



ANNUAL
REPORT

2016
**ANNUAL
REPORT**



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ABOUT US

WHAT WE DO

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

Through our services, the VDC provides ongoing professional development to all teaching and support staff in the VET sector across Australia with an extensive range of webinars, workshops, events as well as government funded grants, scholarships and evaluation activities.

The VDC specialises in providing non formal training for the VET workforce as well as customised consultancy, management and strategic support services for all VET providers.

GOVERNANCE

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

OUR VISION

To lead Professional Development activities that are innovative, relevant and responsive to the contemporary VET workforce.

OUR VALUES

- // Ethics and Integrity
- // Life-long learning
- // Respect and Cooperation
- // Quality
- // Customer focus
- // Passion



STRATEGIC PLAN

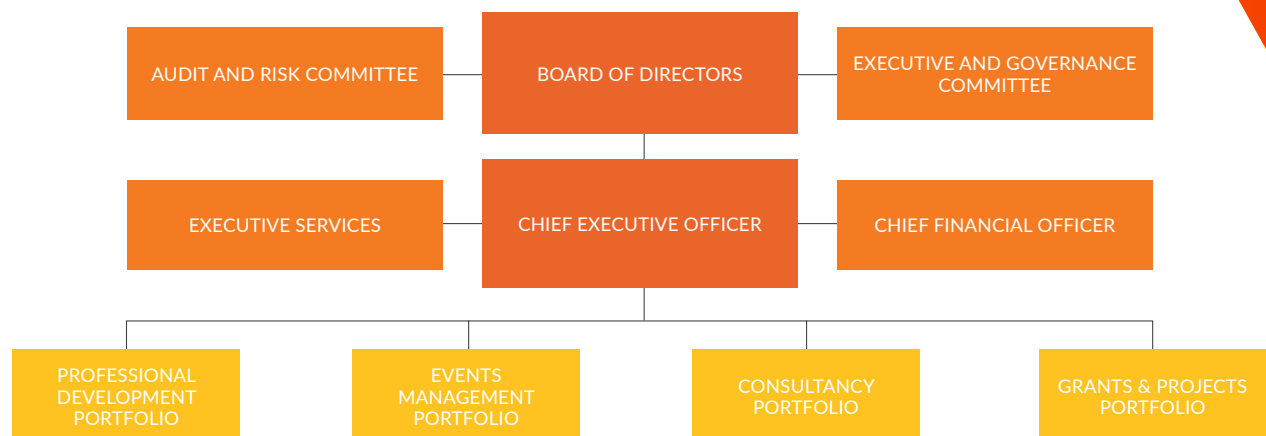
The strategic goals for the VDC 2016 to 2020

- // Provide relevant, responsive professional development that improves the performance of the VET workforce.
- // Build capability of VET professionals and providers to create quality training opportunities aligned with evolving policy and professional practice expectations.
- // Be responsive to stakeholder priorities.
- // Maintain a high performing VDC team committed to product and service improvement.

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 contractors for specific activities as required.



MESSAGE FROM THE CHAIR

It is with pleasure that I present the VET Development Centre Limited (VDC) 2016 Annual Report. This is an exciting milestone for the VDC, as this is the first time the company has presented an expanded annual report to highlight activities and key achievements.

2016 was very much one of change and evolution for the VDC which commenced with the appointment of new Chief Executive Officer, Mr Martin Powell, in January. It was an honour to become Chair of this successful and respected organisation in August 2016.

I would like to acknowledge the retirement of the previous VDC Chair Angela Hutson during 2016. Angela was the longest serving Director on the VDC Board with over ten years loyal service, including the past five years as Chair. Angela has been an integral part of the development and success of the VDC, embedding the vision, drive and passion for a highly capable and professionalised VET workforce which has been evident by all that have had the privilege to work with her.

In total there were over 6700 participants for 234 government funded and fee for service events held by the VDC in 2016, a record year of engagement.

