? After all, quality provision delivers best for students, and now more than ever before, quality provision underpins a viable business model in the VET sector. As Myles puts it, vagueness about what constitutes best practice helps no one.

They are questions that go to the heart of his role as Project Manager at Complete Hospitality Training where his accountabilities extend broadly across provider systems and student support functions. It is a busy job in a busy workplace with around 120 new students enrolling each week in programs ranging from short courses to Certificate IV in Hospitality.

Myles is grateful his Managing Director encouraged him to apply for a VDC Specialist Scholar Grant because now, part way through the program, he has the kernel of a key response to his questions. That kernel is wider access to facilitated opportunities for sharing common concerns and effective strategies with others across the sector, including teachers, managers and administrative staff.

Collaborative, energising Specialist Scholar workshops

The Specialist Scholar workshops Myles attended were rich in sharing and in examining strategies and tools that promote best practice. He comments enthusiastically on the diversity of experience among other Specialist Scholars, to which he brings his own diverse expertise in risk management consulting and media production.

The workshops explored problems and challenges frequently encountered by VET providers. Participants applied their mix of specialist knowledge to appropriate responses through a quality lens where student outcomes matter most. The collaborative atmosphere created by workshop leaders, Helen Storr and Celia Moriarty, enabled participants to collect reference points against which to measure their own workplaces' approaches to quality in training and system design.

Learning about and sharing best practice

Sharing did not end with each workshop. Myles has taken his learnings back to Complete Hospitality Training. He has briefed his co-workers on tools and strategies that focus energy and effort on productive and effective changes. He is considering options for further exploring these tools and strategies with his colleagues.

Through the Specialist Scholar program, Myles will complete his Certificate IV in Training and Assessment – not to become a hospitality trainer but to ground his understanding of teaching practice, instructional design and assessment. The TAE offers a well structured learning program, the guidance of skilled TAE trainers, and a student group that represents many industry backgrounds. It's a rich mix for expanding his VET sector horizons.

Completing the TAE will also increase Myles' confidence in preparing for audit by giving him a better grasp on how to link best practice with compliance requirements. Compliance, Myles notes, is a team effort. It relies on distributed leadership and a shared commitment to integrating many domains of training provision into a best practice framework.

VDC EVENTS



VDC TEACHING & LEARNING CONFERENCE

The 2017 VDC Teaching and Learning Conference was held on 6 & 7 September 2017 at the RACV Torquay Resort on the Great Ocean Road in Victoria. The conference theme for 2017 was Connect, Collaborate, Capture creating a diverse and engaging conference program that focussed on Connecting with Technology, Collaborating with Industry and Capturing a Students' Imagination.

Over 150 attendees from 70 organisations were treated to a most engaging program that included keynote presentations on the future of the industry collaboration with Futurist Kieran Murrhy, capturing your students' attention with creative educational content with author, social media trainer and creative content consultant Jordana Borensztajn, and engagement versus disruption with Adam Voigt (who was also MC for the event). For the first time a lively debate was also held between the keynote speakers on the question 'face to face is better than online delivery'.

NATIONAL DISABILITY INSURANCE SCHEME FORUM

On 31 August the VDC hosted a free forum for the VET sector on the workforce implications for training providers on the implementation of the National Disability Insurance Scheme. The event was held at the new VDC premises in Collins Street Melbourne and attracted a capacity attendance of 80 participants. The Australian Centre of Educational Research facilitated group discussions to inform research it is undertaking for the Victorian Department of Education and Training, to identify the skills gaps and training needs for the expansive support workforce that will be required for NDIS.



VICTORIAN TRAINING AWARDS

The 2017 Victorian Training Awards celebrate the outstanding achievements of students, teachers, vocational staff, employers and training providers across the state.

This year VDC was proud to sponsor the Teacher/Trainer of the Year Award. The award recognises innovation and excellence by a teacher/trainer providing nationally recognised training to students in the Victorian training and TAFE system. The winner of the award was Susan Morris, Box Hill Institute of TAFE. Susan received the award for her outstanding work in teaching sustainability to the next generation of building designers.

VDC THOUGHT LEADERS SEMINAR

The 2017 VDC Thought Leaders Seminar was a free event hosted at the new VDC Training Facilities in Melbourne in October 2017. Guest speaker was Carolyn Miller, a creative advertising and marketing guru and well known panellist from ABC TV's Gruen. Through 'Putting the Spotlight on VET' Carolyn provided attendees with an exciting insight on brand values, and how these need to be lived within VET in order for them to be believed by our students.



VDC BUSINESS BREAKFAST

The VDC hosted a VDC Business Breakfast Event on March 30 2017 at Zinc, Federation Square Melbourne. The guest speaker was cricketing legend and philanthropist Sir Ian Botham, who was interviewed by respected journalist and former AFL star Michael Roberts. Michael interviewed Sir Ian on the ups and downs of being Captain of the English Cricket Team, being knighted by the Queen, establishing a leukaemia foundation through gruelling walks and chairing the Durham County Cricket Club. Sir Ian, or Beefy as Michael called him, retold humorous anecdotes and stories that occurred both on and off the field in all these endeavours and about knowing when to be a leader or assuming another role that you are more suited to.

Sir Ian described how walking through a children's hospital ward after being injured and the impact of that experience led to championing the cause of eliminating childhood Leukaemia. Since opening a research centre in Glasgow in

the 1980s from the proceeds of a charity walk from John o' Groats at the tip of Scotland to Lands' End in Cornwall England, survival rates have improved from 20 percent to over 90 percent today, an astonishing achievement.



VDC VET LEADERS LUNCH

In June 2017 the VDC hosted a VET Leaders Lunch at the Park Hyatt Hotel, East Melbourne. Attendees were treated to an interview with AFL Hawthorn Champion Luke Hodge by media personality Michael Roberts, with Luke providing a fascinating insight into the leadership role and challenges of a senior player at an elite professional sporting organisation.

VDC CHRISTMAS COCKTAIL PARTY

The VDC Annual stakeholder function was held on the portico balcony of the Melbourne Town Hall in the first week of December. The stately and historical surrounds, combined with good weather and company created a festive atmosphere and perfect way to thank all that had contributed to the success of the VDC in 2017.

DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2017.

The VDC Board of Directors consists of 9 members. The names and particulars of each person who has been a Director of the company during or since the end of the year are:



SUSAN CHRISTOPHERS

Chairperson

// BEd, DipBusStudies, GAICD, PSM

Appointed: 17 June 2015

Susan Christophers was most recently the Executive Director, International Education Division with the Early Childhood and School Education Group, a division of the Department of Education and Training. With over 20 years as a Senior Executive, Sue has led the development of state and national policy, managed complex projects, and built Victorian government schools as a destination of choice for international students.

Sue's passion for education and training has fuelled her career and her impact on state education in Victoria is testament to this passion, her determination and her focus on excellence. Sue is the current Chair of the ACFE Board.



KIRSTEN BRIGHT

Director

// BA (PR)

Appointed: 9 August 2016

Kirsten is a Manager at Deloitte Australia, providing advice to governments, universities and VET providers on public policy, strategy and management.

Previously Kirsten worked as a Senior Consultant at PhillipsKPA, a Senior Advisor with Victoria University, a Senior Project Officer in the Office of the Deputy Secretary with Skills Victoria (now Higher Education and Skills Group) and also worked as a Policy Officer in the higher education team, supporting a review of the Victorian Tertiary Education system.

Kirsten is also currently undertaking a Master in Public Policy and Management at The University of Melbourne.



DR MICHAEL BROWN

Director

// PhD, MEd, GradDip

Appointed: 12 August 2013

Mike has been a Senior Lecturer in Technology Studies, Adult and VET for over 10 years with Latrobe University and University of Ballarat. He has held various roles as a Lecturer in Adult, Vocational Education and Training. Mike started his teaching career as a Sheetmetal Apprentice teacher at Richmond College of TAFE.

Mike has published numerous publications and conference papers on themes such as pedagogy, sustainability, competency based training and Vocational Education and Training.



