



2018  
**ANNUAL  
REPORT**

VET DEVELOPMENT CENTRE



© VET DEVELOPMENT CENTRE LIMITED 2019

This document should be attributed as VDC 2018  
Annual Report, VDC, Melbourne.  
ISSN 2207-4937

Published by  
VET DEVELOPMENT CENTRE LIMITED  
ABN 15 113 721 770

Level 8, 379 Collins Street,  
Melbourne VIC 3000

**Phone** 1300 917 150  
**Email** [info@vdc.edu.au](mailto:info@vdc.edu.au)  
**Web** [www.vdc.edu.au](http://www.vdc.edu.au)

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

 **LINKEDIN**  
VET DEVELOPMENT CENTRE

 **FACEBOOK**  
VET DEVELOPMENT CENTRE



## 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. This is achieved through the design and delivery of an extensive range of webinars, workshops and thought leader events, as well as Victorian Government funded continuing professional learning and evaluation activities to the Victorian VET workforce.

### 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.

## 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-focused 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 VISION

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

Our vision is to become the leading organisation for all VET professional learning programs for Government and providers by 2020. With a new state-of-the-art training facility established in 2017 to expand our face-to-face and digital reach, plus a continuously 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

## OUR 2020 SUCCESS INDICATORS

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
<ul style="list-style-type: none"> <li>// First choice for professional learning and thought leadership by VET teachers and support staff.</li> </ul> <p>Evidenced by survey feedback, increased delivery and advisory work.</p>	<ul style="list-style-type: none"> <li>// Programs, activities and advice support and strengthen the 'Education State' and 'Skills First' initiatives.</li> </ul> <p>Evidenced by Ministerial and Department feedback and evaluations.</p>	<ul style="list-style-type: none"> <li>// Continued high satisfaction ratings from customers.</li> </ul> <p>Positive impact evaluations from VET providers against their workforce performance indicators.</p>	<ul style="list-style-type: none"> <li>// Funding mix reflects growth in fee-for-service delivery.</li> </ul>

To reach these goals, we developed an annual set of priorities which, for the 2018 calendar year, were as follows:

## OUR 2018 PRIORITIES

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
<ul style="list-style-type: none"> <li>// Explore new products, services and strategic collaborations.</li> <li>// Analyse innovative breakthroughs in VET workforce development.</li> <li>// Implement a targeted stakeholder engagement strategy supported by a communications kit.</li> </ul>	<ul style="list-style-type: none"> <li>// Achieve agreed outcomes of the Common Funding Agreement to the Department's satisfaction.</li> <li>// Provide robust advice to Government on VET workforce development as it impacts the delivery of the Education State and 'Skills First' initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>// Develop and pilot an impact evaluation methodology for VDC initiatives on VET provider workforce performance.</li> <li>// Develop and pilot an impact evaluation methodology for participants of training programs and grant recipients for learning outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>// Design and implement a market development plan to deliver growth in priority markets.</li> <li>// Maintain strong corporate governance and fiscal responsibility for the entity.</li> </ul>

## 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 ACTING CHAIR

It is with pleasure that I present the VET Development Centre Limited (VDC) 2018 Annual Report.

2018 saw the first year of operation from the new VDC premises that incorporate training facilities. The self-funded new state-of-the-art premises has moved the VDC towards its goal to become "a centre of excellence for continuous professional learning to the VET workforce", our vision for 2020.

This was reinforced by the Victorian Minister for Training and Skills, The Hon. Gayle Tierney, officially opening the VDC training facilities at a ceremony on 4 July 2018.

The event highlighted that the establishment of training facilities was prompted by the fact that the VDC has grown from hosting 5 professional development events (PD) in its first year in 2005 to over 300 PD events in 2018.

The Board also acknowledged the vision and considerable effort of the VDC Chief Executive Officer Martin Powell, who developed the business case and rationale for the establishment of this venue and ably supported the Board during the transition. Martin and the VDC team continued to manage the largest PD program delivered by the VDC - and streamlined business, marketing and corporate practices to enhance and stimulate engagement with the VDC by the professional workforce and other stakeholders during this time.

Building on the transformation of the VDC in recent years, the VDC has once again achieved record engagement in its programs. For the first time there were over 10,000 participants for over 320 government funded and fee for service events designed, delivered and/or hosted by the VDC in 2018. This represents a 14 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.

The VDC Strategic Work Plan 2018 with the Victorian Department of Education and Training (DET) highlighted the collaboration and continuing commitment provided by Government. DET, in consultation with VDC, focused the 2018 Strategic Work Plan on delivering workforce professional learning to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.

The Work Plan resourced the VDC to provide record levels of complimentary professional development opportunities to contracted Skills First training providers, TAFE initiatives and professional learning for trainers to equip them for the demands of the National Disability Insurance Scheme and Family Violence initiatives.

A handwritten signature in black ink, appearing to read 'Belinda McLennan'.

**Dr. Belinda McLennan**  
Acting Chairperson

**323**

events hosted  
by VDC

**120%**

increase in services  
utilisation over past  
five years

**2,750**

attendees at Victorian  
Government funded PD in  
2018 (42% increase on 2017)

**10,000**

attendees at VDC programs,  
events and services in 2018  
(14% increase on 2017 record)

# CEO REPORT - 2018 HIGHLIGHTS



**2018 was an exciting year for the VDC as it represented the first year of professional learning from the permanent VDC training facilities in Melbourne.**

The facilities have provided the VDC, the Victorian Department of Education and Training (DET) and the broader VET sector with an efficient and best practice model to deliver consistent, high-quality, professional learning.

This was further enhanced by the diversification of the business activities of the organisation. Through the guidance and collaboration with DET, VDC government funded activities transitioned from workforce development grants and scholarships to professional learning programs for Skills First training provider employees. This resulted

in an unprecedented 90 funded workshops being delivered by the VDC at its facilities, representing a 200 percent increase in such activity. In addition, the VDC provided 40 workshops from its own Professional Development program.

The new facilities also provided the VDC with the ability to support VET peak organisations and networks. VDC hosted events and webinars in-kind for organisations such as WorldSkills Australia, deafConnectEd, the Adult, Community and Further Education Board of Victoria, TAFE Directors Australia, the Victorian TAFE Association, Australian Vocational Education and Training Research Association, Australian Council for Private Education and Training and the QuiET Network.

VDC was engaged to provide significant professional learning programs for the VET sector workforce focusing on TAFE Human Resource Capability Building, equipping training providers for the National Disability Insurance Scheme, insights to the government commitments on Family Violence, as well as informing the broader public sector on the role and purpose of Vocational Education.

The outcomes for 2018 speak for themselves. Satisfaction ratings averaged between 96 percent and 100 percent for 199 VDC professional development sessions. Record engagement of 10,112 participants with VDC programs and services was achieved, including a new attendance record for the VDC 2018 Teaching & Learning Conference. These results are reflected in the achievement of a positive performance result for the year against budget of \$702,030.

**Martin Powell**

Chief Executive Officer/Company Secretary

## 2018 SNAPSHOT

**4,200**

attendees at VDC customised programs and services in 2018 (20% increase on 2017 record)

**95%**

average satisfaction rating for attendees surveyed at VDC programs

**84%**

facility utilisation rate was achieved for the VDC training facilities at 379 Collins Street

**\$3.6m**

provided by Victorian Government to support professional development activities for training providers



# 2018 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 2018 eclipsed the record participation of 8886 set in 2017 with 10,112 participants. This represents an increase of 14% from 2017 and 120% since 2014.

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

It is worth noting that the 1,226 attendance increase from 2017 has been driven by increased delivery and in Victorian government funding professional learning for Skills First training providers as well as customised PD attendances, VDC venue hire bookings as well as the maintenance of average registration numbers for the VDC Professional Development Program.

## VDC Professional Development Program

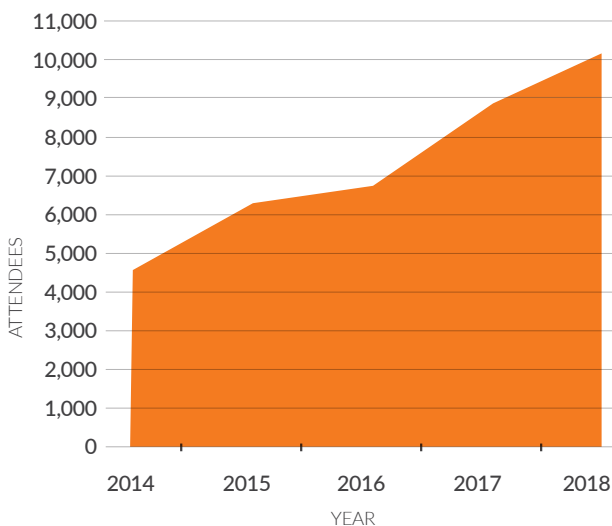
The VDC Professional Development Program in 2018 provided 99 workshops and national webinars to the sector around the following key themes:

- // Quality, Compliance and Auditing
- // Assessment Tools
- // Mapping and Validation
- // Online Delivery
- // Teaching and Learning Strategies
- // Workforce Development

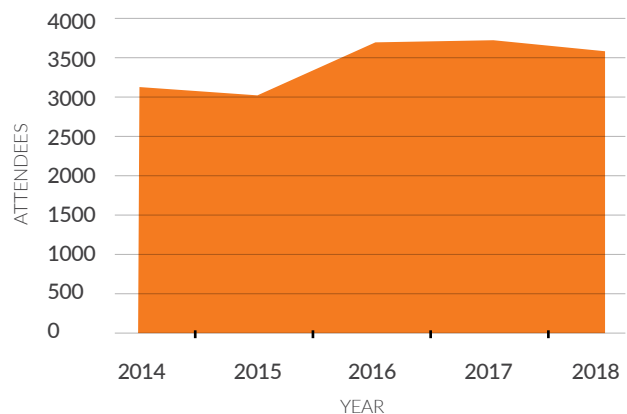
The overall attendance average at the VDC Professional Development Program was maintained at 32 per session as in line with the previous record years of 2016 and 2017. Overall registrants fell by 625 (17%) to 3,157, the same proportion as the 16% decrease in sessions delivered in 2018 (118 versus 99). Further, the reduction in the program was designed to accommodate the 200% increase in government funded training that occurred at VDC in 2018. Given the broad range and increased provision of sessions in 2018, the level of registration at government funded training increased by over 800 registrants or 42%, thus more than offsetting the VDC PD program overall attendance.

Workshops were conducted at the VDC premises, while webinars were accessed by all states and territories in Australia, as well as New Zealand.

## ATTENDEES AT VDC ACTIVITIES



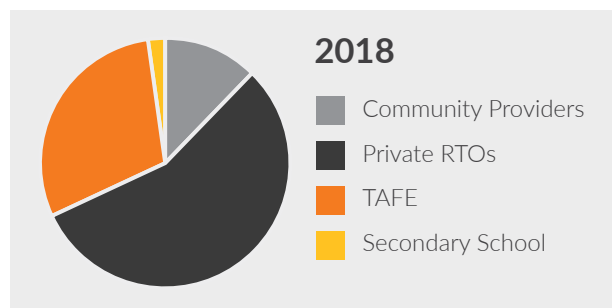
## ATTENDEES AT VDC PROFESSIONAL DEVELOPMENT PROGRAMS





TAFE attendees maintained a one third share of attendees in line with 2017 results. The VDC experienced an increase in private training provider attendees as a proportion of VDC Professional Development events. Learn Local Organisations attended in reasonable numbers given that specific training was provided to this sector under government training outlined further in this report. VET in Schools Teacher engagement returned to 2016 levels after the funded training places provided under a VET for Schools program in 2017.