What stood out for me this year was the engagement by the sector to a revitalised VDC Professional Development Program. Over 3,500 people attended 108 VDC fee for service activities including workshops, webinars and events held by the VDC in 2016. This has resulted in our revenue exceeding budget expectations.

Equally impressive was the collaboration and commitment from the Victorian Department of Education and Training, Higher Education and Skills Group to resourcing the VDC to providing \$2 million towards complementary professional development opportunities to the sector as well as workforce development grant funding. Training providers that held funding contracts under the Victorian Training Guarantee initiative were provided training opportunities that were taken up by over 2000 attendees.



More importantly, the satisfaction surveys from these events achieved an average satisfaction rating of 94 percent. A third of our events received 100 percent satisfaction from attendees.

A real strength is the diversity of participants to our functions, with TAFE and private provider participation increasing by over 20 percent this year. Learn local and community providers also responded in record numbers to the government funded activities in 2016.

The current VDC Board looks forward to further nurturing this relationship with key stakeholders across all aspects of the VET sector workforce and to promote the development and raise the professional standing of that workforce.

A handwritten signature in black ink, which appears to read 'Susan Christophers'.

Susan Christophers

Chairperson

CEO REPORT

As the new CEO at the VDC, 2016 provided an exciting challenge to extend the operations and refine the image of an already highly regarded organisation that existed through the efforts of the VDC Board and my predecessor Ms. Denise Stevens.



Through the guidance of an engaged and skilled Board and the support of dedicated staff we were able to: revitalise our professional development offerings; redefine our online presence through a new website; increase our social media presence; improve our internal management processes; streamline our registration process for our participants, and ensure regular engagement with the broader VET sector through the fortnightly web based newsletter VDC News.

The success of these activities are reflected in record engagement in our professional development program, major events and government funded activities and the achievement of a record profit of \$309,145 as shown in the audited financial accounts in this report.

In 2016, the VDC organised and hosted 234 events, including open access Professional Development programs, customised training programs, webinars, major corporate events, and the annual teaching and learning conference.

This report provides a snapshot of the major events and operational highlights for 2016.

Martin Powell

Chief Executive Officer

2016 HIGHLIGHTS

6700

attendees at VDC programs and events in 2016 – up **95%** in five years

1500

attendees at VDC customised programs in 2016

52

workforce development project grants funded

TAFE

attendees up **29%**, private RTO attendees up **34%**

234

events hosted by VDC

2000

attendees at Victorian Government funded PD in 2016 - **98%** of attendees surveyed agreed the program delivery and content was at least good or excellent

1500

attendees from community based organisations and VET in Schools providers

\$3,000,000

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

79

scholarships provided to Victorian Government funded training providers

PROFESSIONAL DEVELOPMENT

The VDC Professional Development Program provides non formal training for the VET workforce through an extensive range of one hour webinars, half and full day workshops and special events such as VET Leader Lunches, conferences and other functions.

Total engagement with the VDC programs and events has increased by 95% in the past five years. This activity represents attendance at all professional development programs delivered including VDC professional development programs, Victorian government funded professional development programs, scholarship and grants engagements, and attendance at major VDC events.

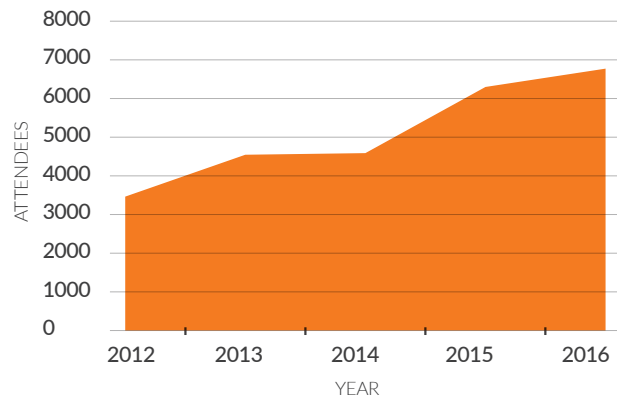
VDC PROFESSIONAL DEVELOPMENT PROGRAM

The VDC Professional Development Program in 2016 provided 108 workshops and national webinars to the sector around the following key themes:

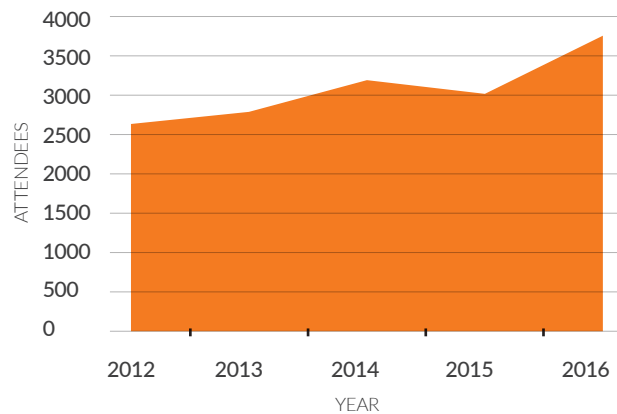
- // Quality, Compliance and Auditing
- // Assessment Tools
- // Mapping and Validation
- // Online Delivery
- // Teaching and Learning Strategies
- // Personal and Business Development
- // Industry Engagement
- // Executive Leadership and Management Coaching

Attendance at the VDC Professional Development Program experienced a record increase of 20% in 2016 and has increased by an impressive 43% in the past five years. Workshops were conducted in Victoria, while webinars were accessed by all states and territories in Australia, as well as New Zealand.

Attendees at VDC activities

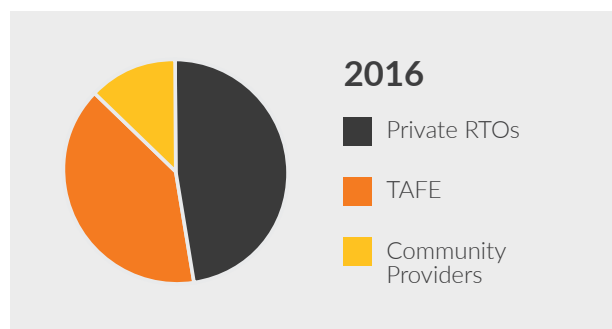


Attendees at VDC Professional Development Programs



The VDC experienced the highest number of TAFE attendees in 5 years at the VDC Professional Development events, being an increase of 29% from 2015. Private Provider attendees increased by 34% from 2015 and made up 46% of all attendees at VDC Professional Development events.

	2012	2013	2014	2015	2016
Community Providers	529	544	538	527	473
Private RTOs	769	1056	1304	1313	1757
TAFE	1336	1188	1349	1126	1463
TOTALS	2634	2788	3191	2966	3693



CUSTOMISED PROFESSIONAL DEVELOPMENT PROGRAMS

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

Our highly experienced 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.

In 2016 around 1000 attendees participated in customised training delivery across 54 programs.

VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

In 2016 the VDC delivered a range of professional development programs funded by the Victorian Government available to all training providers that held a Victorian Training Guarantee funding contract with the Victorian Department of Education and Training. Over 2000 VET workforce participants accessed 67 complimentary programs in 2016.

	2016
ACFE Program	359
TAS Workshops	415
LLN Workshops	442
ACFE Information sessions	315
VET in Schools Program	387
Suitable & Appropriate Training Workshops	149
TOTALS	2067

The following pages provide a summary of each initiative.



The presenter had a wonderful depth of knowledge. It was fascinating having insight into other RTO's experiences...

Putting Students First: Delivering suitable and appropriate training

The Victorian Department of Education and Training (DET) provided funding in 2015 for a professional development program to support every Victorian contracted RTO to improve the experience of students undertaking government funded training through the delivery of training that is both suitable and appropriate. This initiative formed part of the Government's response to the Review of quality assurance in Victoria's VET system. A total of 30 Putting Students First workshops catering for 684 registrants were delivered in 2015. The DET funded Victorian Training Guarantee Professional Development Program for 2016 included funding for delivery of an additional 5 Putting Students First workshops to cater for RTOs new to VTG funding and others who may have missed out in 2015.