RAY GRIFFITHS

Director

// MEd, BEc, DipEd, DipFLM, GAICD

Appointed: 7 June 2012

Ray was the Director/CEO of Kangan Institute and previous to that the Director/CEO of East Gippsland TAFE. He has over 25 years of experience in the vocational education and training sector.

Ray carries a long standing commitment to promoting the role of vocational education in ensuring economic, social and cultural development for communities, enterprises and industries. Ray is currently Director of Midweek Consulting Pty Ltd.



BRIAN HENDERSON

Director

// BA, DipEd

Appointed: 8 August 2016

Brian worked at the Australian Education Union (AEU) for 18 years in roles including the Victorian Branch Secretary, the Federal Executive member and the Vice President, Secondary-Victorian Branch.

In addition to Brian's knowledge of the Victorian education system, through his work in the Federal AEU, he gained extensive knowledge of education systems both interstate and overseas. Brian has been involved in public education for over 40 years as student, teacher, parent and union official.



LISA LINE

Director

// PGDipPersonnelMgt, FCPHR,
Chartered FCIPD
Appointed: 1 August 2016

Lisa was appointed to the position of CEO at The Gordon in December 2013. Prior to this, she was Acting CEO and Deputy CEO/COO. Lisa had previously been with The Gordon in the positions of Director Organisation Development, Acting Executive Director Corporate Services and Senior Manager Human Resources.

Lisa's former roles also include COO Plymouth University UK, Group HR Manager (Vic/Tas) with the Just Group, and several senior HR and general management roles with the John Lewis Partnership UK.



DR BELINDA McLENNAN

Director

// DProf (UK), MEd , BA, GCert (LD),
GCert (Ed), GDip (Ed)
Appointed: 7 June 2015

Belinda McLennan is the Chief Operating Officer of AMES Australia and works with the CEO to identify, evaluate, negotiate and manage strategically important business opportunities to enable AMES Australia to achieve both short and long term organisational goals.

Belinda has held senior management roles in TAFE, Higher Education and VET including the role of CEO at Tasmanian Polytechnic, Pro Vice Chancellor - Teaching and Learning at Victoria University, Deputy Director TAFE at Victoria University and General Manager - Strategic Development at Chisholm Institute.



DAVID WILLIAMS

Director

Cert Survey Drafting
Appointed: 7 August 2015

David Williams was the Executive Director of the Victorian TAFE Association (VTA) for 12 years. His role included the advocacy, governance and workforce relations with TAFE Institute Boards, Chairs, CEOs and Senior Managers. Key stakeholders included Federal and State Ministers, Department Secretaries and Industry Peak Body leaders.

Prior to joining the VTA, David worked with the Australian Services Union, Victorian Services and Energy branch in a variety of roles focusing in particular on the Victorian water instrumentalities and Victorian local government. From 1992 to 1996, David held the role of elected Branch Secretary of the Union.



DAVID WINDRIDGE

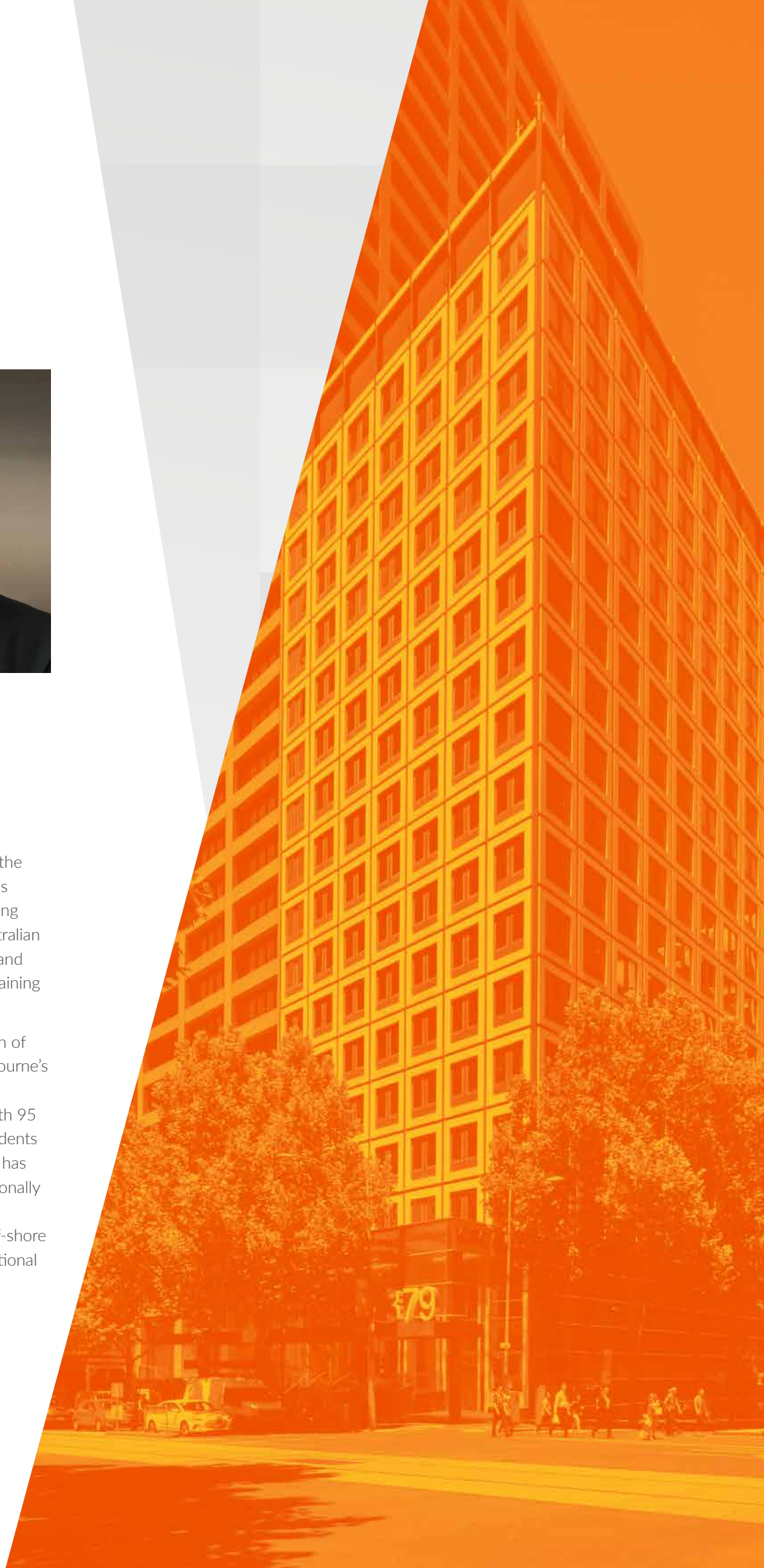
Director

// BEd, GradDip – Accounting,
GradDip – Teaching, GAICD,
Fellow CEO Institute

Appointed: 1 January 2018

David is a significant figure in the private training sector. This has been acknowledged by receiving life memberships with the Australian Council for Private Education and Training (ACPET) and Group Training Australia.

David has overseen the growth of MEGT from one office in Melbourne's outer-east to a national entity employing over 800 people with 95 offices and reaching out to students from all over the world. MEGT has extended its business internationally and established MEGT UK, developing partnerships for off-shore programs and growing transnational opportunities.



COMPANY MEMBER

The Company member as at 31 December 2017 is the Victorian Government Minister responsible for Training and Skills, the Hon. Gayle Tierney MP

LIABILITY OF MEMBERS

The VDC is a company limited by guarantee. The liability of members is limited. Every member undertakes to contribute \$10 to the assets of the VDC if it wound up while he or she is a member, or within one year afterwards. There is currently one member.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is Martin Powell, appointed 18 January 2016.

AUDIT AND RISK COMMITTEE

The Directors have established the Audit and Risk Committee in compliance with the Financial Management Act (FMA 1994).