	2014	2015	2016	2017	2018
Community Providers	538	527	473	505	394
Private RTOs	1304	1313	1757	1943	1760
TAFE	1349	1126	1463	1204	939
Secondary Schools		51	63	130	64
<b>TOTALS</b>	<b>3191</b>	<b>3017</b>	<b>3756</b>	<b>3782</b>	<b>3157</b>



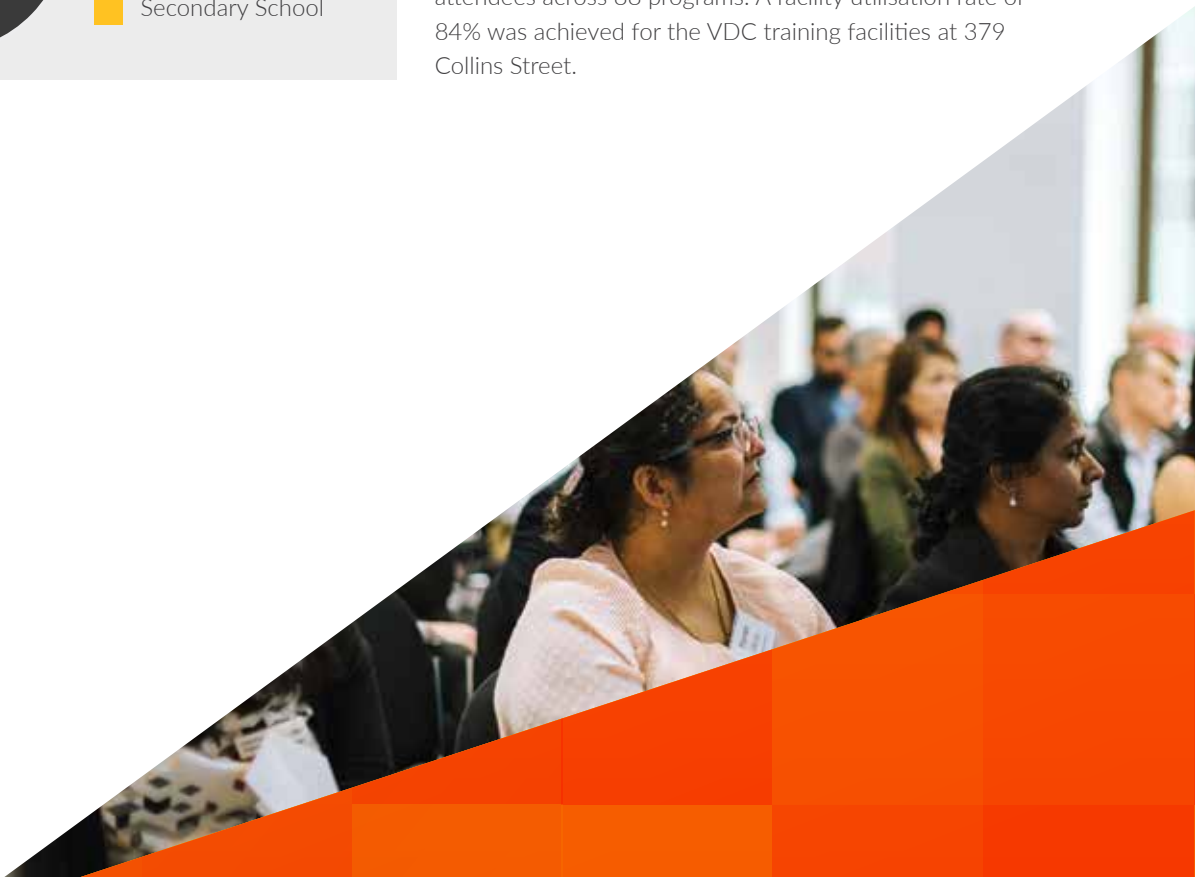
## Customised Professional Development Programs

In addition to the VDC Professional Development Program, the VDC designs PD that meets individual workforce development needs for training organisations. Customised programs are delivered at the VDC or at training organisation locations 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 2018 included Federation University, Federation Training, Victoria Police, Al-Taqwa College and GOTAFE.

Through the VDC training facilities, venue hire services were provided for major clients such as Institute of Managers & Leaders (IML), Federated Association for International Co-operation Australia (FAICA) and Water Research Australia. In addition, webinar hosting services were provided for major VET stakeholders including the ACFE Board of Victoria, VETASSESS, Victorian TAFE Association (VTA), TAFE Directors Australia (TDA) and deafConnectEd.

VDC Customised PD provided 36 sessions to 1,784 participants and hire and hosting services supported 2,414 attendees across 88 programs. A facility utilisation rate of 84% was achieved for the VDC training facilities at 379 Collins Street.



## VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

In 2018 the VDC delivered a diverse 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 (DET), a training program specifically designed for Victorian TAFE, as well as National Disability Insurance Scheme (NDIS) training provider programs. Over 2,750 VET workforce participants accessed 100 complimentary PD events in 2018.

In addition to the Skills First professional development program, in previous years DET had provided funding to VDC to administer a range of workforce development grants and scholarships as part of the Common Funding Agreement between VDC and DET.

In 2018 a Strategic Work Plan was developed that focused on reinvesting this funding into delivering workforce professional learning in the form of workshops, webinars and information sessions. These professional learning activities aimed to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.

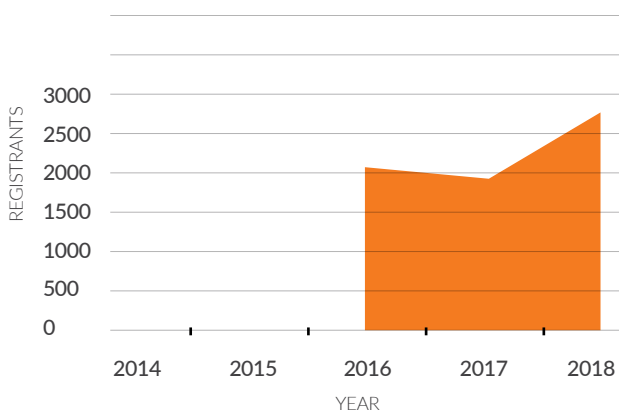
In 2018 four participants per TAFE Institute were eligible to attend the Skills First professional development program for the first time, whereas in previous years this was restricted to a limit of two participants. This decision was taking into account the TAFE's relative scale and role in the Victorian TAFE and Training system compared to the number of institutions. TAFE staff participation numbers increased accordingly.

2018 VICTORIAN GOVERNMENT FUNDED PROGRAMS	SESSIONS	REGISTRATIONS
Putting Students First: Delivering suitable and appropriate training workshops	10	285
Developing Effective Training and Assessment Strategies workshops	10	294
Good Practice Language, Literacy and Numeracy (LLN) Assessment and Support Workshops	10	270
NDIS Professional Development for Victorian VET Providers - Trainers and Assessors of NDIS related qualifications	13	522
TAFE Contemporary Human Resources Practice Initiative (CHRPI)	11	177
Professional Development for Providers of Accredited Training	27	720
Professional Development specific to Learn Local Organisations	12	315
Professional Development for Community Sector Workers and Government Department Staff	3	72
Other services to support specific programs	4	102
<b>TOTALS</b>	<b>100</b>	<b>2,757</b>

Very impressed, one of the best presentations I have attended

Given the broad range and increased provision of sessions in 2018, the level of registration at government funded training increased by over 800 registrants or 42% from 2017.

## REGISTRATIONS AT GOVERNMENT FUNDED TRAINING



I found today very interesting – we have been implementing the pre-training review but not truly understanding the full process, importance and why. Thank you and can't wait to attend further training.



## Putting Students First: Delivering suitable and appropriate training

The Victorian Department of Education and Training (DET) has 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 2018 included funding for delivery of 10 Putting Students First: Delivering suitable and appropriate workshops.

Due to proactive engagement by the VDC with providers to increase the awareness of the workshops as well as the positive reaction to the hosting of this training at the new VDC premises, the suitable and appropriate workshops achieved a record attendance in 2018. 285 registrations for 300 places was achieved, compared to 230 in 2017 representing an increase in subscription to the program from 76 percent capacity to 95 percent capacity. 148 Skills First training organisations participated in the training compared to 138 organisations in 2017.

In addition DET Auditor and Higher Education and Skills Group staff within DET undertake a customised version of this training.

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

## Developing Effective Training and Assessment Strategies

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.

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.

Due to proactive engagement by the VDC with providers to increase the awareness of the workshops as well as the positive reaction to the training being hosted at the new VDC premises, the Developing Effective Training and Assessment Strategies workshops achieved a record attendance in 2018.

With 300 places we received 294 registrations, compared to 228 in 2017 representing an increase in subscription to the program from 76 percent capacity to 98 percent capacity.

Staff from 157 different organisations registered for the workshops compared to 127 organisations in 2017.

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



It was a fantastic presentation and listening to other people's stories. The session validated my use of the TAS action plan.



## Good Practice Language, Literacy and Numeracy (LLN) Assessment and Support Workshops

The Department of Education and Training (DET) provided funding in 2016 for a professional development program to support contracted training providers to carry out Pre-Training Reviews of LLN skills prior to enrolment, ensuring that learners are placed in qualifications appropriate to their level as required by the Standards for RTOs 2015 and strategies to support learners' development of LLN skills for successful completion of qualifications.

In 2018, DET continued to support contracted training providers in preparing to conduct effective LLN assessments, and strategies to support learners' development of LLN skills for the successful completion of qualifications as required by the relevant 2018-19 Skills First contractual obligations.

Due to proactive engagement by the VDC with providers to increase the awareness of the workshops as well as the positive reaction to training being held at the new VDC premises, the 10 Good Practice Language, Literacy and Numeracy (LLN) Assessment and Support Workshops achieved a significant increase of 12 percent attendance in 2018 in comparison to 2016. The LLN Assessment and Support Workshops were not held in 2017.

In 2016, 15 LLN Assessment and Support Workshops were held with 450 places, VDC received 443 registrations and only 265 (59 percent) attendance. In 2018, with 300 places VDC received 270 registrations and 193 (71 percent) attendance.

// **99% of respondents agreed the program delivery and content was good or excellent (an improvement of 2% on 2016).**



I found today to be a fantastic opportunity to further my knowledge of LLN requirements and the utilisation of the ACSF.



## NDIS Professional Development for Victorian VET Providers - Trainers and Assessors of NDIS related qualifications

In October 2016 the Minister for Housing, Disability & Aging released 'Keeping our sector strong: Victoria's workforce plan for the NDIS', which outlines the strategy to address Victoria's workforce needs for the National Disability Insurance Scheme (NDIS). The plan has been developed to ensure Victoria has a clear strategy to grow a skilled, diverse and responsive disability workforce, and to harness the opportunity the scheme presents for Victoria to position itself as a leader in quality and innovation.

During 2018 the Victorian Department of Education and Training (DET) led by the Engagement Participation & Inclusion Division (EPID) engaged the VDC to deliver professional development initiatives under the NDIS Priority Project 4B – Professional Development for Trainers and Assessors. The program will run across 2018 and 2019.

In 2018 DET funding provided 3 half-day Information Sessions, 5 full-day workshops, and 2 full-day masterclasses to over 500 participants. The VET NDIS Professional Development Program was developed in conjunction with leading sector experts National Disability Services (NDS) and consisted of Information Sessions, workshops and Psychosocial Masterclasses held at the VDC as well as Victorian regional locations. The sessions were professionally filmed and developed into ten minute instructional videos.

The Information Sessions provided an overview of the following:

- **NDIS Basics including:**  
Principles of NDIS; Journey to NDIS; and Overview of NDIS
- **Disability Sector Transformation including:**  
Impact of NDIS on community services system; disability service providers; and new business environment for disability service providers
- **Workforce Implications including:**  
Changing requirements and expectations of the disability workforce, from NDIS participants and disability service providers, increasing focus on worker values, and person-centred active support
- **VET Implications including:**  
Impact of NDIS on the delivery and assessing NDIS related qualifications; and case studies

VDC content experts designed and developed the Workshop Session drawing on their extensive experience in the education, health and community services sector. VDC worked together with NDS to ensure the session captured the fundamental changes in thinking and acting that are required to put the principles of the NDIS into practice. They also ensured the workshops captured the responsibilities of disability support workers; the Safeguarding Framework; zero tolerance and abuse; good practice processes of co-design/involvement of people with a disability; and the Introduction to the NDIS course in the broader context of teaching and assessing the NDIS related qualifications.

VDC worked with Mental Health Victoria to develop and deliver a masterclass on Psychosocial Disability. This session deepened the understanding of mental health and the related issues. It explored attitudes and stigma attached to mental illness and suicide, and the fundamental components of the recovery framework. It provided an understanding of NDIS plans and how they can support people with psychosocial disability in relation to mobility, communication, self-management, social interaction, learning and self-care.

As part of the VDC commitment to continuous improvement, the Centre for Program Evaluation (CPE) at the University of Melbourne has been engaged to evaluate the VET NDIS Professional Development Program. The evaluation was based on Kirkpatrick's Four-Level Training Evaluation Model. The program will continue into 2019.

In late 2018 VDC was engaged by DET to undertake a second NDIS related project on developing a Work Placement Best Practice Framework, Tools and Resources Project. This project was designed and delivered as a 12 week project from September to December 2018. Its objectives were: to develop and pilot a Best Practice Framework for VET for delivery of quality work placements in disability; streamline and adapt best practice tools and resources to support the delivery of quality placements; document good practice in both pre-training and employment contexts for effectively ensuring that candidates have the right values and personal attributes for working in the disability sector; and provide commentary and report on the value of Placeright in a disability context from a user's perspective.

## **TAFE Contemporary Human Resources Practice Initiative (CHRPI)**

The VDC was funded by the Victorian Department of Education and Training to develop a 6 month program consisting of a series of HR initiatives to expand and review current technical knowledge and explore new ways in Human Resources practice and management for Victorian TAFE. Senior staff responsible for workforce planning together with HR managers, supervisors, faculty managers and program managers participated in the program.