Staff from 76 different organisations registered for the workshops; 80 staff from Private Registered Training Organisations, 38 from Adult Community Education organisations, and 31 from TAFE Institutes.

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

Language Literacy and Numeracy assessment and support workshops

The Victorian Department of Education and Training provided funding for a professional development program to support every Victorian contracted RTO to improve practice in language literacy and numeracy (LLN) assessment and support of students undertaking government funded training.

The program, consisting of a full day workshop, was developed by the VDC after consultation with Vocational Education and Training LLN experts. The program was continuously improved by minor adjustment throughout in response to feedback from participants and reflection by the presenters.

A total of 443 registrants participated in 15 workshops. Staff from 261 different organisations registered for the workshops. 189 were Private Registered Training Organisations, 56 were Adult Community Education organisations, and 16 were TAFE Institutes.

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



The program built on my knowledge regarding clear and concise information for LLN learners to access, it provided clear direction for using the ACSF... There was a great opportunity to take away and implement into our practice.



Developing Effective Training and Assessment Strategies workshops

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

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 VTG Contract. Staff from 246 different organisations registered for the workshops. 187 were Private Registered Training Organisations, 47 were Adult Community Education organisations, and 12 were TAFE Institutes.

// **97% of respondents agreed the program delivery and content was good or excellent.**



Brilliant, engaging and highly knowledgeable facilitator – great mixture of professionalism and clever humour!



Adult, Community & Further Education (ACFE) PD Program

The VDC in collaboration with the Adult, Community and Further Education (ACFE) Board of Victoria provided a suite of professional development programs and opportunities for Learn Local and other Adult and Community Education (ACE) provider staff to support their ongoing professionalism. The VDC has supported the professional development of the ACE sector through a range of activities since 2008. The VDC developed a customised PD program to meet Learn Local Organisation staffing needs and also provided funded places for targeted workshops from the VDC Professional Development Program.

Learn Local staff took advantage of these funded opportunities with 359 participants attending 15 workshops spread across 2 semesters.

VET in Schools Program

The VDC designed a range of professional development programs to support the on-going development of professionals working with vocational education and training in secondary schools. These programs are fully funded by the Victorian Department of Education and Training and focused on ensuring compliance, quality delivery and assessment, and meeting student needs.

This program was developed in consultation with the Victorian Curriculum and Assessment Authority to raise the quality of vocational education delivery and assessment in schools and RTOs with responsibility for delivering VET in Schools (VETiS) programs. A series of workshops on relevant topics such as Competency Based Assessment: Developing assessment tools and validation, Addressing Specific Learning Disorders in the classroom and Working with the Standards and Regulations were delivered. 387 VETiS teachers participated in 15 workshops for the 2016 program.

VET Teacher Indigenous Capability Program

VET practitioners play a critical role in supporting Indigenous learners to overcome barriers to education, training and employment. The 2016 VET Teacher Indigenous Capability Program provided the opportunity for 56 VET practitioners to build their level of specialised knowledge, skills and expertise in VET teacher/trainers who work or wish to work with Indigenous learners. The program focuses on Indigenous Cultural Awareness and Diversity, and building an understanding to inform participants Teaching Practice with Indigenous students.

Over the period of the program, recipients are required to attend the three separate day workshops and in order to gauge the level of learning, participants were asked to complete a Pre-evaluation and Post- evaluation and to evaluate each workshop.

Victorian Government Workforce Development Projects and Grants

In 2016 The Victorian Department of Education and Training provided \$1.16 million of grant funding to the VDC for allocation of workforce development initiatives to organisations and individuals in the Victorian VET Sector. Organisations or employees of organisations that had a Victorian Training Guarantee funding contract were eligible to apply.

Project funding grants were available to organisations for digital innovation, Indigenous education, industry currency and workforce development.