The objective of the Audit and Risk Committee is to provide independent assurance and assistance to the Chief Executive Officer and to the directors of the VET Development Centre in discharging its responsibilities with respect to all aspects of financial reporting, risk, control and audit functions.

Membership as at 31 December 2017

// **Ray Griffiths, Chairperson and VDC Director**
MEd, BEc, DipEd, DipFLM, GAICD

// **David Williams, Member and VDC Director**
Cert Survey Drafting

// **Clive Driscoll, Independent Member**
General Manager, Finance & Business Performance,
Melbourne Cricket Club
BBus (Acc), M IS Fellow CPA Australia

EXECUTIVE AND GOVERNANCE COMMITTEE

The Executive & Governance Committee acts on behalf of the VDC between meetings of directors. The objective of the Executive & Governance Committee is to assist the Chief Executive in the effective operations and governance of the VET Development Centre. The duties of this Committee are to:

- Support the CEO in ensuring compliance with good governance requirements;
- Oversee the hiring and subsequent biannual performance evaluation of the CEO and CEO remuneration review and recommend to the Board for approval;
- Develop and apply guidelines for assessing performance of the directors; and
- Oversee the appointment, rotation and replacement of directors

Membership as at 31 December 2017

// **Susan Christophers, Chairperson and VDC Chairperson**
BEd, DipBusStudies, GAICD, PSM

// **Dr Michael Brown, VDC Director**
PhD, M Ed, GradDip

// **Brian Henderson, VDC Director**
BA, DipEd

// **Dr Belinda McLennan, VDC Director**
DProf (UK), MEd, BA, GCert (LD), GCert (Ed), GDip (Ed)

PRINCIPAL ACTIVITIES

The principal activities of the company during 2017 were to raise the professional standing of people working in the VET Sector, through Professional Development activities that are innovative, relevant and responsive to the contemporary VET workforce.

COMPANY OBJECTIVES

Under the VDC constitution the long term objective of the Centre is to promote the development and raise the professional standing of people working in the Victorian vocational education and training sector.

To achieve its objective, the Centre has the following functions:

- // Identifying and sponsoring opportunities for the ongoing development of all teaching and support staff in the Sector, and fostering recognition arrangements for continuing professional learning;
- // Facilitating the development and recognition of high quality initial teacher training for the Sector and leading the design and development of innovative approaches to ongoing teacher education;
- // Supporting the development of educational leadership and management capabilities in the Sector;
- // Promoting the use of professional standards for development purposes, particularly for staff in roles other than teaching;
- // Identifying, encouraging and contributing to the development of research into vocational teaching and learning in Australia and overseas;
- // Facilitating information exchange and collaboration, and supporting strategic partnerships, within the Sector, and between that Sector and relevant professional groups, industry and the wider community, at the State, national and international levels.

In carrying out its functions, the Centre may:

- // Provide training, consultancy, management and strategic support services within and outside the Sector in areas related to its functions, including to people working in private vocational education and training providers on a fee-for-service basis or as otherwise agreed with the relevant funding body;

- // Attract investment in and generate revenue for development of the workforce within the Sector; and
- // Do all such things as are incidental or conducive to the attainment of all or any of the objects of the Centre.

STRATEGIES

The vision for the organisation is for the VDC to be the centre of excellence for continuing professional learning in the VET workforce. To achieve our vision the VDC has identified the following strategic goals throughout 2018-2020:

- // Become the recognised leader of continuing professional learning and thought leadership for the VET sector workforce.
- // Enable the implementation of Victorian Government quality priorities for VET.
- // Enable VET providers and VET professionals to equip and inspire the delivery of quality learning outcomes.
- // Drive growth through exploration of new business opportunities.

PERFORMANCE

Operating results

The company is a company limited by guarantee and is exempt from lodging income tax returns. Under the accounting standards VDC is treated as a not-for-profit entity, even if it is not for legal purposes.

Any monies remaining at the end of a financial year are added to retained earnings. The company does not issue any shares or debentures and does not and will not pay dividends. The net operating profit for 2017 was \$1,472,411.

The performance result for the year against budget is a surplus of \$157,411.

An amount of \$1,315,000 for core funding was received in advance from the Victorian Department of Education

and Training (DET) in December 2017 for the 2018 year. Due to the recognition requirements under the accounting standards for not for profit entities, income received in advance of \$1,315,000 core funding for 2018 has been recognised as income in the year received, being 2017 in this case.

The amount is recognised as revenue in the year it is received in accordance with the applicable Accounting standard for not for profit entities AASB 1004 Contributions. This amount relates to goods and services to be delivered during 2018 as part of the partnership between DET and the VDC to provide professional development for the VET sector workforce.

In 2017 the VDC designed, organised and hosted 295 professional development activities servicing over 8800 attendees, including open access Professional Development programs, government funded programs, customised training programs, external webinars, major corporate events, and the Annual Teaching and Learning conference.

Achievement against objectives and strategies

The VDC delivered the following programs and services in 2017 to meet the stated objectives and strategies.

ESTABLISHMENT OF PERMANENT TRAINING FACILITIES

As part of positioning the VDC as a centre of excellence for continuing professional development in VET, in 2017 the organisation established training facilities. On 31 July, the VDC moved to new premises at Level 8, 379 Collins Street Melbourne. Located in the heart of the city on the corner of Collins and Queen Street, the newly fitted training centre incorporates the VDC offices and features two training rooms, meeting rooms and boardroom. Training delivery commenced at the VDC from the middle of August.

This is a significant step in the evolution of the VDC, as it now provides the organisation with even greater flexibility to deliver quality training and support for VET professionals, training providers and their associated networks.

PROFESSIONAL DEVELOPMENT

The VDC Professional Development Program in 2017 provided 118 workshops and national webinars to the sector to over 3750 attendees around the following key themes:

- // **Quality, Compliance and Auditing**
- // **Assessment Tools**
- // **Mapping and Validation**
- // **Online Delivery**
- // **Teaching and Learning Strategies**
- // **Personal and Business Development**
- // **Industry Engagement**
- // **Executive Leadership and Management Coaching**

In addition to the VDC Professional Development Program the VDC designs Professional Development Programs that meets individual workforce development needs for training organisations. Customised programs and event management services are also delivered in house for all VET providers across Australia. In 2017 around 3500 attendees participated in customised training delivery and as well as webinar hosting and facilities services.

The VDC delivered a range of professional development programs funded by the Victorian Government available to all training providers that held a *Skills First* funding contract with the Victorian Department of Education and Training in 2017 as well as VET for Secondary School Student government schools. Over 1900 VET workforce participants accessed 56 complimentary PD events in 2017.

- // **Putting Student First: Delivering suitable and appropriate training workshops**
- // **Developing Effective Training and Assessment Strategies workshops**
- // **Improving the Quality of Online Delivery Workshops**
- // **Industry Engagement in VET Workshops**
- // **Engaging Asylum Seekers and Refugees Workshops**
- // **Pre-accredited Learn Local Organisations: Access, Choice and Equity Workshops**

- // Establishing a quality system in your Learn Local Organisation
- // Adult, Community & Further Education (ACFE) PD Program
- // VET in Schools - Building Foundation Skills into your Teaching
- // VET ins Schools - Using Foundation Skills to Improve Student Outcomes
- // VET in Schools PD Program
- // VET for Secondary School Students Industry Themed Forums
- // VET for Secondary School Students Structured Workplace Learning Forums
- // VET for Secondary School Students Industry Immersion Workshops

A continuous improvement cycle occurs through regular collection and monitoring of professional development activity evaluations for workshops and webinars, feedback from the Victorian Department of Education and Training for the funding agreements in place, clients and stakeholders, the monitoring of competitors and the ongoing VET policy debate.

GRANTS AND PROJECTS

In 2017 as part of the 2015-17 common funding agreement with the VDC, the Victorian Department of Education and Training provided funding to the VDC for allocation for workforce development initiatives to organisations and individuals in the Victorian VET Sector. Organisations or employees of organisations that had a *Skills First* funding contract were eligible to apply.