Five one-day sessions on the specific topics of introduction to implementing change, workforce planning, succession planning, managing performance, and professional development provided the opportunity to gain new insights from participating TAFE Institutes into contemporary practices and share experiences regarding current ways of working.

The one-day sessions provided an opportunity for TAFE Institutes to expand and review their technical knowledge and explore new concepts and theories.

To embed learning and maximise the transfer and application of new knowledge, specific sessions were supported by:

- **Webinars:**  
A one hour online overview with a HR Facilitator was delivered after each session to summarise the content covered to ensure you have full understanding.
- **Transfer and Apply Learning Sessions:**  
Following each session, the Peer Learning Groups (established in the sessions) finalised an Action Plan, submitted to VDC for review and final endorsement from the TAFE Institute's Senior Management Team. These institute Action Plans were expanded in each session with new topic related actions and form the basis for the Workplace Reviews.
- **Workplace Reviews:**  
These supportive Workplace Reviews were undertaken by one of the VDC session HR Facilitators at each TAFE institute. The visit supported institute Peer Learning Groups with the implementation of new practice and review the progress of the Action Plans.
- **Action Learning Day:**  
Institute Peer Learning Groups attended an Action Learning day at VDC. This day focused on shared learning across institutes and the formation of a Community of Practice: this has provided an opportunity for a "snap shot review" of progress of the initiative post the program.



## 2018 VDC Strategic Plan Victorian Government Funded Initiatives

The 2018 Strategic Work Plan represented a departure from the approach to workforce development funding provided under the Common Funding Agreement between the VDC and DET. Previously, DET provided funding to VDC to administer a range of workforce development grants and scholarships.

As a transition to the new approach, in 2017 VDC began providing customised professional development programs for Skills First training providers in consultation with DET and Learn Local Organisations (LLOs). This identified that LLOs required specific professional development to strengthen their skills, knowledge and understanding to better respond to their student cohort.

Since 2015 VDC has provided (and continues to provide) several programs for the Operations Policy and Standards Unit, Training Market Quality Division, Higher Education and Skills Group (HESG), DET. VDC welcomed the opportunity to shift to similar continuous professional development programs under the 2018 Strategic Work Plan to support Skills First training providers' ongoing professionalism.

This transition has been supported by the establishment of permanent VDC training facilities at Level 8, 379 Collins Street, Melbourne, which has provided the VDC and DET with an efficient and best practice model to deliver consistent, high-quality, funded training opportunities.

DET, in consultation with VDC, focused the 2018 Strategic Work Plan on delivering workforce professional learning to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners. The VDC has transformed the Work Plan into a range of Professional Learning Program series comprising 34 full-day workshops, nine half-day workshops and three webinars. The Program was delivered from 25 June 2018 to 1 December 2018 under four main domains:

- // Professional Development for Providers of Accredited Training
- // Professional Development specific to LLOs
- // Professional Development for Community Sector Workers and Government Department Staff
- // Other services to support specific programs

The programs were well-subscribed and well-supported by those who attended. The registration rate for the total program was 84% of capacity being 1,210 of a total 1,440 places, with 126 Skills First organisations participating plus another 91 Learn Local service providers.

The results of the VDC evaluation and an independent evaluation conducted by the Australian Centre for Educational Research (ACER) revealed that participants responded favourably to the Program series, forums, workshops and webinars. Participants reported that they were able to learn and/or refresh skills and knowledge that they intended to use to drive change in their organisation. The majority were already in the process of applying what they learnt when contacted to participate in the evaluation.

A summary of each domain is provided on the next page.



## PROGRAM DOMAIN 1

### Professional Development for Providers of Accredited Training

The workshops were provided specifically for VET teachers, trainers and assessors of Training Providers of Accredited Training with a Skills First contract.

24 workshops, 3 webinars, 721 registrations in the program areas of:

- **Professional Knowledge Series:**  
9 workshops, 295 registrations
- **Disability Sector Transformation including:**  
9 workshops, 3 webinars, 238 registrations
- **Workforce Implications including:**  
6 workshops, 188 registrations

Average Satisfaction Rating **100%**

The **Professional Knowledge Series** of workshops drew on educational theory and VET policy to promote reflective practice and build advanced training and assessment skills. The workshops' topics and areas of focus were:

#### WORKSHOP 1

##### Teaching, learning and assessment theory and practice

###### AREAS OF FOCUS

- Understand the impact of teaching and assessment on learning
- Understand how learner diversity impacts learning
- Understand teaching design principles and strategies on student learning
- Understand assessment purposes, principles and processes

#### WORKSHOP 2

##### Content, context and how it can be taught

###### AREAS OF FOCUS

- Understand implications of industry context for program design
- What makes good and bad units/qualifications and how to have input into Training Package development
- Understand the requirements of learning program/s
- Building sustainable partnerships with industry

#### WORKSHOP 3

##### Understand learners, their contexts and how they learn

###### AREAS OF FOCUS

- Understand how learners progress in their learning
- Understand and value learners' social, cultural and linguistic backgrounds to support learner participation
- Understand the demands of different learning contexts
- Understand a variety of effective strategies to support learners to learn

### Put yourself in their shoes

(Professional Knowledge Series)

Based on her experience of a previous VDC workshop where she had found the presenter of the workshop engaging, Kate was looking forward to attending the upcoming PD even though she had not had much choice in the sessions she was attending. But on scanning the details that had been emailed through to her by her boss, she thought that **the details about the content and objectives for each session were clear and were highly relevant to her work.**

As a trainer of trainers in the Childcare sector, Kate was personally motivated to attend PD for **professional networking and educational leadership reasons** and to take what she might learn back to her workplace to share with others - although she felt **'fulfilling industry currency for VRQA' was the prime reason she had been sent to the PD from her employer's perspective.**

Kate felt that a successful outcome of attending PD would be 'to get really clear goals to work towards for better practice.'

**'I want to be compliant but through best practice teaching not shortcuts.** I want to update my understanding and take that back and be able to share it with others.'

Her post-attendance reflection of attending the PD was very positive although she felt that there was **an assumption that all delivery took place in the classroom** with scant attention to workplace or online delivery, 'There needs to be more awareness of who is in the room.'

'In this session, the facilitator reminded us to always try and appreciate the learner experience. So since the PD **I have used the role-play concept in training** with regional trainers of childcare to simulate the student experience as they sign up online and asked them to **'Put yourself in their shoes'**. It really makes them think.'

Kate credits the dynamic experience of the workshop and that the presenter practiced what she preached as the main reason she could apply what she had learned once back at work, **'She did illustrate best practice delivery.** She kept the pace moving. Got us moving physically. It stuck in my mind. She set a high standard.'



The **Professional Learning Series** of workshops explored how to plan, engage in and evaluate the impact of professional learning. Three core themes (repeated twice) were delivered as a half-day workshop. A webinar summarising each of the three workshop topics was also made available. The workshops themes were:

### WORKSHOP 1

#### Plan professional learning to improve student outcomes

This workshop addressed how to plan an approach to professional development: Identifying current skills and knowledge needs and pinpointing gaps in your knowledge and planning for current and future needs, ultimately leading to better outcomes for students.

##### AREAS OF FOCUS

- Planning professional learning needs to improve teaching, learning and assessment

### WORKSHOP 3

#### Evaluate impact of professional learning

This workshop examined a variety of ways to review the outcomes of a trainer's professional learning. The level of review may include: Enrolment, attrition and completion data; feedback from learners; advice and feedback from external stakeholders – community, employers etc.

##### AREAS OF FOCUS

- Monitor and review impact of own professional learning on learners

### WORKSHOP 2

#### Engage in professional learning

This workshop considered ways to access a wealth of professional learning through the online forums, learning networks, educational materials, networks and support services that help build teaching quality and generate better student learning outcomes.

##### AREAS OF FOCUS

- Engage with the teaching and learning networks and communities to improve learner outcomes
- Engage with vocational/industry networks, forums and associations to improve learners outcomes



### Keeping on target

(Professional Learning Series)

Jane is the Manager of a LLO RTO and uses 5 streams of funding to deliver multiple programs – with differing levels of reporting and accountability measures 'but run like a seamless set of options to the outside eye'.

Currently on leave, she reflected on the value of the workshop:

'For me PD needs to be clear at glance. I'm time poor. If descriptions get too dense I won't look. But if it's too brief and it won't grab me. My LLO RTO uses VDC as main form of external PD and we will always pay if a topic is relevant and have done so in past. But **this has just been a great opportunity. It's the best PD I've been to.**

'I haven't been back to work since the PD but **I've got a plan to implement once I'm back at work** – best part was Governance policies and procedures – I can see we need to make some changes. I wanted to leave the PD with a concrete thing to put into practice easily – **something implementable** immediately and I got that. But it's going to be about **trying keep the momentum going** after a break – but the resources are good to look back on.'

'Kevin is very entertaining and makes topics I knew still interesting. I knew most of the stuff about the VET landscape which was reassuring. I've been in job for a while and like to test that I am not stale and I am on target – **the session really did help to validate what I already know.**

'But there is more around our Guidelines and Resources we need to work on. Across time **I hope to deepen my knowledge** and be able to pass this on to Committee members.'

The **Professional Practice Series** of workshops drew on educational theory and VET policy to promote reflective practice and build advanced training and assessment skills. The series workshops had six core themes and delivered once. The themes and areas of focus were:

### WORKSHOP 1

#### Design effective teaching and learning experiences

##### AREAS OF FOCUS

- Establish challenging learning goals
- Ensure that learning programs and the learning environment are vocationally relevant
- Select and organise content
- Design challenging and inclusive teaching and learning activities
- Develop teaching and learning resources to capitalise on learning environments

### WORKSHOP 3

#### Create and maintain a safe and supportive environment that optimises learning

##### AREAS OF FOCUS

- Comply with legislation, codes of ethics and conduct established by regulatory authorities and organisations
- Manage challenging learner behaviour to promote positive learning experiences

### WORKSHOP 5

#### Evaluate impact of teacher on learning

##### AREAS OF FOCUS

- Evaluate personal teaching and learning strategies to improve practice
- Evaluate and improve teaching programs

### WORKSHOP 2

#### Effective teaching and learning strategies to cater for a range of learning needs

##### AREAS OF FOCUS

- Manage teaching and learning activities
- Implement teaching and learning strategies to challenge and motivate individual learners
- Use communication strategies that motivate and support learning and wellbeing

### WORKSHOP 4

#### Assess for learning and monitor learner progress

##### AREAS OF FOCUS

- Design and apply activities/tasks to identify where the learner is at in terms of their learning
- Monitor learner progress to identify targeted intervention
- Provide feedback to learners to support progression

### WORKSHOP 6

#### Assess and report learner achievement

##### AREAS OF FOCUS

- Determine the assessment purpose/s, evidence requirements and stakeholder reporting needs
- Use of range of suitable assessment methods and tools consistent with regulatory standards and requirements
- Conduct assessment to make valid and reliable assessment judgements
- Record and report learner achievement
- Evaluate and improve assessment



### A strong teaching focus

(Professional Practice Series)

As a busy sessional teacher of ELICOS and English for Living classes at a not for profit organisation, the chance to attend PD that was free was an attractive option, and even though **it meant attending in her own time** Amy was anticipating that she would get value from the VDC workshop - Effective Teaching, learning strategies to cater for a range of learning needs. Whilst she acknowledged that her organisation was sending her for compliance reasons, for Amy **the motivation to attend was all about the opportunity to improve her teaching practice.** 'I think workshops like this are ideal whether you are new to teaching or have been doing it for years. Actually if you have been doing it for years you have internalised it and your knowledge can become dormant or unused. You can get stale, this (the PD) refreshes your practice and reminds you what you knew intuitively.'

Amy enjoyed the active, activities based nature of the PD, she **also enjoyed working with others from different vocational areas**, creating activities from a unit of competency - 'you can never do too much of that! I also got a lot out of the exercises in groups with other practitioners. It's interesting to see the material through another practitioner's lens and what suits the way they work. I also enjoyed the networking and sharing.' ACER Draft Evaluation Report

Back in her workplace, Amy used her refreshed knowledge of Bloom's taxonomy during a moderation session for her ELICOS courses, 'I enjoyed looking at the language of Bloom and thinking through various levels of complexity of tasks and linking that to my students. After applying Bloom's taxonomy verbs to our assessments we ended up revising some of our tests.'

Since attending the PD, Amy has talked to her manager and is taking on some co-ordination tasks. One of her goals is to disseminate what she has learned and conduct in-house PD based on the VDC booklet, **'I liked the way that the presenter quoted bits and pieces out of it and then had slides that matched the book** - it has good theory and information that you can go back to.'