Over 200 applications were received for a total of 96 grants that were allocated to 41 training organisations consisting of 15 TAFE Institutes receiving 60 grants, 20 private providers receiving 30 grants and 6 ACFE providers receiving 6 grants. This distribution is consistent with the proportion of applications received from the sector.



I feel more confident/
conscious about Aboriginal
learners and some great
strategies to utilise in my
teaching and learning...
Great learning to
take forward.



VDC Specialist Scholarships

The Victorian Department of Education and Training provided funding of \$100,000 in 2016 for 20 scholarships of \$5,000 each to assist support staff who wish to develop their skills, capability and professional standing within the VET system. Six scholarships were awarded to staff from Private RTOs, 11 scholarships awarded to staff from TAFE institutes and 3 scholarships awarded to staff from Community Providers, with one organisation sharing the grant between 2 scholars.

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

VTG Diploma of VET Scholarship

The Victorian Department of Education and Training provided funding of \$20,000 in 2016 for 20 scholarships of \$1,000 each to support VET trainers and assessors to study the Diploma of VET. The final allocation of Diploma of VET Scholarship grants was distributed to 13 Full time and six 6 Part Time educators and 1 Sessional educator. Recipients of the scholarship were from 7 TAFE Institutes and 3 Private Registered Training organisations.

The Diploma of Vocational Education and Training Scholarship program engaged directly with participants to support VET trainers and assessors to undertake the newly endorsed TAE50116 Diploma of Vocational Education and Training or its predecessor TAE50111 Diploma of Vocational Education and Training in 2016.

Scholarships were made available to staff of RTOs with VTG contracts and care was taken to ensure equity for TAFE, private RTOs and ACE providers when grants were offered, based on applications received.



The support overall has been of great value and beneficial... The financial support enabled me to feel confident to enrol in the course and the educational and mentoring support is assisting me to prepare, plan and guide me through the challenges of distance education...



2016 VTG Trainer and Assessor Academic Grant

The Department of Education and Training (DET) provided funding in 2016 for a professional development program to support teachers to develop their Academic qualifications through undertaking post graduate studies in education. The program provides teachers with significant financial support for their studies and direct engagement in additional professional development in 2016 and 2017 coordinated by the VDC. This will build teaching professionalism in VET, improving outcomes for students, industry and the community. The program will run for 18 months to June 2017, reflecting the duration of study for post graduate qualifications.

A total of 15 Academic Grants were awarded in 2016. Recipients of the grant were from 10 TAFE Institutes, 4 Private Registered Training organisations and 1 Community provider.

The Academic grant program provided each recipient with:

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



VDC FUNDED ACTIVITIES

Teaching and Research Fellowships

The VDC provided \$160,000 to fund 20 Teaching Fellowships valued at \$8000. The Fellowships aim to support relatively new teachers with one to four years' experience, by providing a comprehensive development program over 12 months, which builds on their teaching and educational leadership capability. The development program includes an appropriate course of teacher training complemented by professional development and other peer to peer learning activities provided by the VDC. This year 10 recipients of the fellowship were from TAFE Institutes, 9 from private RTOs and 1 from a Community Provider.

The research grants program supported 5 practitioners teaching higher education programs in TAFE institutions to undertake a small scholarly project through the assistance of a \$4000 grant.

VDC Teaching & Learning Conference

The 2016 VDC Teaching and Learning Conference was held on 1 & 2 September 2016 at the RACV Torquay Resort on the Great Ocean Road in Victoria. This event is a highlight of the teaching year, providing the unique opportunity for practitioners to network with peers at the exclusive setting of the RACV Torquay Resort.

The conference theme for 2016 was Full STEAM Ahead, being a play on words for the popular acronym that describes the academic disciplines of science, technology, engineering, arts and mathematics. The VDC spin on this, which drove the conference program, was Strategy, Teaching, Engagement, Assessment and Managing.

A record number of 200 attendees from over 50 organisations were treated to a most engaging program. With animated organisational change leader Donna George as Master of Ceremonies, key note speakers Dr Mark Strom and Joyce Seitzinger providing exciting insights into innovative design for learners, interactive workshops and masterclasses plus an award winning British comedian Jeff Green providing the entertainment at the conference dinner, the event was a major success from both an educational and social perspective.