Thirty five workforce development projects have been provided for eligible training providers to improve student outcomes. Eligible providers were invited to submit a workforce development funding proposal under the following project categories:

- // 14 Digital Innovation Projects
- // 12 Workforce Development Projects
- // 3 Language Literacy and Numeracy Projects
- // 3 Community Engagement CALD Projects
- // 3 Community Engagement Disability Projects

To support individuals in the VET workforce the following scholarships were allocated and supported by the VDC:

- // 20 VDC Specialist Scholarships
- // 13 *Skills First* Trainer and Assessor Academic Grants

EVENTS

Major events hosted and subsidised by VDC in 2017 were:

VDC TEACHING & LEARNING CONFERENCE

In 2017 the VDC Teaching and Learning Conference was held on 6 & 7 September 2017 at the RACV Torquay Resort on the Great Ocean Road in Victoria. The conference theme for 2017 was Connect, Collaborate, Capture creating a diverse and engaging conference program that focussed on Connecting with Technology, Collaborating with Industry and Capturing a Students Imagination. Over 150 attendees from 70 organisations were treated to a most engaging program.

NATIONAL DISABILITY INSURANCE SCHEME FORUM

On 31 August the VDC hosted a free forum for the VET sector on the workforce implications for training providers on the implementation of the National Disability Insurance Scheme. The event was held at the new VDC premises in Collins Street Melbourne and attracted a capacity attendance of 80 participants. The Australian Centre of Educational Research facilitated group discussions to inform research it is undertaking for the Victorian Department of Education and Training, to identify the skills gaps and training needs for the expansive support workforce that will be required for NDIS.

VDC THOUGHT LEADERS

The 2017 VDC Thought Leaders Seminar was a free event hosted at the new VDC Training Facilities in Melbourne in October 2017. Guest speaker was Carolyn Miller, a creative advertising and marketing guru and well known panellist from ABC TV's Gruen. Through 'Putting the Spotlight on VET' Carolyn provided attendees with an exciting insight on brand values, and how these need to be lived within VET in order for them to be believed by our students.

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The VDC hosted a VDC Business Breakfast Event on March 30 2017 at Zinc, Federation Square Melbourne. The guest speaker was cricketer legend and philanthropist Sir Ian Botham, who was interviewed by respected journalist and former AFL star Michael Roberts. Michael interviewed Sir Ian on the ups and downs of being Captain of the English Cricket Team, being knighted by the Queen, establishing a leukaemia foundation through gruelling walks and chairing the Durham County Cricket Club.

VDC VET LEADERS LUNCH

In June 2017 the VDC hosted a VET Leaders Lunch at the Park Hyatt Hotel, East Melbourne. Attendees were treated to an interview with AFL Hawthorn Champion Luke Hodge by media personality Michael Roberts, with Luke providing a fascinating insight to the leadership role and challenges of a senior player at an elite professional sporting organisation.

VDC CHRISTMAS COCKTAIL PARTY

The VDC Annual stakeholder function was held on the portico balcony of the Melbourne Town Hall in the first week of December.

SPONSORSHIP

The VDC provided sponsorship for the ongoing development of VET Workforce at the following events:

AVETRA Conference, Melbourne April 2017

VALA Induction Day and Conference June 2017

NCVER No Frills Conference July 2017

VTA State Conference, Melbourne July 2017

Community Colleges Australia Conference, Melbourne July 2017

ACPET National Conference, Brisbane August 2017

QUIET Network Conference September 2017

VELG Conference Sydney September 2017

TDA Conference, Adelaide September 2017

Victorian Training Awards, Teacher / Trainer of the Year Award October 2017

Victorian Association for TAFE Libraries support

VALA network meetings, 2016

Learning, Assessment & Study Skills Interest Group (LASSIG) Workshop, June 2016

QUALITY AND RESEARCH

The VDC was engaged by the Victorian Department of Education and Training to administer the Approved Provider Lists (APL) application and evaluation process, as part of the 2017 Provider Selection process for *Skills First* Government funded contacts.

As part of the 2017 Provider Selection Process, the Department maintains APLs for the delivery of courses on the Department's Foundation Skills Course List to reflect that stronger requirements must be met by providers wishing to claim a subsidy in these areas.

POWERS AND DUTIES

The powers and duties are outlined in the company's constitution.

Provisions affecting the company include the Corporations Act 2001 (Cwlth) and Public Administration Act 2004 (Vic), the Financial Management Act 1994, and related directions of the Minister (as named in the company's constitution).

OCCUPATIONAL HEALTH AND SAFETY

The company has been assessed as a low risk organisation. Risk Management procedures monitor the Occupational Health and Safety on an ongoing basis. There were no workcover claims or Occupational Health and Safety warnings lodged against the company during 2017. Two fire wardens have been appointed and trained and the company has a qualified First Aid Officer.

MERIT AND EQUITY POLICY

The company has in place a Merit and Equity Policy, which includes policies relating to anti-discrimination, equal opportunity and harassment and victimisation.

STAFF OF THE COMPANY

As at 31 December 2017, the company employed 10 staff by contract (2016: 7 staff).

PROTECTED DISCLOSURES ACT 2012

There were no disclosures made either to the public body or to the Ombudsman in relation to the public body or referred to or from the public body or the Ombudsman since the commencement of the Company. There were also no other requests for action of any kind in relation to the Protected Disclosures Act 2012 and its requirements.

FREEDOM OF INFORMATION

There were no requests for information during 2017 under the Freedom of Information Act 1982.

MEETINGS OF DIRECTORS

A summary of the number of meetings of the Board of Directors held during the year and Director's attendance at those meetings is provided below:

	Board Meetings		Audit & Risk Committee		Executive & Governance	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Kirsten Bright	4	3	-	-	-	-
Michael Brown	4	2	-	-	2	2
Sue Christophers	4	4	1	1	2	2
Ray Griffiths	4	3	5	4	-	-
Brian Henderson	4	3	-	-	2	2
Lisa Line	4	4	-	-	-	-
Belinda McLennan	4	3	-	-	2	1
David Williams	4	4	5	5	-	-

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2017 has been received and is provided on page 37.

Dated at Melbourne the 21st day of March 2018

Signed in accordance with a resolution of the Board of Directors.



Susan Christophers

Chairperson



David Williams

Director

Auditor-General's Independence Declaration

To the Directors, the VET Development Centre Ltd

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

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

Independence Declaration

As auditor for the VET Development Centre Ltd for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
22 March 2018

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

FINANCIAL REPORT

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
INCOME FROM TRANSACTIONS			
Government Grants	2.1.1	3,775,000	2,460,000
Sale of goods and services	2.1.2	1,736,574	1,469,974
Interest income	2.1.3	41,143	51,173
Total income from transactions		5,552,717	3,981,147
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.1.1	1,180,566	1,113,862
Depreciation	4.1.1	70,222	1,344
Project costs	3.2	2,067,746	2,055,961
Other operating expenses	3.3	756,553	501,404
Total expenses from transactions		4,075,087	3,672,571
Net result from transactions (net operating balance)		1,477,630	308,576
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non financial assets ^(a)	8.2	(6,293)	-
Other gains/(losses) from other economic flows	8.2	1,074	569
Net result from continuing operations		1,472,411	309,145
Net result	2.1.1	1,472,411	309,145
Comprehensive result		1,472,411	309,145

The accompanying notes form part of these financial statements.