### Grassroots stuff

(Professional Practice Series)

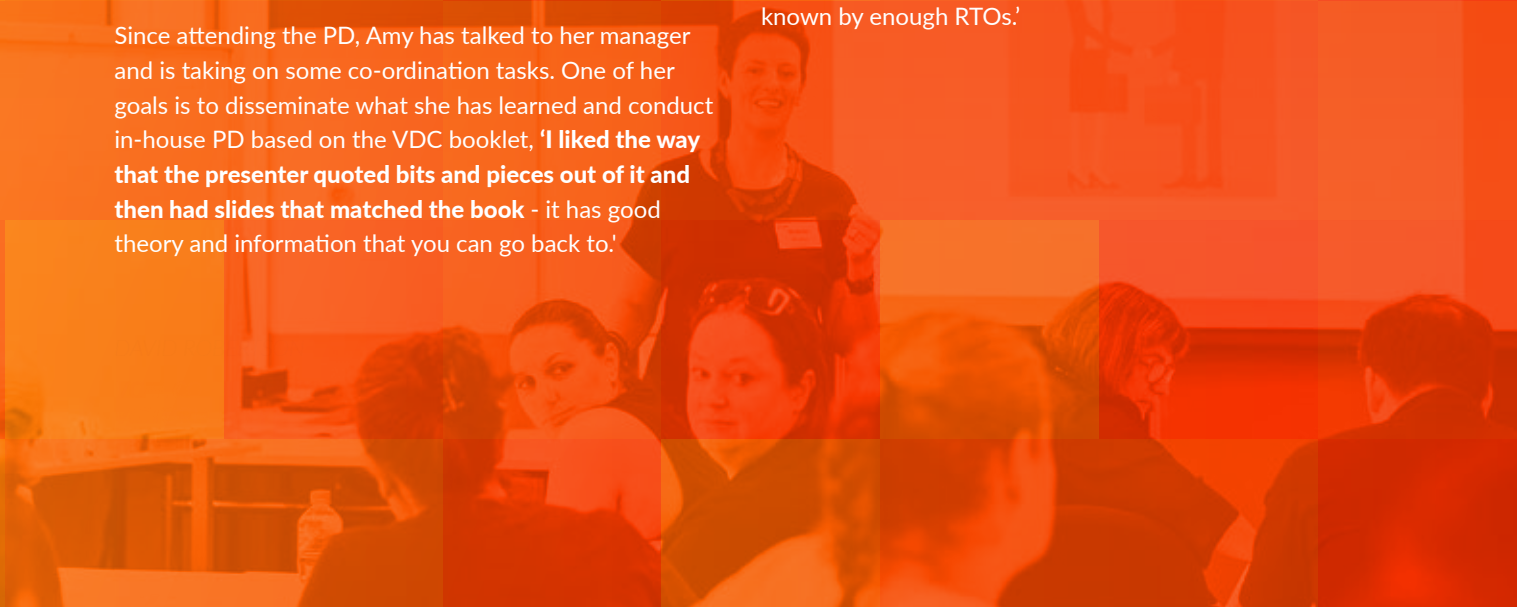
John's role is as a trainer for an RTO and doing work for a horticulture company. He is 'looking to improve processes.'

**'I've been to the entire series** and when I met with my CEO I realised that there is real organisational commitment to improve in this area and so I am it! I've taken on a role of Training and Development manager since starting this PD. I'm in it for the apprentices - if I can improve what we do for them, their futures - then that's it. In this session (Workshop 2) I'm looking for things that will help me improving my ability - new delivery techniques to provide training to apprentices.'

**'All VET teachers should go through this.** Whether you have your TAE you still need this practical stuff about teaching - the grassroots stuff. **Not about ticking the compliance boxes but the ways to really get the message across to learners.'**

**'My main take home message from the PD was how much I don't know** - but it gave me the chance to link some of what I do know with the different theories that go with that. An emphasis of the PD was on treating each student individually and adapt to suit the individual. Let them work out how to do it for themselves with me as a mentor. I realise I do that with the young people I work with on the job in various landscaping workplaces. **But it's good to link it to things like constructivist theory.'**

'The resources with all the theory in them are a good resource. So is the VDC and the presenters. **I've made follow up contact with all of them and asked for specific sheets and links.** All three have been happy to help. The VDC is an invaluable resource that may not be known by enough RTOs.'



## PROGRAM DOMAIN 2

### Professional Development specific to Learn Local Organisations

In collaboration with DET, VDC developed a new approach aimed to improve the capability and capacity of the pre-accredited VET sector by developing and delivering a range of professional learning opportunities to LLOs.

12 workshops, 315 registrations in the program areas of:

- **Access, Choice and Equity Series:**  
8 workshops, 224 registrations
- **Professional Leadership Series:**  
4 workshops, 91 registrations

Average Satisfaction Rating

99%

Part of the new approach in 2018 was to build on the well-received **Access, Choice and Equity Series** that had been developed and delivered for the Learn Local workforce in 2017. VDC incorporated participant and Adult, Community and Further Education (ACFE) Board comments to ensure that the workshops were further improved and expanded in the 4 areas of focus: Outreach and Engagement; Learner Support and Wellbeing; Teaching and Learning; and Pathways. The four workshops were repeated twice to enable broader access to the program. The improved series was well received, as reflected in an average 99% satisfaction rating derived from the program evaluations

Further, part of this new approach was to develop a professional leadership program targeted to LLO managers and leaders. VDC delivered a **Professional Leadership Series** with a focus on two areas: Governance, Funding and Reporting; and Leadership & Organisational Development.

This Leadership Series focused on how to effectively communicate with others and to confidently communicate a clear message, by providing attendees with simple concepts as well as time to practice new learnings especially interpersonal communication and conveying a distinctive message. It also addressed the challenges of leading rather than managing and independent thinking as well as problem-solving skills, so participants could unlock their true potential. The sessions were repeated to ensure maximum engagement by the LLO organisations.

In addition, DET continued to provide **funded places for LLO** staff in the 2018 VDC Professional Development Program. VDC offered funded places for LLOs to attend existing VDC webinars and workshops. VDC promoted the opportunity in April and the allocation was fully subscribed within four weeks, accommodating 177 staff from 45 LLOs.

### Building partnerships takes time

(Learn Local Access, Choice and Equity Series)

James is a volunteer tutor coordinator from an outer metro LLO. He was reflecting on a previous experience of PD at VDC that he thought had missed the mark, 'I have attended a session there before and it was not really suited to Learn Locals. It assumed a TAFE or a place with larger resources. The content needs to be very relevant to the audience. **Learn Locals are a particular eco-system.** People who deliver must be from the sector and understand the realities of the people they are delivering to.'

As a result he was feeling ambivalent about his upcoming attendance Workshop 1 – Outreach and engagement at the Learn Local Organisations Access, Choice and Equity Series although was pleased that the sessions were part of a free series.

James was very clear that he wanted content relevant to Learn Locals' circumstances and operating environment, **'The material cannot afford to be general. It must be specific to our situation.'**

In particular, James was looking for a session on managing volunteers and was hoping that the descriptions of the workshops on the VDC website might have offered a bit more detail, 'The Access, Choice and Equity series had **the least amount of info about each workshop. I remember only a single line.** Other workshops in the series had a list of topics – there was more information on other workshops than the one I chose to go to.'

His primary reason for attending was to improve his own personal practice although he was also interested in the networking aspect and the chance to meet others doing a similar role to him and their perspectives.

James felt that a successful outcome would be to 'have listened to content relevant to an LLO context and that helps me improve my practice. **To find that the content was meaningful to me.'**

Six weeks after attendance James felt he had partially achieved this - 'The presenter was good and had the right skills and experience.' His take home message from the workshop was that realistic timeframes are important and that building partnerships takes time.

Based on his confidence in the presenter, **James had used his own motivation to improve his practice** and confidence but noted that **he would have liked more 'takeaway support materials'** and the opportunity to follow up with the presenter after a period of time to ask questions.

His initial reticence about the value of PD had softened over time, 'I learned that we need to be kinder on ourselves and through recognition and reflection I feel **I have more control and confidence to implement my engagement approach as a result.'**





## PROGRAM DOMAIN 3

### Professional Development for Community Sector Workers and Government Department Staff

The **Understanding Vocational Education & Training Series** was developed to strengthen the knowledge and understanding of the VET system for workers in the community sector and relevant staff of other Victorian Government departments. The interactive one-day seminar focused on: Improving the knowledge and awareness of the VET system, Understanding the education and training pathway for clients, and Accessing education and training services and opportunities for clients. Areas of focus:

- Knowledge of the VET system in Victoria
- Navigate the VET system, including pathways in and out of VET
- Knowledge of relevant educational and support programs and services that are available to clients
- Build partnerships across Government Departments and agencies, community service organisations, training providers, industry and other relevant stakeholders to support educational outcomes for clients
- Knowledge of the barriers to entry and how to overcome them
- Have the knowledge to support and advise clients to engage in education and explore opportunities available to them
- Knowledge of relevant educational and support programs and services that are available to clients

Average Satisfaction Rating

**95%**

The interactive workshop was repeated three times at the VDC and attracted 72 attendees employed within community service organisations delivering social and justice services to the local community and relevant Government Department staff from Department of Health and Human Services (DHHS), Department

of Justice and Regulation (DOJR), Department of Economic Development, Jobs, Transport and Resources (DEDJTR), and any other Departments with an interest in understanding vocational education and training. The program achieved an average satisfaction rating of 95%.



## PROGRAM DOMAIN 4

### Other services to support specific programs

A professional development program on Family Violence was implemented as part of strengthening the knowledge, skills and practice of VET teachers, trainers, and assessors to improve the learning environment, experience and outcomes for all VET learners. The VDC

and Domestic Violence Resource Centre Victoria (DVRCV) developed two workshops focusing on: Family Violence and Risk Assessment; and Disclosure in the Adult learning environment. The program was repeated and attracted over 100 registrations and a satisfaction rating of 100%.

Average Satisfaction Rating **100%**

The **Identifying Family Violence and Risk Assessment** full-day workshop was an introductory session for the VET workforce with no specific family violence work experience. The session covered the effects of family violence on adults and children, and provided an overview of legal responses, resources and referrals. The program also explored ways of asking about violence and responding to disclosures.

The **Responding to Disclosure in the Adult learning environment** half-day workshop focused on educating VET practitioners on how to appropriately manage a learning environment and support learners who might be experiencing family violence.



## VDC EVENTS

### VDC OFFICIAL OPENING CEREMONY



From left: VDC CEO Martin Powell, VDC Board Members Dr Belinda McLennan & Dr Mike Brown, the Minister for Training and Skills, The Hon. Gayle Tierney, VDC Board Members Kirsten Bright and Lisa Line

In the opening address, VDC Chief Executive Officer Martin Powell welcomed the Minister and highlighted the unique position the VDC has in the VET Sector as part of acknowledging the other dignitaries in attendance which included; Steph Ryan, Shadow Minister for Training, Skills and Apprenticeships; the Victorian Skills Commissioner, Neil Coulson; the Acting Deputy Secretary of the Higher Education and Skills Group DET, Lee Watts; Lynn Glover, CEO of the VRQA; and TAFE, Private RTO, Learn Local and Peak Body executive representatives.

The Minister commended the VDC for its clearly defined professional development role that is embraced by the whole sector, and provides a welcoming environment for the public, the private and the community VET workforce to interact.

The consistent and committed support provided by the Victorian Department of Education and Training (DET),

as well as board members, staff and the vast number of presenters, content experts and professionals that have been involved with the VDC since its establishment in 2005 has helped to get the organisation to where it is today.

This combined effort is now symbolised in centrally located best practice training facilities and builds the platform for the VDC to become a centre of excellence for workforce development, the vision for the organisation by 2020.

VDC Board Member Dr Belinda McLennan highlighted that the establishment of training facilities was prompted by the fact that the VDC has grown from hosting 5 PD events in its first year in 2005, to over 295 PD events in 2017.

The VDC has welcomed the opportunity provided by DET to increase the funded continuous professional development programs for Skills First providers under the 2018 Strategic Work Plan.



The increased PD support for developing Skills First training providers' ongoing professionalism can now be supported by the establishment of the permanent training facilities, which provide the VDC and DET with an efficient and best practice model to deliver consistent, high-quality, training opportunities for the VET Sector.

The Board also acknowledged the vision and considerable effort of the VDC Chief Executive Officer Martin Powell, who developed the business case and rationale for the establishment of this venue and ably supported the Board during the transition. Martin and the VDC team continued to manage the largest PD program delivered by the VDC - and streamlined business, marketing and corporate practices to enhance and stimulate engagement with the VDC by the professional workforce and other stakeholders during this time.



VDC CEO Martin Powell and the Minister for Training and Skills, The Hon. Gayle Tierney



Victorian Skills Commissioner Neil Coulson at VDC Thought Leaders Seminar

## VDC TEACHING & LEARNING CONFERENCE



The 2018 VDC Teaching and Learning Conference was held on 6 & 7 September 2018 at the RACV Torquay Resort on the Great Ocean Road in Victoria. This was the 13th year of the conference. The focus of the program on Innovative Teaching Practices in VET and the extension of the program to two full days was warmly received, with a record 185 delegates attending from across Australia.