VDC VET Leaders Lunches

The VDC VET Leaders Lunch has become a tradition in the Victorian VET Sector in June and October at the Park Hyatt Melbourne, which provides guests with the opportunity to network with peers to discuss the latest trends and developments in the sector.

In 2016 the VDC was pleased to present Mr. Neil Coulson Victorian Skills Commissioner as the guest speaker in June and the Victorian Parliamentary Secretary for Education Judith Graley as guest speaker at the second event in October.



VDC Business Breakfast

To provide VET providers with exposure to the broader business community, the VDC introduced its Business Breakfast in 2016. The General Manager of Football Operations at the Hawthorn Football Club, Mr. Chris Fagan was the inaugural guest speaker held at the MCG in August 2016.



VDC Thought Leaders

The VDC VET Thought Leaders Seminar was held in October at Rydges Melbourne with KOTO founder Jimmy Pham as guest speaker. The Know One Teach One (KOTO) project was initiated in the 1990s by Mr Pham and has engaged disengaged young people into education and employment through hospitality, via health and well-being, life skills and English programs. This event was made possible through collaboration with the International Specialised Skills Institute which provided an international fellowship to Mr Pham on behalf of the VDC.



VDC Christmas Cocktail Party

The VDC Annual stakeholder function was held on the portico balcony of the Melbourne Town Hall in the first week of December. The stately and historical surrounds, combined with good weather and company created a festive atmosphere and perfect way to thank all that had contributed to the success of the VDC in 2016.





DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2016.

The VDC Board of Directors consists of 8 members, The names and particulars of each person who has been a Director of the company during or since the end of the year are:



SUSAN CHRISTOPHERS

Chairperson

// BEd, DipBusStudies, GAICD, PSM

Appointed: 17 June 2015

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

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



KIRSTEN BRIGHT

Director

// BA (PR)

Appointed: 9 August 2016

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

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

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



DR MICHAEL BROWN

Director

// PhD, MEd, GradDip

Appointed: 12 August 2013

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

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



RAY GRIFFITHS

Director

// MEd, BEc, DipEd, DipFLM, GAICD

Appointed: 7 June 2012

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

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



BRIAN HENDERSON

Director

// BA, DipEd

Appointed: 8 August 2016

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

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



LISA LINE

Director

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

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

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



DR BELINDA McLENNAN

Director

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

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

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



DAVID WILLIAMS

Director

Cert Survey Drafting
Appointed: 7 August 2015

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

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

ANGELA HUTSON // MOrgLead,
GradDipEntrep&Innov, GradCertEntMgt, DipEd, BA
Appointment: 7 June 2005 to 1 August 2016

Angela was the CEO at East Gippsland Institute of TAFE from 2005 until 2011. She has had extensive experience as a senior executive in TAFE, particularly in strategic human resource management and development and organisational development.

Active in regional community affairs, she is currently Deputy Chair of the Gippsland Regional Development Australia Committee, Vice President of Bairnsdale Regional Health Services and a member of the Economic Development Advisory Board of East Gippsland. Angela was appointed Chair of the VDC on 4 October 2011.

TIMOTHY SMITH // B Ed, BA, DipEd
Appointment: 7 June 2012 to 7 June 2016

Tim Smith is an independent advisor and consultant to a range of clients in the education and training industry. Clients include peak bodies and public and private providers. Tim was on the Board of Directors of the Victorian Registration and Qualifications Authority (VRQA) until 2016.

Previously, Tim was the CEO of the Australian Council for Private Education and Training (ACPET) and before that held appointments as Senior Advisor to two successive Victorian Government Ministers. Tim is an experienced marketer and implementer of business strategies with a demonstrated aptitude and track record in growing a business. He has over 25 years' experience in managing staff, allocating resources and implementing policy initiatives in government and corporate bodies.