(a) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation reserve.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6.1	2,143,473	1,136,049
Receivables	5.1	328,308	107,197
Investments and other financial assets	4.3	179,974	34,375
Total financial assets		2,651,755	1,277,621
NON-FINANCIAL ASSETS			
Property, plant and equipment	4.1	764,649	10,843
Intangible assets	4.2	13,900	-
Other non-financial assets	5.3	56,356	65,858
Total non-financial assets		834,905	76,702
Total assets		3,486,660	1,354,323
LIABILITIES			
Payables	5.2	779,498	146,460
Employee related provisions	3.1.2	147,822	120,934
Total liabilities		927,320	267,394
Net assets		2,559,340	1,086,929
EQUITY			
Accumulated surplus	2.1.1	2,559,340	1,086,929
Net worth		2,559,340	1,086,929

The accompanying notes form part of these financial statements.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Accumulated Surplus \$	Total \$
Balance at 1 January 2015		777,784	777,784
Net result for the year		309,145	309,145
Balance at 31 December 2016		1,086,929	1,086,929
Net result for the year	2.1.1	1,472,411	1,472,411
Balance at 31 December 2017		2,559,340	2,559,340

The accompanying notes form part of these financial statements.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

CASH FLOW STATEMENT
 FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government grants received		3,775,000	2,706,000
Receipts from Customers		1,835,801	1,637,741
Interest Received		37,046	51,198
Total receipts		5,647,847	4,394,939
Payments			
Payments to suppliers and employees		(3,683,854)	(3,937,431)
Goods and services tax paid to the ATO ^(a)		(112,349)	(126,806)
Total payments		(3,796,203)	(4,064,237)
Net cash flows from/(used in) operating activities	6.1.1	1,851,644	330,702
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(848,220)	-
Proceeds from sale of non-financial assets		4,000	-
Net cash flows from/(used in) investing activities		(844,220)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from/(used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		1,007,424	330,702
Cash and cash equivalents at the beginning of the financial year		1,136,049	805,347
Cash and cash equivalents at the end of the reporting period	6.1	2,143,473	1,136,049

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

(a) GST paid to the Australian Taxation Office is presented on a net basis.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: ABOUT THIS REPORT

Reporting entity

The financial statements cover VET Development Centre Limited as an individual reporting entity.

VET Development Centre Limited is a company established under the Corporations Act 2001. VET Development Centre Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Its principal place of business and registered office is:

VET Development Centre Limited
Level 8, 379 Collins Street
MELBOURNE VIC 3000

The financial statements include all the controlled activities of the company.

A description of the nature of the company's operations and its principal activities is included in the directors' report, which does not form part of these financial statements.

Basis of Preparation

These annual financial statements represent the audited general purpose financial statements for the VET Development Centre Limited (the company) for the year ended 31 December 2017. The purpose of the report is to provide users with information about the company's stewardship of resources entrusted to it.

Statement of compliance

These general purpose financial statements have been prepared in accordance with the applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 and the applicable elements of the Financial Management Act 1994 (FMA).

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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 8.9

These annual financial statements were authorised for issue by the Board of Directors on 21 March 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: ABOUT THIS REPORT (CONTINUED)

Basis of accounting preparation and measurement

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

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

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 and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to the fair value of plant and equipment refer Note 7.3.

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

The VET Development Centre's long term objective is to promote the development and raise the professional standing of people working in the Victorian vocational education and training sector.

Note 2.1 Summary of Income that funds the delivery of our services

	Notes	2017 \$	2016 \$
Government Grants	2.1.1	3,775,000	2,460,000
Sale of goods and services	2.1.2	1,736,574	1,469,974
Interest income	2.1.3	41,143	51,173
Total income from transactions		5,552,717	3,981,147

Income is recognised to the extent that it is probable that the economic benefits will flow to the company and the income can be reliably measured at fair value.

Note 2.1.1 Grants

	2017 \$	2016 \$
Government Grants		
Department of Education and Training (DET)	3,775,000	2,460,000
Total Government grants	3,775,000	2,460,000

Grant income arises from transactions in which the DET provides goods or assets (or extinguishes a liability) to the company without receiving approximately equal value in return. While the grant may result in the provision of some goods or services to the transferring party (DET), they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non-reciprocal grants, the company is deemed to have assumed control and recognises revenue when the grant is received or receivable.

An amount of \$1,315,000 was received in advance from the DET on 29 December 2017. The amount is recognised as revenue in the year it is received in accordance with the applicable Australian Accounting Standard for "not-for-profit" entities "AASB 1004 Contributions". This amount relates to goods and services to be delivered during 2018 as part of the ongoing partnership between the DET and the company to provide professional development for the VET education sector workforce.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.2 Sale of goods and services

	2017 \$	2016 \$
Sale of goods and services		
Fee for service - customised programs and events	699,823	661,174
Fee for service - grants and tender	1,036,751	808,800
Total sale of goods and services	1,736,574	1,469,974

Income from the supply of services is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the company.

Under the stage of completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

All income is stated net of amount of goods and services tax (GST).

Note 2.1.3 Interest Income

	2017 \$	2016 \$
Interest from financial deposits not at fair value through profit and loss		
Interest on bank deposits	41,143	51,173
Total interest from financial deposits not at fair value through profit and loss	41,143	51,173

Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3: THE COST OF DELIVERING SERVICES

Note 3.1 Expenses incurred in delivery of services

	Notes	2017 \$	2016 \$
Employee benefit expenses	3.1.1	1,180,566	1,113,862
Project costs	3.2	2,067,746	2,055,961
Other operating expenses	3.3	756,553	501,404
Total expenses incurred in delivery of services		4,004,865	3,671,227

Note 3.1.1 Employee benefits in the comprehensive operating statement

	2017 \$	2016 \$
Salary & wages	1,000,034	978,562
Annual leave	16,066	16,906
Long service leave	11,896	(18,807)
Superannuation	89,684	89,160
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	46,538	48,041
Casual/temporary staff	16,348	-
Total employee expenses	1,180,566	1,113,862

These expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, WorkCover premiums and superannuation expenses.

All employees of the company are entitled to benefits on retirement, disability or death from the company's superannuation plan which are defined contribution (i.e. accumulation) superannuation plans. The defined contribution superannuation plan receives fixed contributions from the company and the company's legal or constructive obligation is limited to these contributions. All the employees are members of the company's default superannuation plan or a complying superannuation fund of their choice

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

	2017 \$	2016 \$
Current provisions		
Annual Leave:		
Unconditional and expected to settle within 12 months	53,888	41,829
Unconditional and expected to settle after 12 months	-	-
Long service leave:		
Unconditional and expected to settle within 12 months	-	-
Unconditional and expected to settle after 12 months	45,502	28,273
	99,390	70,102
Provisions for on-costs		
Unconditional and expected to settle within 12 months	18,255	14,248
Unconditional and expected to settle after 12 months	5,804	3,606
	24,059	17,854
Total current provisions for employee benefits	123,449	87,956
Non-current provisions		
Employee benefits		
Conditional and expected to settle after 12 months	21,616	29,248
On-costs		
Conditional and expected to settle after 12 months	2,757	3,730
Total non-current provisions for employee benefits	24,373	32,978
Total provisions for employee benefits	147,822	120,934

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Reconciliation of movement in on-cost provision

	2017 \$
Opening balance	21,584
Additional provisions recognised	6,205
Reductions arising from payments/other sacrifices of future economic benefits	(973)
Closing balance	26,816
Current	24,059
Non-current	2,757

Wages and salaries, annual leave and sick leave.

Liabilities for wages and salaries, including non-monetary benefits annual leave, are recognised in the provision for employee benefits as 'current liabilities', because the company does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- nominal value - if the company expects to wholly settle within 12 months; or
- present value - if the company does not expect to wholly settle within 12 months.

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

Unconditional LSL

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the company does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value - if the company expects to wholly settle within 12 months; and
- present value - if the company does not expect to wholly settle within 12 months.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Reconciliation of movement in on-cost provision (continued)

Conditional LSL

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as an 'other economic flow' in the net result.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Note 3.1.3 Superannuation Contributions

Employees of the company are entitled to receive superannuation benefits and the company contributes at the rate of 9.5% to the defined contribution plan.

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2017 \$	2016 \$	2017 \$	2016 \$
Defined contribution plans:				
Victorian Superannuation Scheme	35,519	24,725	3,084	1,863
Various other	53,747	65,575	4,317	4,940
Total	89,266	90,300	7,401	6,803

Total superannuation contributions made by the company were \$89,266 (2016: \$90,300). \$7,401 of superannuation contributions were outstanding at 31 December 2017 (2016: \$6,803).