Wendy Perry was the perfect choice for MC as a highly regarded VET educator, entrepreneur and innovator, with her drive for being at the forefront of applying emerging teaching practices and facilitating immersive learning experiences evident throughout the program.

Keynote presentations from Jason Renshaw, Dr John Flett and Dr Rich Allen considered the intersection of teaching innovation and creativity with digital technology, the workplace and learner engagement. Following the popularity of last year's debate, another great debate was held on the effectiveness of technology in the classroom, which invoked strong opinions from panellists and attendees alike.

Concurrent workshops were filled to capacity and repeated each day to ensure delegates access the workshop topics. The workshops featured popular VDC presenters as well as content experts and the keynote presenters.

A definite highlight was magician and comedian Nick Kay who provided an intimate performance at every table before delivering an outstanding performance as the Conference Dinner entertainment.



## VICTORIAN TRAINING AWARDS

The 2018 Victorian Training Awards celebrate the outstanding achievements of students, teachers, vocational staff, employers and training providers across the state.

VDC was proud to sponsor the Teacher/Trainer of the Year Award for the second consecutive year. 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 Wendy Lever-Henderson, a Senior Educator from South West TAFE. Wendy received the award based on her passion for developing and expanding community services and inspiring her students to have a positive impact on other people's lives. Her flexible approach to learning has doubled diploma graduate numbers.

## VDC THOUGHT LEADERS SEMINARS

The VDC held 3 Thought Leaders Seminars in 2018, a free event hosted at the new VDC Training Facilities.

The first seminar was held on 16 March 2018, where the VDC presented Sharon Richens. Sharon is an experienced Physiotherapist with a passion for best practice Injury Management strategies, Workplace Wellbeing and Employee Resilience programs. The seminar was titled Developing the strategy for best practice well-being engagement and focused on the Happy Body at Work program outcomes, trialled by VDC with Victorian TAFEs in 2017.

The second VDC Thought Leaders seminar was held on Friday 25 May 2018 at the VDC. The topic Professional Learning and Practice for the VET Workforce was presented by VDC Content Expert Karen Dymke. The presentation considered how best to engage with students to impart theory as well as stimulate participation in learning. Karen is a regular and popular VDC content expert whose content and style resonated well with attendees.

The third VDC Thought Leaders Seminar for 2018 was held after the VDC official opening ceremony on 4 July and focused on the Role of the Teacher in enhancing the Apprenticeship Experience to stimulate discussion around enhancing the delivery of apprenticeships and higher level apprentices from a teaching perspective. The expert panel assembled consisted of Neil Coulson - Victorian

Skills Commissioner, Dean Luciani - Chair, Apprenticeship Employment Network, Andrew Williamson - Executive Director, Victorian TAFE Association, Warren Hill - Director Skills and Engagement Higher Education and Skills Group, DET and David Windridge - CEO, MEGT Australia. This was the largest attendance at a VDC thought leaders seminar with 119 registrations.

## AVETRA VET PRACTITIONER RESEARCH CONFERENCE

The inaugural AVETRA VET Practitioner Research Conference was held on 26-27 April at the VDC. AVETRA, VDC and the Victorian TAFE Association partnered for this event. The conference was a unique opportunity for VET teachers, trainers and other professionals to present and learn about new research in VET. Workshops, brief research 'snapshots' and full research presentations made up the program, along with an international keynote, José Luis Fernandez Maure, Head of International at TKNIKA (Institute of Innovation and Applied Research for Vocational Education and Training) in the Basque Country.

## WFCP 2018 WORLD CONGRESS

In early October 2018 in Melbourne, Australia the World Federation of Colleges and Polytechnics (WFCP) explored new challenges in vocational and professional education and training arising from advances in technologies and automation and the impact on work, societies and peoples who may be displaced due to changing economic and global circumstances.

Hosted by TAFE Directors Australia (TDA), the Congress brought together over 800 delegates from community colleges and polytechnics from around the world and experts in professional and vocational education and training. The 2018 World Congress focused on action based solutions to these challenges.

VDC participated as an Affinity Group partner for the Congress, being selected by TDA as one of the sites in Melbourne that showcased the approach to VET in Australia. VDC was proud to host the Global Skills and Labour as well as the Sustainable Education Affiliate Groups as part of the Congress on 8 October 2018.

## SEMINAR: SPECIALIST PEDAGOGY IN VET TEACHING

Federation University held an event, open to all VET practitioners, at the VDC on 8 March 2018 featuring international expert on VET teaching Professor Kevin Orr. Kevin, Professor of Work and Learning, is currently leading a national project in the UK on the topic of subject-specialist pedagogy in VET – the different teaching and learning methods that are best suited to teaching training for different industry areas. Huddersfield University has long been a leading VET teacher-training institution in this area. This event attracted much interest from VET teachers/trainers, professional development staff, program leaders, and those involved in teaching the Certificate IV TAE and Diploma of VET. The event was sponsored by the VDC, Federation University, and the Australian Council of Deans of Education Vocational Education Group (ACDEVEG).

BREAKOUT ROOM











2010

**DIRECTORS'  
REPORT**

## DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2018.

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

Leave of absence: 13 July 2018 -  
12 June 2019

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 has recently served as the Chair of the ACFE Board.



### **DR. BELINDA McLENNAN**

*Acting Chairperson*

// 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.



### **KIRSTEN BRIGHT**

Director

// BA (PR)

Appointed: 9 August 2016

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

Previously she worked as a Senior Advisor with Victoria University in VET policy and government relations, was also a Senior Project Officer in the Office of the Deputy Secretary with Skills Victoria (now Department of Education and Training) and also worked as a policy officer in the higher education team, supporting a review of the Victorian Tertiary Education system.

Kirsten has also completed a Master in Public Policy and Management at the University of Melbourne in 2018.



### **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 Sheet Metal 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 as CEO of 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 Manger 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.



**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*

// MEGT (Australia) Ltd, Ability English,  
MEGT UK, BEc, GDip (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.

A large, stylized background image on the right side of the page. It shows a close-up of a white wall covered with numerous colorful sticky notes in shades of yellow, orange, and grey. The text 'Board Room' is printed in a large, grey, sans-serif font across the middle of the image, partially obscured by the sticky notes. The overall aesthetic is professional and creative.

## COMPANY MEMBER

The Company member as at 31 December 2018 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 2018

- // **David Williams**, Member and VDC Director  
Cert Survey Drafting
- // **David Windridge**, Member and VDC Director  
BEc, GradDip – Teaching  
GAICD, Fellow CEO Institute
- // **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 2018

- // **Dr. Belinda McLennan**, Chairperson and VDC Director  
DProf (UK), MEd , BA, GCert (LD), GCert (Ed), GDip (Ed)
- // **Dr. Michael Brown**, VDC Director  
PhD, M Ed, GradDip
- // **Brian Henderson**, VDC Director  
BA, DipEd
- // **Martin Powell**, VDC Chief Executive Officer/Company Secretary  
BBus (Acc)

## PRINCIPAL ACTIVITIES

The principal activities of the company during 2018 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 VDC 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 VDC has the following functions:

- // Identifying and sponsoring opportunities for the ongoing development of all teaching and non-teaching 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; and
- // 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 VDC 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; and
- // 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 surplus for 2018 was \$1,347,030.

The performance result for the year against budget is a surplus of \$702,030.

An amount of \$1,315,000 for core funding and \$645,000 strategic project funding was receivable from the Victorian Department of Education and Training (DET) in

December 2018 for the 2019 year. Due to the recognition requirements under the accounting standards for not for profit entities, income receivable of \$1,960,000 core funding for 2019 has been recognised as income in the year 2018 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 good and services to be delivered during 2019 as part of the partnership between DET and the VDC to provide professional development for the VET sector workforce.

In 2018 the VDC designed, organised and hosted 323 professional development activities servicing over 10,100 attendees, including open access Professional Development programs, government funded programs, customised training programs, external webinars, major corporate events, facilities hire and the Annual Teaching and Learning conference.

### **Achievement against objectives and strategies**

The VDC delivered the following programs and services in 2018 to meet the stated objectives and strategies.

## **ESTABLISHMENT OF PERMANENT TRAINING FACILITIES**

2018 was a particularly exciting year for the VDC Board and team as it represented the first year of professional learning program delivery from the permanent VDC training facilities at Collins Street, Melbourne. The facilities have provided the VDC, the Victorian Department of Education and Training (DET) and the broader VET sector with an efficient and best practice model to deliver consistent, high-quality, funded training opportunities.

This was further enhanced by the diversification of the business activities of the organisation. Through the guidance and collaboration with DET, the VDC government funded activities transitioned from workforce development grants and scholarships to professional learning programs for Skills First training provider employees.

## **PROFESSIONAL DEVELOPMENT**

The VDC Professional Development Program in 2018 provided 99 workshops and national webinars to the sector to over 3150 attendees around the following key themes:

- // **Quality, Compliance and Auditing**
- // **Assessment Tools**
- // **Mapping and Validation**
- // **Online Delivery**
- // **Teaching and Learning Strategies**
- // **Workforce Development**

In 2018 the VDC delivered a diverse 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 (DET), a training program specifically designed for Victorian TAFE, as well as National Disability Insurance Scheme (NDIS) training provider programs, and programs for community service organisations delivering social and justice services to the local community, and relevant Government Department staff from Department of Health and Human Services (DHHS), Department of Justice and Regulation (DOJR), Department of Economic Development, Jobs, Transport and Resources (DEDJTR). Over 2,750 VET workforce participants accessed 100 complimentary PD events in 2018.

In addition to the Skills First professional development program, in previous years DET had provided funding to VDC to administer a range of workforce development grants and scholarships as part of the Common Funding Agreement between VDC and DET. In 2018 a Strategic Work Plan was developed that focused on reinvesting this funding into delivering workforce professional learning in the form of workshops, webinars and information sessions. These professional learning activities aimed to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.



### 2018 Victorian Government Funded Programs:

- // Putting Students First: Delivering suitable and appropriate training workshops
- // Developing Effective Training and Assessment Strategies workshops
- // Good Practice Language, Literacy and Numeracy (LLN) Assessment and Support Workshops
- // NDIS Professional Development for Victorian VET Providers - Trainers and Assessors of NDIS related qualifications
- // TAFE Contemporary Human Resources Practice Initiative (CHRPI)
- // Professional Development for Providers of Accredited Training
- // Professional Development specific to Learn Local Organisations
- // Professional Development for Community Sector Workers and Government Department Staff
- // Other services to support specific programs.

A continuous improvement cycle is driven by the following activities: regular collection and monitoring of professional development activity evaluations for all workshops and webinars; commissioning independent evaluations of VDC professional development; reporting to and feedback from DET for the funding agreements in place; an annual stakeholder engagement survey; the monitoring of attendances versus registrations for programs; activities of VDC competitors; and the ongoing VET policy debate.

## EVENTS

Major events hosted and subsidised by VDC in 2018 were:

### VDC TEACHING & LEARNING CONFERENCE

The 2018 VDC Teaching and Learning Conference was held on 6 & 7 September 2018 at the RACV Torquay Resort on the Great Ocean Road in Victoria. This was the 13th year of the conference. The focus of the program on

Innovative Teaching Practices in VET and the extension of the program to two full days was warmly received, with a record 185 delegates attending from across Australia.

### VDC OFFICIAL OPENING CEREMONY

The Victorian Minister for Training and Skills, the Honourable Gayle Tierney formally opened the new VET Development Centre training facilities at the official opening ceremony held on Wednesday 4 July 2018 at 379 Collins Street, Melbourne. The Minister commended the VDC for its clearly defined professional development role that is embraced by the whole sector, and provides a welcoming environment for the public, the private and the community VET workforce to interact.

### VDC THOUGHT LEADERS SEMINAR

The VDC held 3 Thought Leaders Seminars in 2018, a free event hosted at the new VDC Training Facilities. The first seminar was held on 16 March 2018, where the VDC presented Sharon Richens. Sharon is an experienced Physiotherapist with a passion for best practice Injury Management strategies, Workplace Wellbeing and Employee Resilience programs. The seminar was titled Developing the strategy for best practice well-being engagement and focused on the Happy Body at Work program outcomes, trialled by VDC with Victorian TAFEs in 2017.

The second VDC Thought Leaders seminar was held on Friday 25 May 2018 at the VDC. The topic Professional Learning and Practice for the VET Workforce was presented by VDC Content Expert Karen Dymke. The presentation considered how best to engage with students to impart theory as well as stimulate participation in learning. Karen is a regular and popular VDC content expert whose content and style resonated well with attendees.