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.2 Project costs

	2017	2016
	\$	\$
Core funded programs	980,086	1,311,015
Knowledge sharing	73,602	27,058
Fee for service expense - customised programs and events	371,913	421,291
Fee for service expense - grants and tenders	642,145	296,597
Total project costs	2,067,746	2,055,961

Project costs are those costs directly associated with the delivery of the Company's core objectives. Costs classified as grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Project costs are recognised in the reporting period to which they are paid or payable.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable.

Note 3.3 Other operating expenses

	2017	2016
	\$	\$
Board and Committee	20,736	25,510
Professional services (Consulting)	149,402	75,095
Information Technology	51,767	70,599
Marketing	72,094	78,399
Printing, stationery and office requisites	64,270	19,618
Accommodation Occupancy costs	352,610	181,055
Training and development	2,840	12,467
Travel and related expenses	8,643	17,412
Recruitment and advertising	34,191	21,250
Total other operating expenses	756,553	501,404

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include supplies and services costs which are recognised as an expense in the reporting period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Note 4.1 Total Property, plant and equipment

	2017 \$	2016 \$
Plant & Equipment		
At Fair Value	62,514	54,344
Less: Accumulated depreciation	(4,543)	(43,500)
	57,971	10,844
Leasehold Improvements		
At Fair Value	771,806	17,400
Less: Accumulated depreciation	(65,128)	(17,400)
	706,678	-
Total property, plant and equipment		
At Fair Value	834,320	71,744
Less: Accumulated depreciation	(69,671)	(60,900)
Net carrying amount	764,649	10,844

The asset capitalisation threshold adopted by the company is \$5,000. Assets valued at less than \$5,000 are charged to the comprehensive operating statement in the year of purchase (other than where they form part of a group of similar items which are material in total).

Initial recognition

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Subsequent measurement

All assets of the company are subsequently measured at fair value. Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out in the table above.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost. The existing depreciated historical cost of the plant and equipment is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.1.1 Depreciation and impairment

Charge for the period	2017	2016
	\$	\$
Plant & Equipment	5,094	1,344
Leasehold Improvements	65,128	-
Total depreciation	70,222	1,344

All plant and equipment and leasehold improvements (excluding items under operating leases) that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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

The depreciation rates used for each class of depreciable assets are as follows:

ASSET CLASS	DEPRECIATION RATE
Plant and equipment	5% - 25%
Leasehold improvements	20%

The cost of a leasehold improvements is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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

Impairment

Non-financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, 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 the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.1.1 Depreciation and impairment (continued)

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. 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.

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

	PLANT & EQUIPMENT		LEASEHOLD IMPROVEMENTS		TOTAL	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Opening balance	10,844	16,496	-	-	10,844	16,496
Additions	62,514	-	771,806	-	834,320	-
Disposals	(10,293)	(4,308)	-	-	(10,293)	(4,308)
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(5,094)	(1,344)	(65,128)	-	(70,222)	(1,344)
Closing balance	57,971	10,844	706,678	-	764,649	10,844

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.2 Intangible assets

	COMPUTER SOFTWARE (WORKS IN PROGRESS)		TOTAL	
	2017 \$	2016 \$	2017 \$	2016 \$
Opening balance	-	-	-	-
Additions	13,900	-	13,900	-
Disposals	-	-	-	-
Impairment of assets	-	-	-	-
Depreciation expense	-	-	-	-
Closing balance	13,900	-	13,900	-

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is 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. Depreciation and 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, and only if, all of the following are demonstrated:

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

Subsequent measurement

Intangible produced assets with finite useful lives, are depreciated as an 'expense from transactions' on a straight line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 5 years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight line basis over their useful lives. The amortisation period is 3 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.2 Intangible assets (continued)

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.

The policy in connection with testing for impairment is outlined in section 4.1.1.

Significant intangible assets

The Company has capitalised software development expenditure for the development of its Event Management System technology software. The carrying amount of the capitalised software development expenditure is \$13,900. Its useful life is 3 years and will be fully amortised in 2020.

Note 4.3 Investments and other financial assets

	2017 \$	2016 \$
Current investments and other financial assets		
Term deposit - bank guarantee - (a)	-	34,375
	-	34,375
Non-current investments and other financial assets		
Term deposit - bank guarantee - (b)	179,974	-
	179,974	-
Total investments and other financial assets	179,974	34,375

Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

(a) Bank guarantee was in favour of Colinvest Ltd and was cancelled upon move to new premises at 31 July 2017.

(b) Bank guarantee was established in favour of Killlara Quest Pty Ltd for the premises occupied at Level 8, 379 Collins Street, with an expiry date of 27 April 2018.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.3 Investments and other financial assets (continued)

Ageing analysis of investments and other financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2017 Term Deposits	179,974	179,974	-	-	-	-
	179,974	179,974	-	-	-	-
2016 Term Deposits	34,375	34,375	-	-	-	-
	34,375	34,375	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 5: OTHER ASSETS AND LIABILITIES

Note 5.1 Receivables

	2017 \$	2016 \$
Contractual		
Sale of goods and services	36,050	81,339
Other debtors	292,258	-
	328,308	81,339
Statutory		
GST Input tax credits recoverable	-	25,858
	-	25,858
Total receivables	328,308	107,197
Represented by:		
Current receivables	100,996	107,197
Non-current receivables	227,312	-

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and accrued investment income; and
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. Statutory receivables, do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Receivables are interest-free and are due for settlement no more than 90 days from date of recognition.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Note 5.1 Receivables (continued)

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2017 Receivables	328,308	328,308	100,996	-	-	227,312
	328,308	328,308	100,996	-	-	227,312
2016 Receivables	81,339	81,339	81,339	-	-	-
	81,339	81,339	81,339	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Note 5.2 Payables and other liabilities

	2017 \$	2016 \$
Contractual		
Creditors	6,163	78,739
Unused lease incentive	292,258	-
Unearned income	67,441	17,600
Other payables and accruals	281,561	18,269
	647,423	114,608
Statutory		
Superannuation payables	7,401	8,805
PAYG withholding	21,296	23,048
GST Payable	103,378	-
	132,075	31,853
Total payables	779,498	146,461
Represented by:		
Current payables	552,186	146,461
Non-current payables	227,312	-

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost, such as accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid, and arise when the company becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts, such as goods and services tax and fringe benefits tax payables.

The accounts payable are unsecured and are usually paid within 30 days of recognition.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 5: PAYABLES AND OTHER LIABILITIES (CONTINUED)

Note 5.2 Payables and other liabilities (continued)

Maturity analysis of contractual payables^(a)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2017 Payables	579,982	579,982	352,670	-	-	227,312
	579,982	579,982	352,670	-	-	227,312
2016 Payables	97,008	97,008	97,008	-	-	-
	97,008	97,008	97,008	-	-	-

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

Note 5.3 Other non-financial assets

	2017 \$	2016 \$
Current other assets		
Prepayments	56,356	65,858
Total current other assets	56,356	65,858
Total other non-financial assets	56,356	65,858

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 6: FINANCING OUR OPERATIONS

Note 6.1 Cash flow information

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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

	2017 \$	2016 \$
Current other assets		
Total cash and deposits disclosed in the balance sheet ^(a)	2,143,473	1,136,049
Balance as per cash flow statement	2,143,473	1,136,049

Note 6.1.1 Reconciliation of net result for the period to cash flow from operating activities

	2017 \$	2016 \$
Net result for the period	1,472,411	309,145
Non cash movements:		
(Gain)/loss on disposal of non-current assets	6,293	4,308
Depreciation and amortisation of non-current assets	70,222	1,344
Other non-cash movements	(1,074)	(569)
Movements in assets and liabilities:		
(Increase) / decrease in receivables	(221,111)	41,679
(Increase) / decrease in other financial assets	(145,599)	-
(Increase) / decrease in prepayments	9,502	1,028
Increase / (decrease) in payables	583,196	(24,332)
Increase / (decrease) in provisions	27,962	(1,901)
Increase / (decrease) in income in advance	49,842	-
Net cash flows from/(used in) operating activities	1,851,644	330,702

(a) The total amount disclosed includes \$1,315,000 received in advance from DET for goods and services to be delivered in 2018.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 6: FINANCING OUR OPERATIONS (CONTINUED)

Note 6.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

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

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

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis.