The third VDC Thought Leaders Seminar for 2018 was held after the VDC official opening ceremony on 4 July and focused on the Role of the Teacher in enhancing the Apprenticeship Experience to stimulate discussion around enhancing the delivery of apprenticeships and higher level apprentices from a teaching perspective. The expert

panel assembled consisted of Neil Coulson - Victorian Skills Commissioner, Dean Luciani - Chair, Apprenticeship Employment Network, Andrew Williamson - Executive Director, Victorian TAFE Association, Warren Hill - Director Skills and Engagement Higher Education and Skills Group, DET and David Windridge - CEO, MEGT Australia.

## AVETRA VET PRACTITIONER RESEARCH CONFERENCE

The inaugural AVETRA VET Practitioner Research Conference was held on 26-27 April at the VDC. AVETRA, VDC and the Victorian TAFE Association partnered for this event. The conference was a unique opportunity for VET teachers, trainers and other professionals to present and learn about new research in VET. Workshops, brief research 'snapshots' and full research presentations made up the program, along with an international keynote, José Luis Fernandez Maure, Head of International at TKNIKA (Institute of Innovation and Applied Research for Vocational Education and Training) in the Basque Country.

## WFCP 2018 WORLD CONGRESS

In early October 2018 in Melbourne, Australia the World Federation of Colleges and Polytechnics (WFCP) explored new challenges in vocational and professional education and training arising from advances in technologies and automation and the impact on work, societies and peoples who may be displaced due to changing economic and global circumstances.

Hosted by TAFE Directors Australia (TDA), the Congress brought together over 800 delegates from community colleges and polytechnics from around the world and experts in professional and vocational education and training. The 2018 World Congress focused on action based solutions to these challenges.

VDC participated as an Affinity Group partner for the Congress, being selected by TDA as one of the sites in Melbourne that showcased the approach to VET in Australia. VDC was proud to host the Global Skills and Labour as well as the Sustainable Education Affiliate Groups as part of the Congress on 8 October 2018.

## SEMINAR: SPECIALIST PEDAGOGY IN VET TEACHING

Federation University held an event, open to all VET practitioners, at the VDC on 8 March 2018 featuring international expert on VET teaching Professor Kevin Orr. Kevin, Professor of Work and Learning, is currently leading a national project in the UK on the topic of subject-specialist pedagogy in VET – the different teaching and learning methods that are best suited to teaching training for different industry areas. Huddersfield University has long been a leading VET teacher-training institution in this area. This event attracted much interest from VET teachers/trainers, professional development staff, program leaders, and those involved in teaching the Certificate IV TAE and Diploma of VET. The event was sponsored by the VDC, Federation University, and the Australian Council of Deans of Education Vocational Education Group (ACDEVEG).

## SPONSORSHIP

In addition to providing in-kind support to numerous organisations through the provision of facilities, the VDC provided sponsorship and in kind support for the ongoing development of VET Workforce at the following events:

WorldSkills planning day, VDC February 2018

QUIET Network Conference & meetings, VDC Feb – Dec 2018

AVETRA VET Practitioner Research Conference, VDC April 2018

NCVER No Frills Conference, Sydney August 2018

VTA State Conference, Melbourne August 2018

Victorian Training Awards, Melbourne 24 August 2018

ACPET National Conference, Canberra 30 August 2018

deafConnectEd Webinars, VDC July 2018

ACFE Board planning day, VDC August 2018

TDA World Congress – Affinity Groups  
VDC / Conference, Melbourne October 2018

EdVET Conference, Melbourne October 2018

Community Colleges Australia Conference, Sydney  
November 2018

## 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 2018. Two fire wardens have been appointed and trained and the company has three qualified First Aid Officers.

## 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 2018, the company employed 10 staff by contract (2017: 10 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 2018 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 Directors' 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	4	-	-	-	-
Michael Brown	4	3	-	-	3	3
Sue Christophers	2	1	1	1	1	1
Ray Griffiths	4	3	5	5	-	-
Brian Henderson	4	4	-	-	3	3
Lisa Line	4	4	-	-	-	-
Belinda McLennan	4	3	-	-	3	3
David Williams	4	3	5	5	-	-
David Windridge	4	4	-	-	-	-

## **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 31 December 2018 has been received and is provided on page 45.

Dated at Melbourne the 27th day of March 2019.

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



**Dr. Belinda McLennan**

Acting Chairperson



**Dr. Michael Brown**

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 2018, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE  
29 March 2019



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 2018

	Notes	2018 \$	2017 \$
<b>INCOME FROM TRANSACTIONS</b>			
Government grants	2.1.1	2,605,000	3,775,000
Sale of goods and services	2.1.2	1,651,095	1,736,574
Interest income	2.1.3	37,003	41,143
Other income	2.1.4	72,721	21,601
<b>Total income from transactions</b>		<b>4,365,819</b>	<b>5,574,318</b>
<b>EXPENSES FROM TRANSACTIONS</b>			
Employee expenses	3.1.1	1,229,258	1,180,566
Depreciation	4.1.1	171,497	70,222
Project costs	3.2	991,635	2,067,746
Other operating expenses	3.3	625,759	778,154
<b>Total expenses from transactions</b>		<b>3,018,149</b>	<b>4,096,688</b>
Net result from transactions (net operating balance)		1,347,670	1,477,630
<b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>			
Net gain/(loss) on non-financial assets	8.2	-	(6,293)
Other gains/(losses) from other economic flows	8.2	(640)	1,074
<b>Net result from continuing operations</b>		<b>1,347,030</b>	<b>1,472,411</b>
<b>Net result</b>	2.1.1	<b>1,347,030</b>	<b>1,472,411</b>
<b>Comprehensive result</b>		<b>1,347,030</b>	<b>1,472,411</b>

The accompanying notes form part of these financial statements.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**BALANCE SHEET**

AS AT 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>FINANCIAL ASSETS</b>			
Cash and deposits	6.1	584,817	2,143,473
Receivables	5.1	2,512,319	328,308
Investments and other financial assets	4.3	879,974	179,974
<b>Total financial assets</b>		<b>3,977,110</b>	<b>2,651,755</b>
<b>NON-FINANCIAL ASSETS</b>			
Property, plant and equipment	4.1	597,785	764,649
Intangible assets	4.2	9,267	13,900
Other non-financial assets	5.3	50,388	56,356
<b>Total non-financial assets</b>		<b>657,440</b>	<b>834,905</b>
<b>Total assets</b>		<b>4,634,550</b>	<b>3,486,660</b>
<b>LIABILITIES</b>			
Payables	5.2	614,967	779,498
Employee related provisions	3.1.2	113,213	147,822
<b>Total liabilities</b>		<b>728,180</b>	<b>927,320</b>
<b>Net assets</b>		<b>3,906,370</b>	<b>2,559,340</b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)	2.1.1	3,906,370	2,559,340
<b>Net worth</b>		<b>3,906,370</b>	<b>2,559,340</b>

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 FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	Accumulated Surplus \$	Total \$
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
<b>Balance at 31 December 2017</b>		<b>2,559,340</b>	<b>2,559,340</b>
Net result for the year	2.1.1	1,347,030	1,347,030
<b>Balance at 31 December 2018</b>		<b>3,906,370</b>	<b>3,906,370</b>

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 2018

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government grants received		645,000	3,775,000
Receipts from customers		1,320,170	1,835,801
Interest received		32,571	37,046
<b>Total receipts</b>		<b>1,997,741</b>	<b>5,647,847</b>
<b>Payments</b>			
Payments to suppliers and employees		(2,665,130)	(3,683,854)
Goods and services tax paid to the ATO <sup>(a)</sup>		(191,267)	(112,349)
<b>Total payments</b>		<b>(2,856,397)</b>	<b>(3,796,203)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>6.1.1</b>	<b>(858,656)</b>	<b>1,851,644</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments		(700,000)	-
Purchases of non-financial assets		-	(848,220)
Proceeds from sale of non-financial assets		-	4,000
<b>Net cash flows from/(used in) investing activities</b>		<b>(700,000)</b>	<b>(844,220)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash flows from/(used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents		<b>(1,558,656)</b>	<b>1,007,424</b>
Cash and cash equivalents at the beginning of the financial year		<b>2,143,473</b>	<b>1,136,049</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6.1</b>	<b>584,817</b>	<b>2,143,473</b>

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

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

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 2018. 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 27 March 2019.



**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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. Fair value assessments are conducted annually to ensure that the assets carrying value still materially reflects its fair value.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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	2018 \$	2017 \$
Government grants	2.1.1	2,605,000	3,775,000
Sale of goods and services	2.1.2	1,651,095	1,736,574
Interest income	2.1.3	37,003	41,143
Other income	2.1.4	72,721	21,601
<b>Total income from transactions</b>		<b>4,365,819</b>	<b>5,574,318</b>

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 Government grants**

	2018 \$	2017 \$
<b>Government grants</b>		
Department of Education and Training (DET)	2,605,000	3,775,000
<b>Total Government grants</b>	<b>2,605,000</b>	<b>3,775,000</b>

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 \$1,960,000 was receivable from the DET as at 31 December 2018. Similarly, an amount of \$1,315,000 was received in advance from the DET on 29 December 2017. These amounts are recognised as revenue in the year received/receivable in accordance with the applicable Australian Accounting Standard for "not-for-profit" entities "AASB 1004 Contributions". These amount relates to goods and services to be delivered during 2018 and 2019 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 2018

**NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)**

**Note 2.1.2 Sale of goods and services**

	2018 \$	2017 \$
<b>Sale of goods and services</b>		
Fee for service - customised programs and events	764,616	699,823
Fee for service - grants and tender	886,479	1,036,751
<b>Total sale of goods and services</b>	<b>1,651,095</b>	<b>1,736,574</b>

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**

	2018 \$	2017 \$
<b>Interest from financial deposits not at fair value through profit and loss</b>		
Interest on bank deposits	37,003	41,143
<b>Total interest from financial deposits not at fair value through profit and loss</b>	<b>37,003</b>	<b>41,143</b>

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

**Note 2.1.4 Other income**

	2018 \$	2017 \$
Rental income - sub lease - part Level 8, 379 Collins Street	64,089	21,601
Paid Parental Leave funds received	8,632	-
<b>Total other income</b>	<b>72,721</b>	<b>21,601</b>

Rental income relates to the sub lease of part Level 8, 379 Collins Street to the period ending 30 June 2020 with an option of one further term of 2 years.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 3: THE COST OF DELIVERING SERVICES**

**Note 3.1 Expenses incurred in delivery of services**

	Notes	2018 \$	2017 \$
Employee benefit expenses	3.1.1	1,229,258	1,180,566
Project costs	3.2	991,635	2,067,746
Other operating expenses	3.3	625,759	778,154
<b>Total expenses incurred in delivery of services</b>		<b>2,846,652</b>	<b>4,026,466</b>

**Note 3.1.1 Employee benefits in the comprehensive operating statement**

	2018 \$	2017 \$
Salary & wages	1,120,309	1,000,034
Annual leave	1,830	16,066
Long service leave	(37,079)	11,896
Superannuation	101,151	89,684
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	41,392	46,538
Casual/temporary staff	1,655	16,348
<b>Total employee expenses</b>	<b>1,229,258</b>	<b>1,180,566</b>

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 2018

**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.

	2018 \$	2017 \$
<b>Current provisions</b>		
<b>Annual Leave:</b>		
Unconditional and expected to settle within 12 months	55,069	53,888
Unconditional and expected to settle after 12 months	-	-
<b>Long service leave:</b>		
Unconditional and expected to settle within 12 months	-	-
Unconditional and expected to settle after 12 months	29,916	45,502
	84,985	99,390
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	18,904	18,255
Unconditional and expected to settle after 12 months	3,799	5,804
	22,703	24,059
<b>Total current provisions for employee benefits</b>	<b>107,688</b>	<b>123,449</b>
<b>Non-current provisions</b>		
<b>Long service leave</b>		
Conditional and expected to settle after 12 months	4,902	21,616
<b>On-costs</b>		
Conditional and expected to settle after 12 months	623	2,757
<b>Total non-current provisions for employee benefits</b>	<b>5,525</b>	<b>24,373</b>
<b>Total provisions for employee benefits</b>	<b>113,213</b>	<b>147,822</b>

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)**

**Reconciliation of movement in on-cost provision**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Opening balance	26,816	21,584
Additional provisions recognised	649	6,205
Reductions arising from payments/other sacrifices of future economic benefits	(4,139)	(973)
<b>Closing balance</b>	<b>23,326</b>	<b>26,816</b>
Current	22,703	24,059
Non-current	623	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 2018

**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	
	2018 \$	2017 \$	2018 \$	2017 \$
Defined contribution plans:				
Victorian Superannuation Scheme	43,270	35,519	3,783	3,084
Various other	63,107	53,747	4,846	4,317
<b>Total</b>	<b>106,377</b>	<b>89,266</b>	<b>8,629</b>	<b>7,401</b>

Total superannuation contributions made by the company were \$106,377 (2017: \$89,266). \$8,629 of superannuation contributions were outstanding at 31 December 2018 (2017: \$7,401).

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)**

**Note 3.2 Project costs**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Core funded programs	169,428	980,086
Knowledge sharing	-	62,169
Fee for service expense - customised programs and events	453,033	383,346
Fee for service expense - grants and tenders	369,174	642,145
<b>Total project costs</b>	<b>991,635</b>	<b>2,067,746</b>

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**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Board and committee	15,926	20,736
Professional services (Consulting)	66,564	149,402
Information technology	38,516	51,767
Marketing	56,972	72,094
Printing, stationery and office requisites	58,494	64,270
Accommodation occupancy costs	360,336	374,211
Training and development	8,450	2,840
Travel and related expenses	3,983	8,643
Recruitment and advertising	16,518	34,191
<b>Total other operating expenses</b>	<b>625,759</b>	<b>778,154</b>

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 2018

**NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY**

**Note 4.1 Total Property, plant and equipment**

	2018 \$	2017 \$
<b>Plant &amp; Equipment</b>		
At Fair Value	62,514	62,514
Less: Accumulated depreciation	(17,046)	(4,543)
	45,468	57,971
<b>Leasehold Improvements</b>		
At Fair Value	771,806	771,806
Less: Accumulated depreciation	(219,489)	(65,128)
	552,317	706,678
<b>Total property, plant and equipment</b>		
At Fair Value	834,320	834,320
Less: Accumulated depreciation	(236,535)	(69,671)
<b>Net carrying amount</b>	<b>597,785</b>	<b>764,649</b>

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 2018

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

**Note 4.1.1 Depreciation and amortisation**

**Charge for the period**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Plant & Equipment	12,503	5,094
Leasehold Improvements	154,361	65,128
Intangible assets	4,633	-
<b>Total depreciation</b>	<b>171,497</b>	<b>70,222</b>

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 & Equipment	5%-25%
Leasehold Improvements	20%
Intangible assets	33%

The cost of a leasehold improvement 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 physical 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 physical 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 2018

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

**Note 4.1.1 Depreciation and amortisation (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	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Opening balance	57,971	10,844	706,678	-	764,649	10,844
Additions	-	62,514	-	771,806	-	834,320
Disposals	-	(10,293)	-	-	-	(10,293)
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(12,503)	(5,094)	(154,361)	(65,128)	(166,864)	(70,222)
<b>Closing balance</b>	<b>45,468</b>	<b>57,971</b>	<b>552,317</b>	<b>706,678</b>	<b>597,785</b>	<b>764,649</b>

VET DEVELOPMENT CENTRE LIMITED  
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

**Note 4.2 Intangible assets**

	COMPUTER SOFTWARE		COMPUTER SOFTWARE (WORKS IN PROGRESS)		TOTAL	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Opening balance	-	-	13,900	-	13,900	-
Additions	13,900	-	-	13,900	13,900	13,900
Disposals	-	-	-	-	-	-
Transfers in/out of software under development	-	-	(13,900)	-	(13,900)	-
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(4,633)	-	-	-	(4,633)	-
<b>Closing balance</b>	<b>9,267</b>	<b>-</b>	<b>-</b>	<b>13,900</b>	<b>9,267</b>	<b>13,900</b>

**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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

**Note 4.2 Intangible assets (continued)**

**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.

**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 asset is \$9,267. It's useful life is 3 years and will be fully amortised in 2020.

**Note 4.3 Investments and other financial assets**

	2018 \$	2017 \$
<b>Current investments and other financial assets</b>		
Term deposits	700,000	-
Term deposit - bank guarantee <sup>(a)</sup>	179,974	179,974
<b>Total investments and other financial assets</b>	<b>879,974</b>	<b>179,974</b>

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

(a) Bank guarantee is established in favour of Killlara Quest Pty Ltd for the premises occupied at Level 8, 379 Collins Street, with no expiry date.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

**Note 4.3 Investments and other financial assets (continued)**

**Aging 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
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Term Deposits	879,974	879,974	-	-	-	-
	<b>879,974</b>	<b>879,974</b>	-	-	-	-
<b>2017</b>						
Term Deposits	179,974	179,974	-	-	-	-
	<b>179,974</b>	<b>179,974</b>	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 5: OTHER ASSETS AND LIABILITIES**

**Note 5.1 Receivables**

	2018 \$	2017 \$
<b>Contractual</b>		
Amount owing from the Department of Education and Training (DET)	2,160,000	-
Sale of goods and services	125,007	36,050
Other debtors	227,312	292,258
	2,512,319	328,308
<b>Statutory</b>		
GST Input tax credits recoverable	-	-
	-	-
<b>Total receivables</b>	<b>2,512,319</b>	<b>328,308</b>
<b>Represented by:</b>		
Current receivables	2,349,953	100,996
Non-current receivables	162,366	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. The amendments and new disclosure requirements under AASB9 Financial Instruments did not have any impact on the financial position or classification.

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.

**Impairment**

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

There was no impairment in respect of receivables during the year or for the comparative year.

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

VET DEVELOPMENT CENTRE LIMITED  
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)**

**Note 5.1 Receivables (continued)**

**Aging 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
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Receivables	2,512,319	-	2,236,735	113,218	-	162,366
	<b>2,512,319</b>	<b>-</b>	<b>2,236,735</b>	<b>113,218</b>	<b>-</b>	<b>162,366</b>
<b>2017</b>						
Receivables	328,308	-	92,383	8,613	-	227,312
	<b>328,308</b>	<b>-</b>	<b>92,383</b>	<b>8,613</b>	<b>-</b>	<b>227,312</b>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)**

**Note 5.2 Payables and other liabilities**

	2018 \$	2017 \$
<b>Contractual</b>		
Creditors	39,452	6,163
Unused lease incentive	227,312	292,258
Unearned income	12,409	67,441
Other payables and accruals	128,770	281,561
	<b>407,943</b>	<b>647,423</b>
<b>Statutory</b>		
Superannuation payables	8,629	7,401
PAYG withholding	26,460	21,296
GST Payable	171,935	103,378
	<b>207,024</b>	<b>132,075</b>
<b>Total payables</b>	<b>614,967</b>	<b>779,498</b>
<b>Represented by:</b>		
Current payables	452,601	552,186
Non-current payables	162,366	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.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 5: PAYABLES AND OTHER LIABILITIES (CONTINUED)**

**Note 5.2 Payables and other liabilities (continued)**

**Maturity analysis of contractual payables<sup>(a)</sup>**

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Payables	395,534	395,534	233,168	-	-	162,366
	<b>395,534</b>	<b>395,534</b>	<b>233,168</b>	<b>-</b>	<b>-</b>	<b>162,366</b>
<b>2017</b>						
Payables	579,982	579,982	352,670	-	-	227,312
	<b>579,982</b>	<b>579,982</b>	<b>352,670</b>	<b>-</b>	<b>-</b>	<b>227,312</b>

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

**Note 5.3 Other non-financial assets**

	2018 \$	2017 \$
<b>Current other assets</b>		
Prepayments	50,388	56,356
Total current other assets	50,388	56,356
<b>Total other non-financial assets</b>	<b>50,388</b>	<b>56,356</b>

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 2018

**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.

	2018 \$	2017 \$
Total cash and deposits disclosed in the balance sheet <sup>(a)</sup>	584,817	2,143,473
<b>Balance as per cash flow statement</b>	<b>584,817</b>	<b>2,143,473</b>

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

	2018 \$	2017 \$
<b>Net result for the period</b>	<b>1,347,030</b>	<b>1,472,411</b>
<b>Non cash movements:</b>		
(Gain)/loss on disposal of non-current assets	-	6,293
Depreciation and amortisation of non-current assets	171,497	70,222
Other non-cash movements	640	(1,074)
<b>Movements in assets and liabilities:</b>		
(Increase) / decrease in receivables	(2,184,011)	(221,111)
(Increase) / decrease in other financial assets	-	(145,599)
(Increase) / decrease in prepayments	5,969	9,502
Increase / (decrease) in payables	(109,499)	583,196
Increase / (decrease) in provisions	(35,249)	27,962
Increase / (decrease) in income in advance	(55,033)	49,842
<b>Net cash flows from/(used in) operating activities</b>	<b>(858,656)</b>	<b>1,851,644</b>

(a) The comparative figure for 2017 includes \$1,315,000 received in advance from DET for goods and services to be delivered in 2018. As at reporting date an amount of \$1,960,000 was still receivable from DET for goods and services to be delivered in 2019. This amount was received in January 2019.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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.

	Less than 1 year \$	1-5 years \$	5+ years \$	Total \$
<b>2018</b>				
Operating lease commitments	323,653	858,289	-	1,181,942
Other commitments payable	76,415	76,415	-	152,830
<b>Total commitments (inclusive of GST)</b>	<b>400,068</b>	<b>934,704</b>	<b>-</b>	<b>1,334,772</b>
less GST recoverable				(121,343)
<b>Total commitments (exclusive of GST)</b>				<b>1,213,429</b>
<b>2017</b>				
Operating lease commitments	310,158	1,184,309	-	1,494,467
Other commitments payable	76,415	152,830	-	229,245
<b>Total commitments (inclusive of GST)</b>	<b>386,573</b>	<b>1,337,139</b>	<b>-</b>	<b>1,723,712</b>
less GST recoverable				(156,701)
<b>Total commitments (exclusive of GST)</b>				<b>1,567,011</b>

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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.

	2018 \$	2017 \$
<b>Current</b>		
Unused lease incentive	64,946	64,946
	<b>64,946</b>	<b>64,946</b>
<b>Non-current</b>		
Unused lease incentive	162,366	227,312
	<b>162,366</b>	<b>227,312</b>

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

## **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.

### **CATEGORIES OF FINANCIAL INSTRUMENTS**

#### **Financial assets measured at amortised cost**

Financial assets measured at amortised cost are financial instruments which meet both of the following criteria and are not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company recognises the following financial 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 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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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**

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, revenue receivable and term deposits.

Under AASB 9, loss allowances are measured on either of the following bases:

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

The company measures loss allowances at an equal amount to lifetime ECLs.

**Derecognition of financial liabilities**

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

VET DEVELOPMENT CENTRE LIMITED  
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 \$
<b>2018</b>			
<b>Contractual financial assets</b>			
<b>Financial assets measured at amortised cost</b>			
Cash and deposits	584,817	-	584,817
Receivables <sup>(b)</sup>	2,285,007	-	2,285,007
Term deposits	879,974	-	879,974
<b>Total contractual financial assets</b>	<b>3,749,798</b>	<b>-</b>	<b>3,749,798</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(c)</sup>	-	168,222	168,222
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>168,222</b>	<b>168,222</b>
<b>2017</b>			
<b>Contractual financial assets</b>			
<b>Financial assets measured at amortised cost</b>			
Cash and deposits <sup>(a)</sup>	2,143,473	-	2,143,473
Receivables <sup>(b)</sup>	36,050	-	36,050
Term deposits	179,974	-	179,974
<b>Total contractual financial assets</b>	<b>2,359,497</b>	<b>-</b>	<b>2,359,497</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(c)</sup>	-	287,724	287,724
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>287,724</b>	<b>287,724</b>

(a) The total amount disclosed in 2017 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 2018

**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.

VET DEVELOPMENT CENTRE LIMITED  
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 \$
<b>2018</b>			
<b>Contractual financial assets</b>			
Cash and deposits	84,817	500,000	584,817
Receivables <sup>(b)</sup>	-	2,285,007	2,285,007
Term deposits	479,974	400,000	879,974
<b>Total contractual financial assets</b>	<b>564,791</b>	<b>3,185,007</b>	<b>3,749,798</b>
<b>2017</b>			
<b>Contractual financial assets</b>			
Cash and deposits <sup>(a)</sup>	1,943,473	200,000	2,143,473
Receivables <sup>(b)</sup>	-	36,050	36,050
Term deposits	179,974	-	179,974
<b>Total contractual financial assets</b>	<b>2,123,447</b>	<b>236,050</b>	<b>2,359,497</b>

(a) The total amount disclosed in 2017 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 2018

**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 \$
<b>2018</b>					
<b>Financial assets</b>					
Cash and deposits	1.00	584,817	500,000	84,217	600
Receivables <sup>(b)</sup>		2,285,007	-	-	2,285,007
Term deposits	2.47	879,974	879,974	-	-
<b>Total financial assets</b>		<b>3,749,798</b>	<b>1,379,974</b>	<b>84,217</b>	<b>2,285,607</b>
<b>Financial liabilities</b>					
Payables <sup>(c)</sup>		168,222	-	-	168,222
<b>Total financial liabilities</b>		<b>168,222</b>	<b>-</b>	<b>-</b>	<b>168,222</b>
<b>2017</b>					
<b>Financial assets</b>					
Cash and deposits <sup>(a)</sup>	1.11	2,143,473	200,000	1,942,873	600
Receivables <sup>(b)</sup>		36,050	-	-	36,050
Term deposits	2.90	179,974	179,974	-	-
<b>Total financial assets</b>		<b>2,359,497</b>	<b>379,974</b>	<b>1,942,873</b>	<b>36,650</b>
<b>Financial liabilities</b>					
Payables <sup>(c)</sup>		287,724	-	-	287,724
<b>Total financial liabilities</b>		<b>287,724</b>	<b>-</b>	<b>-</b>	<b>287,724</b>

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 +/- \$842 (2017: \$19,428) on net result and equity.