The AASB issued the new leasing standard AASB 16 Leases to supersede the existing standard AASB 117 Leases. The new standard will be operative from reporting periods commencing 1 January 2019. The key change introduced by AASB 16 includes the recognition of most operating leases on the balance sheet.

	Less than 1 year \$	1-5 years \$	5+ years \$	Total \$
2017				
Operating lease commitments	310,158	1,184,309	-	1,494,467
Other commitments payable	76,415	152,830	-	229,245
Total commitments (inclusive of GST)	386,573	1,337,139	-	1,723,712
less GST recoverable				(156,701)
Total commitments (exclusive of GST)				1,567,011
2016				
Operating lease commitments	161,509	-	-	161,509
Other commitments payable	-	-	-	-
Total commitments (inclusive of GST)	161,509	-	-	161,509
less GST recoverable				(14,683)
Total commitments (exclusive of GST)				146,826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 6: FINANCING OUR OPERATIONS (CONTINUED)

Note 6.2 Commitments for expenditure (continued)

Operating lease commitments relate to the company's accommodation rental with a lease term of 5 years to expire 30 June 2022.

Other commitments relate to the company's event management software service agreement commencing 1 January 2018 for a term of 3 years expiring 31 December 2020.

In respect of non-cancellable operating leases, the following liabilities have been recognised.

	2017	2016
	\$	\$
Current		
Unused lease incentive	64,946	-
	64,946	-
Non-current		
Unused lease incentive	227,312	-
	227,312	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The company's financial instruments mainly comprise cash and short-term deposits. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The company has various other financial instruments such as receivables and payables, which arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks. The company undertakes regular monitoring of the performance of its financial assets and liabilities.

Note 7.1 Financial instruments specific disclosures

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. Due to the nature of the company's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

CATEGORIES OF FINANCIAL INSTRUMENTS

Loans and receivables and cash

Loans and receivables and cash 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, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The Company recognises the following assets in this category:

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

Loans and receivables category includes cash and cash equivalents, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 Company recognises the following liabilities in this category:

- payables (excluding statutory receivables); and
- deposits held and advances received

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the company's continuing involvement in the asset.

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 90 days overdue, and changes in debtor credit ratings. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.1.1 Financial instruments: Categorisation

	Contractual financial assets-loans and receivables \$	Contractual financial liabilities at amortised cost \$	Total \$
2017			
Contractual financial assets			
Cash and deposits ^(a)	2,143,473	-	2,143,473
Receivables ^(b)	36,050	-	36,050
Term deposits	179,974	-	179,974
Total contractual financial assets	2,359,497	-	2,359,497
Contractual financial liabilities			
Payables ^(c)	-	287,724	287,724
Total contractual financial liabilities	-	287,724	287,724
2016			
Contractual financial assets			
Cash and deposits	1,136,049	-	1,136,049
Receivables ^(b)	81,339	-	81,339
Term deposits	34,375	-	34,375
Total contractual financial assets	1,251,763	-	1,251,763
Contractual financial liabilities			
Payables ^(c)	-	97,008	97,008
Total contractual financial liabilities	-	97,008	97,008

(a) The total amount disclosed includes \$1,315,000 received in advance from DET for goods and services to be delivered in 2018.

(b) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

(c) The total amounts disclosed here exclude statutory amounts (e.g. taxes payable and unearned income).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.1.2 Financial risk management and objectives

As a whole, the Company's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Company's financial risks within policy parameters.

The Company's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Company manages these financial risks in accordance with its financial risk management policy.

The Company uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the financial risk management committee of the Company.

Financial instruments: credit risk

Credit risk arises from the financial assets of the company, which comprise cash and cash equivalents and receivables. The company's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the company. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the company's financial assets is minimal because the main debtors are the Victorian Government, Victorian TAFE Institutes and Registered Training Providers.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Currently the company does not hold any collateral as security nor credit enhancements relating to any of its financial assets

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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

	Financial Institutions (AA credit rating) \$	Government agencies (Triple A credit rating) \$	Total \$
2017			
Contractual financial assets			
Cash and deposits ^(a)	1,943,473	200,000	2,143,473
Receivables ^(b)	-	36,050	36,050
Term deposits	179,974	-	179,974
Total contractual financial assets	2,123,447	236,050	2,359,497
2016			
Contractual financial assets			
Cash and deposits	836,049	300,000	1,136,049
Receivables ^(b)	-	81,339	81,339
Term deposits	34,375	-	34,375
Total contractual financial assets	870,424	381,339	1,251,763

(a) The total amount disclosed includes \$1,315,000 received in advance from DET for goods and services to be delivered in 2018.

(b) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

Financial instruments: Liquidity risk

Liquidity risk arises when the company is unable to meet its financial obligations as they fall due. The company operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows, budgets and maturities planning to ensure adequate liquidity.

The company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Financial instruments: Market risk

The Company's exposure to market risk is considered to be insignificant. The Company does not engage in financial trading and does not have exposure to foreign currency and other price risks. None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, are as follows:

	Weighted average effective interest rate	Carrying amount	Interest rate risk exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
2017					
Financial assets					
Cash and deposits ^(a)	1.11	2,143,473	-	2,142,873	600
Receivables ^(b)		36,050	-	-	36,050
Term deposits	2.90	179,974	-	179,974	-
Total financial assets		2,359,497	-	2,322,847	36,650
Financial liabilities					
Payables ^(c)		287,724	-	-	287,724
Total financial liabilities		287,724	-	-	287,724
2016					
Financial assets					
Cash and deposits	2.51	1,136,049	-	1,135,449	600
Receivables ^(b)		81,339	-	-	81,339
Term deposits	3.40	34,375	34,375	-	-
Total financial assets		1,251,763	34,375	1,135,449	81,939
Financial liabilities					
Payables ^(c)		97,008	-	-	97,008
Total financial liabilities		97,008	-	-	97,008

The only financial assets and/or financial liabilities that are affected by the interest movement are cash at bank. The impact of a possible 1% increase or decrease in interest rates would make a difference of +/- \$21,434 (2016: \$11,354) on net result and equity.

(a) The total amount disclosed includes \$1,315,000 received in advance from DET for goods and services to be delivered in 2018.

(b) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

(c) The total amounts disclosed here exclude statutory amounts (e.g. taxes payable and unearned income).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.2: Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note 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.

At 31 December 2017 the company had no contingent assets (nil at 31 December 2016) .

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.

At 31 December 2017 the company had one contingent liability (nil at 31 December 2016).

	2017	2016
	\$	\$
Contingent liabilities		
Make Good	105,880	-
Total contingent liabilities	105,880	-

The company's office accommodation lease term of 5 years expires on 30 June 2022 with an option for a further 5-year lease term. If the company exercises the option under the contract, the option to sign for a further term removes the requirement for the company to be liable for any make good costs. The make good liability is contingent upon the company vacating leased premises. It is deemed highly unlikely that the company would not renew its lease at the expiration of the initial term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.3 Fair value determination

Consistent with AASB 13 Fair Value Measurement, the company determines the policies and procedures for recurring fair value measurements such as plant and equipment in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **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.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

The company monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The company has assessed its financial assets and financial liabilities and it does not hold any financial assets or financial liabilities that require disclosure at fair value.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.3.1 Fair Value determination: Non-financial physical assets

Fair Value Measurement Hierarchy

	Carrying amount as at 31 Dec 2017	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Plant & Equipment at fair value	57,971	-	-	57,971
Leasehold Improvements at fair value	706,678	-	-	706,678

	Carrying amount as at 31 Dec 2016	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Plant & Equipment at fair value	10,844	-	-	10,844

There have been no transfers between levels during the period.

Plant and equipment

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 winding up, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 31 December 2017.