(a) The total amount disclosed in 2017 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).

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 2018 the company had no contingent assets (nil at 31 December 2017).

**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 2018 the company had one contingent liability (31 December 2017: \$105,880).

	2018 \$	2017 \$
<b>Contingent liabilities</b>		
Make Good	106,250	105,880
<b>Total contingent liabilities</b>	<b>106,250</b>	<b>105,880</b>

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 2018

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

**Note 7.3 Fair value determination**

**Fair Value Hierarchy**

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.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 2018 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	45,468	-	-	45,468
Leasehold Improvements at fair value	552,317	-	-	552,317

	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

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 2018.

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 2018

**NOTE 8: OTHER DISCLOSURES**

**Note 8.1 Ex-gratia expenses <sup>(a)</sup>**

	2018 \$	2017 \$
Compensation of economic loss <sup>(b)</sup>	-	39,413
<b>Total ex-gratia expenses <sup>(c)</sup></b>	<b>-</b>	<b>39,413</b>

(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**

	2018 \$	2017 \$
<b>Net gain/(loss) on non-financial assets</b>		
Impairment of property, plant and equipment	-	-
Net gain/(loss) on disposal of property, plant and equipment <sup>(a)</sup>	-	(6,293)
<b>Total net gain/(loss) on non-financial assets</b>	<b>-</b>	<b>(6,293)</b>
<b>Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability <sup>(b)</sup>	(640)	1,074
<b>Total other gains/(losses) from other economic flows</b>	<b>(640)</b>	<b>1,074</b>

(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



**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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	
<b>The Hon. Gayle Tierney, MP</b>	1 January 2018 to 31 December 2018
Board Members	
<b>Susan Christophers</b>	1 January 2018 to 17 June 2018
<b>Ray Griffiths</b>	1 January 2018 to 7 December 2018
<b>Belinda McLennan</b>	1 January 2018 to 31 December 2018
<b>Brian Henderson</b>	1 January 2018 to 31 December 2018
<b>David Williams</b>	1 January 2018 to 31 December 2018
<b>David Windridge</b>	1 January 2018 to 31 December 2018
<b>Kirsten Bright</b>	1 January 2018 to 31 December 2018
<b>Lisa Line</b>	1 January 2018 to 31 December 2018
<b>Michael Brown</b>	1 January 2018 to 31 December 2018
Accountable Officer - Chief Executive Officer	
<b>Mr Martin Powell</b>	1 January 2018 to 31 December 2018

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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	2018	2017
\$0-\$9,999	9	8
<b>Total remuneration of Board Members (\$)</b>	<b>17,243</b>	<b>16,838</b>

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	2018	2017
\$200,000-\$209,999	-	1
\$210,000-\$219,999	1	-
<b>Total remuneration of Accountable Officer (\$)</b>	<b>214,438</b>	<b>206,706</b>

**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**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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.

Key management personnel of the company includes the Minister, The Hon. Gayle Tierney, MP and the Chief Executive Officer, Martin Powell, and the Directors of the Board.

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.

<b>Compensation of KMP's</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits <sup>(a)</sup>	208,868	202,153
Post-employment benefits	18,204	17,087
Other long-term benefits	4,609	4,304
Termination benefits	-	-
<b>Total</b>	<b>231,681</b>	<b>223,544</b>

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 \$3,652,705 (2017: \$3,584,234). The company made a payment to the Department as sponsorship towards the annual Victorian Training Awards of \$25,000 (2017: \$25,000) and return of unused grant funds from the 2018 program of \$198,520.

**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 \$80 as a refund to a registrant of a webinar (2017: \$43,000). The company did not receive funds for services during 2018 (2017: \$2,500).

Belinda McLennan is a Chief Operating Officer of AMES Australia. The company did not pay for services and reimbursements during 2018 (2017: \$103,117) and received revenue of \$1,196.36 (2017: \$1,000).

David Williams is a Director of Federation Training. The company did not pay for services and reimbursements during 2018 (2017: \$20,000) and received revenue of \$3,818 (2017: \$75,565).

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.6 Remuneration of auditors**

**Victorian Auditor-General's Office**

Audit of the financial statements

	<b>2018</b>	<b>2017</b>
	\$	\$
	22,000	21,500

**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 2018

**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 2018 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2018, 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 15 <i>Revenue from Contracts with Customers</i>	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. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2019	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 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 defers the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. 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.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: <b>AASB 9</b> <ul style="list-style-type: none"> <li>Statutory receivables are recognised and measured similarly to financial assets</li> </ul> <b>AASB 15</b> <ul style="list-style-type: none"> <li>The 'customer' does not need to be the recipient of goods and/or services;</li> <li>The 'contract' could include an arrangement entered into under the direction of another party;</li> <li>Contracts are enforceable if they are enforceable by legal or 'equivalent means';</li> <li>Contracts do not have to have commercial substance, only economic substance; and</li> <li>Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.</li> </ul>

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

Standard / Interpretation	Summary	Applicable for annual reporting periods that begin on	Impact on financial statements
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged</p>
AASB 1058 Income of Not-for-Profit Entities	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,</p> <p>AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	1 Jan 2019	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.</p> <p>The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Standard / Interpretation	Summary	Applicable for annual reporting periods that begin on	Impact on financial statements
AASB 1059 Service Concession Arrangements: Grantor	<p>This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.</p> <p>The State has 2 types of PPPs:</p> <p>1. Social Infrastructure: A PPP that requires the government to make payments to the operator upon commencement of services:</p> <ul style="list-style-type: none"> <li>• Operator finances and constructs the infrastructure; and</li> <li>• State pays unitary service payments over the term.</li> </ul> <p>2. Economic Infrastructure: A PPP that is based on user-pays model:</p> <ul style="list-style-type: none"> <li>• Operator finances and constructs the infrastructure;</li> <li>• State does not pay for the cost of the construction; and</li> <li>• Operator charges asset users and recovers the cost of construction and operation for the term of the contract.</li> </ul>	1 Jan 2019	<p>For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied:</p> <ul style="list-style-type: none"> <li>• Operator is providing public services using a service concession asset;</li> <li>• Operator manages at 'least some' of public services under its own discretion;</li> <li>• The State controls/regulates: <ul style="list-style-type: none"> <li>– what services are to be provided;</li> <li>– to whom; and</li> <li>– at what price;</li> </ul> </li> <li>• State controls any significant residual interest in the asset.</li> </ul> <p>If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.</p> <p>Currently the social infrastructure PPPs are only recognised on the balance sheet at commercial acceptance. The arrangement will need to be progressively recognised as and when the asset is being constructed. This will have the impact of progressively recognising the financial liability and corresponding asset as the asset is being constructed.</p> <p>For economic infrastructure PPP arrangements, that were previously not on balance sheet, the standard will require recognition of these arrangements on balance sheet. There will be no impact to net debt, as a deferred revenue liability will be recognised and amortised over the concession term.</p>
AASB 17 Insurance Contracts <sup>1</sup>	<p>The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.</p> <p>This standard does not apply to the not-for-profit public sector entities. The AASB is undertaking further outreach to consider the application of this standard to the not-for-profit public sector.</p>	1 Jan 2019	The assessment has indicated that there will be no significant impact for the public sector.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.9 Glossary of technical terms (continued)**

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.

**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.

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.9 Glossary of technical terms (continued)**

**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 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 assets.

**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.

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.9 Glossary of technical terms (continued)**

**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 2017-18 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 2018

The Directors of the company declare that:

1. **The financial statements and notes, as set out on pages 46 to 93, 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 2018 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)  
**Acting Chairperson**  
**Dr. Belinda McLennan**



(Accountable Officer)  
**Chief Executive Officer**  
**Martin Powell**

Dated: 27th March 2019

Dated: 27th March 2019

## Independent Auditor's Report

### To the Directors of the VET Development Centre Ltd

<b>Opinion</b>	<p>I have audited the consolidated financial report of the VET Development Centre Ltd (the company), which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2018</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements</li> <li>• directors and accountable officers's declaration.</li> </ul> <p>In my opinion the financial report is in accordance with applicable elements of the <i>Financial Management Act 2014</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> <li>• giving a true and fair view of the financial position of the company as at 31 December 2018 and its financial performance and cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.</li> </ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company and the consolidated entity 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 APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I confirm that the independence declaration required by the <i>Corporations Act 2001</i>, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Directors' responsibilities for the financial report</b>	<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 2014</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>



---

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.

---

**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
- 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company to express an opinion on the financial report. I am responsible for the direction, supervision and

---

performance of the audit of the company. I remain solely responsible for my audit opinion.

---

**Auditor's responsibilities for the audit of the financial report (continued)**

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

---

MELBOURNE  
29 March 2019



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

**VET DEVELOPMENT CENTRE LIMITED**  
**ABN 15 113 721 770**

**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.

LEGISLATION	REQUIREMENT	PAGE
<b>MINISTERIAL DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS</b>		
<b>REPORT OF OPERATIONS</b>		
<i>Charter and purpose</i>		
FRD 22G	Manner of establishment and the relevant Ministers	38
FRD 22G	Purpose, functions, powers and duties	38-39
FRD 22G	Nature and range of services provided	8-31
<i>Management and structure</i>		
FRD 22G	Organisational structure	5
<i>Financial and other information</i>		
FRD 8D	Budget portfolio outcomes	N/A
FRD 8D	Operational and budgetary objectives and performance against objectives	39-43
FRD 10A	Disclosure index	98
FRD 12B	Disclosure of major contracts	N/A
FRD 15E	Executive officer disclosures	34-37
FRD 22H	Employment and conduct principles	43
FRD 22H	Occupational health and safety policy	43
FRD 22H	Summary of the financial results for the year	39
FRD 22H	Significant changes in financial position during the year	N/A
FRD 22H	Major changes or factors affecting performance	N/A
FRD 22H	Subsequent events	N/A
FRD 22H	Application and operation of the Freedom of Information Act 1982	43
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	N/A
FRD 22H	Statement on Competitive Neutrality Policy	N/A
FRD 22H	Application and operation of the Protected Disclosure Act 2012	43
FRD 22H	Application and operation of the Carers Recognition Act 2012	N/A
FRD 22H	Details of consultancies over \$10,000	N/A
FRD 22H	Details of consultancies under \$10,000	N/A
FRD 22H	Disclosure of ICT expenditure	N/A
FRD 22H	Statement of availability of other information	N/A
FRD 24C	Reporting of office-based environmental impacts	N/A
FRD 25C	Victorian Industry Participation Policy disclosures	N/A
FRD 29C	Workforce Data disclosures	43
SD 5.2	Specific requirements under Standing Direction 5.2	N/A
<i>Compliance attestation and declaration</i>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	N/A
SD 5.2.3	Declaration in report of operations	6

APPENDIX (CONTINUED)

LEGISLATION	REQUIREMENT	PAGE
<b>FINANCIAL REPORT</b>		
<i>Declaration</i>		
SD 5.2.2	Declaration in financial statements	94
<i>Other requirements under Standing Direction 5.2</i>		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	50
SD 5.2.1 (a)	Compliance with Ministerial Directions	94
SD 5.2.1 (b)	Compliance with Model Financial Report	46-93
<i>Other disclosures as required by FRDs in notes to the financial statements</i>		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 11A	Disclosure of Ex-Gratia Expenses	81
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21C	Disclosures of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	82-85
FRD 102A	Inventories	N/A
FRD 103G	Non-Financial Physical Assets	59-61
FRD 106B	Impairment of Assets	60
FRD 107B	Investment Properties	N/A
FRD 109A	Intangible Assets	62-63
FRD 110A	Cash Flow Statements	49
FRD 112D	Defined Benefit Superannuation Obligations	57
FRD 113A	Investments in Subsidiaries, Jointly Controlled Entities and Associates	N/A
FRD 114B	Financial instruments - General Government Entities and Public Non-Financial Corporations	72-77
FRD120L	Accounting and reporting pronouncements applicable to the 2017-18 reporting period	87-89
<b>LEGISLATION</b>		
<i>Freedom of Information Act 1982</i>		
<i>Protected Disclosures Act 2012</i>		
<i>Financial Management Act 1994</i>		



## VET DEVELOPMENT CENTRE

Level 8, 379 Collins Street,  
Melbourne VIC 3000

T 1300 917 150

E [info@vdc.edu.au](mailto:info@vdc.edu.au)

W [www.vdc.edu.au](http://www.vdc.edu.au)

 @VDCeduau

 VET Development Centre

 VET Development Centre