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

Description of significant unobservable inputs to Level 3 valuations

	Valuation Technique	Significant unobservable inputs
PLANT AND EQUIPMENT	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
LEASEHOLD IMPROVEMENTS	Depreciated replacement cost	Cost per unit
		Useful life of leasehold improvement

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES

Note 8.1 Ex-gratia expenses ^(a)

	2017 \$		2016 \$
Compensation of economic loss ^(b)		-	-
Total ex-gratia expenses ^(c)	39,413	-	-

(a) Includes ex-gratia expenses for both individual and in aggregate are greater than or equal to \$5,000

(b) These are payments made to employees to reimburse them for economic loss to which the company is not legally bound to make.

(c) The total for ex-gratia payments is also presented in "employee benefits expense" of Note 3 The Cost of Delivering Services

Note 8.2 Other economic flows included in net result

	2017 \$		2016 \$
Net gain/(loss) on non-financial assets			
Impairment of property, plant and equipment	-		-
Net gain/(loss) on disposal of property, plant and equipment ^(a)	(6,293)		-
Total net gain/(loss) on non-financial assets	(6,293)		-
Other gains/(losses) from other economic flows			
Net gain/(loss) arising from revaluation of long service leave liability ^(b)	1,074		569
Total other gains/(losses) from other economic flows	1,074		569

(a) Net gain/(loss) on disposal of equipment is due to the write down of plant & equipment at the former premises at 478 Albert Street. The company relocated to new premises at 379 Collins Street during 2017.

(b) Revaluation gain/(loss) due to changes in bond rates

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

NAMES

The persons who held the positions of Responsible Minister and Accountable Officer in the Company are as follows:

Responsible Minister – Minister for Training and Skills	
The Hon. Gayle Tierney, MP	1 January 2017 to 31 December 2017
Board Members	
Susan Christophers	1 January 2017 to 31 December 2017
Kirsten Bright	1 January 2017 to 31 December 2017
Michael Brown	1 January 2017 to 31 December 2017
Ray Griffiths	1 January 2017 to 31 December 2017
Brian Henderson	1 January 2017 to 31 December 2017
Lisa Line	1 January 2017 to 31 December 2017
Belinda McLennan	1 January 2017 to 31 December 2017
David Williams	1 January 2017 to 31 December 2017
Accountable Officer - Chief Executive Officer	
Mr Martin Powell	1 January 2017 to 31 December 2017

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Remuneration

Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests, which each member of Parliament completes.

The number of Board members is shown below in their relevant income bands:

Remuneration Band	2017	2016
\$0-\$9999	8	13
Total remuneration of Board Members (\$)	16,838	21,986

The total remuneration received or receivable by the Accountable Officer in connection with the management of the Company during the reporting period was in the range:

Remuneration Band	2017	2016
\$200,000-\$209,000	1	1
Total remuneration of Accountable Officer (\$)	206,706	201,633

Note 8.4 Remuneration of executives

Note 8.4.1 Remuneration of executives

There were no executive officers, other than accountable officer, during the reporting period.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.5 Related parties

Related parties of the Company, include:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.5 Related parties (Continued)

Key management personnel of the Company includes the Ministers, The Hon. Gayle Tierney, MP and the Chief Executive Officer, Martin Powell, and the Directors of the Board, which includes:

- | | |
|----------------------|--------------------|
| • Susan Christophers | • Brian Henderson |
| • Kirsten Bright | • Lisa Line |
| • Michael Brown | • Belinda McLennan |
| • Ray Griffiths | • David Williams |

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMP's	2017
	\$
Short-term employee benefits ^(a)	202,153
Post-employment benefits	17,087
Other long-term benefits	4,304
Termination benefits	-
Total	223,544

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.

(a) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

Note: No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2016 reporting period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.5 Related parties (Continued)

Significant transactions with government-related entities

The Company received funding in the form of Grants and Fee for Service income from the Department of Education and Training of \$3,584,234 (2016: \$3,210,000) The company made a payment to the Department as sponsorship towards the annual Victorian Training Awards of \$25,000 (2016: \$12,000).

Transactions and balances with key management personnel and other related parties

Lisa Line is a Chief Executive Officer of The Gordon. The company paid for services and reimbursements of 43,000 (2016: \$27,866.50). The company received funds for services of \$2,500 (2016: \$60,500).

Belinda McLennan is a Chief Operating Officer of AMES Australia. The company paid for services and reimbursements of \$103,117 (2016: \$15,008) and received revenue of \$1,000 (2016: NIL).

David Williams is a Director of Federation Training. The company paid for services and reimbursements of \$20,000 (2016: \$23,280) and received revenue of \$75,565 (2016: \$44,550).

Note 8.6 Remuneration of auditors

Victorian Auditor-General's Office

	2017	2016
	\$	\$
Audit of the financial statements	21,500	23,100

Note 8.7 Subsequent events

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the company and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

No matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the company, results of those operations, or the state of affairs of the company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.8 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 31 December 2017 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2017, the following AASs have been issued by the AASB but are not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Standard / Interpretation	Summary	Applicable for annual reporting periods that begin on	Impact on financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	"The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed."
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	"The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> • The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and • Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 Jan 2018	"The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed"
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	"Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements"	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Standard / Interpretation	Summary	Applicable for annual reporting periods that begin on	Impact on financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	"Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> • the entity's right to receive payment of the dividend is established; • it is probable that the economic benefits associated with the dividend will flow to the entity; and • the amount can be measured reliably." 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	"This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access)." 	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Standard / Interpretation	Summary	Applicable for annual reporting periods that begin on	Impact on financial statements
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>"This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments:</p> <ul style="list-style-type: none"> • require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and • clarifies circumstances when a contract with a customer is within the scope of AASB 15. 	1 Jan 2019	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	<p>"The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>No change for lessors</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors."</p>
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8: OTHER DISCLOSURES (CONTINUED)

In addition to the new standards above, the AASB has issued a list of other amending standards that are not effective for the 2017 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on the company.

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-16 Cycle

Note 8.9 Glossary of technical terms

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and defined contribution superannuation plans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Financial assets

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes prepayments and plant and equipment.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-financial physical.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Other economic flows - other comprehensive income

Other economic flows - other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows - other comprehensive income include changes in physical asset revaluation surplus.

Payables

Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the company.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Note 8.10 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts

The notation used in the tables is as follows

..	- zero, or rounded to zero
(xxx.x)	- negative numbers
200x	- year period
200x 0x	- year period

The financial statements and notes are presented based on the illustration for a government department in the 2016-17 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Company's annual reports.

DIRECTORS AND ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors of the company declare that:

1. **The financial statements and notes, as set out on pages 38 to 85, are in accordance with the Corporations Act 2001 and:**
 - a. comply with the Australian Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date.
2. **In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.**
3. **The attached financial statements of the company have been prepared in accordance with applicable Australian Accounting Standards, applicable elements of the Financial Management Act 1994 and other mandatory professional reporting requirements.**
4. **We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.**

This declaration is made in accordance with the resolution of the Board of Directors.



(On behalf of the Board)

Chairperson
Susan Christophers



(Accountable Officer)
Chief Executive Officer
Martin Powell

Dated: 21 March 2018

Dated: 21 March 2018

Independent Auditor's Report

To the Directors of the VET Development Centre Ltd

Opinion	<p>I have audited the financial report of the VET Development Centre Ltd (the company) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2017 • 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 a summary of significant accounting policies • directors' and accountable officer's declaration. <p>In my opinion the financial report is in accordance with applicable elements of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 31 December 2017 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and 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 Australia. 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>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company'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 company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' 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 company'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 company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors 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.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
22 March 2018

APPENDIX

Disclosure Index

The annual report of the company is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the company's compliance with statutory disclosure requirements.

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VET DEVELOPMENT CENTRE

Level 8, 379 Collins Street,
Melbourne VIC 3000

T 1300 917 150

E info@vdc.edu.au

W www.vdc.edu.au

 @VDCeduau

 VET Development Centre

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