JILL CALDER // BA(Hons), Fellow PRIA
Appointment: 25 October 2010 to 2 April 2016

Jill Calder has more than 25 years of experience in public relations, specialising in public affairs and issues of management and community relations. She has been recognised with a number of Australian and international awards for her work in these areas.

After commencing her career at Hoechst Australia, she has worked in corporate, government and consultancy positions, including TABCORP Holdings Limited, Carlton & United Breweries, Barwon Water, the EPA, the Transfield Obayashi Joint Venture and for one of Australia's leading public relations consultancies, Turnbull Fox Phillips. Jill is currently a partner at SenateSHJ.

WALTER GILMORE // BBus, PGDipHS, CPA
Appointment: 12 August 2013 to 26 February 2016

Walter Gilmore holds a Bachelor of Business Degree, a Post Graduate diploma in Health Sciences, and is an experienced Certified Practising Accountant (CPA) with more than 20 years working in the health and education sectors

Walter Gilmore has over 30 years' experience in public and private management, the majority in senior management Chief Executive Officer and Chief Financial Officer roles in both the private and public sector in Australia and overseas. Walter has been instrumental in the establishment of Careers Australia.

MEL KOUMIDES // Director
BAppSc (Computer Science)
Appointment: 19 July - 13 December 2016

Mel is the CEO of Academia Australia/ Academia International and the Chair of the Australian Council for Private Education and Training (ACPET). Mel has over 12 years' experience in the vocational education and training sector. Prior to this, Mel held senior consulting and middle management roles in IT.

Mel is active with key stakeholders in improving funding/ delivery and accountability metrics for a sustainable VET sector.

COMPANY MEMBER

The Company member as at 31 December 2016 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 is 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 2016

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

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

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

EXECUTIVE AND GOVERNANCE COMMITTEE

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

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

Membership as at 31 December 2016

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

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

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

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

PRINCIPAL ACTIVITIES

The principal activities of the company during 2016 were to raise the professional standing of people working in the VET Sector, through Professional Development activities that are innovative, relevant and responsive to the contemporary VET workforce.

COMPANY OBJECTIVES

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

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

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

In carrying out its functions, the Centre may:

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

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

STRATEGIES

The strategic goals of the VDC for 2016 to 2020 in order for the company to achieve its objectives are:

- // Provide relevant, responsive professional development that improves the performance of the VET workforce.
- // Build capability of VET professionals and providers to create quality training opportunities aligned with evolving policy and professional practice expectations.
- // Be responsive to stakeholder priorities.
- // Maintain a high performing VDC team committed to product and service improvement.

PERFORMANCE

Operating results

The company is a company limited by guarantee and is exempt from lodging income tax returns. Any monies remaining at the end of a financial year are added to retained earnings. The company does not issue any shares or debentures and does not and will not pay dividends. The net operating profit for 2016 was \$309,145.

In 2016, the VDC organised and hosted 234 events, including open access Professional Development programs, customised training programs, webinars, major corporate events, and the annual Teaching and Learning Conference.

Achievement against objectives and strategies

The VDC delivered the following programs and services in 2016 to meet the stated objectives and strategies

PROFESSIONAL DEVELOPMENT

The VDC Professional Development Program in 2016 provided 108 workshops and national webinars to the sector to over 3500 attendees around the following key themes:

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

In addition to the VDC Professional Development Program the VDC designs Professional Development Programs that meets individual workforce development needs for training organisations. Customised programs can be delivered in house for all VET providers across Australia. In 2016 around 1000 attendees participated in customised training delivery across 54 programs.

The VDC delivered a range of professional development programs funded by the Victorian Government available to all training providers that held a Victorian Training Guarantee funding contract with the Victorian Department of Education and Training in 2016. Over 2000 VET workforce participants accessed 67 complimentary programs in 2016.

- // Putting Students First: Delivering suitable and appropriate training
- // Language Literacy and Numeracy assessment and support workshops
- // Developing Effective Training and Assessment Strategies workshops
- // Adult, Community & Further Education (ACFE) PD Program

// VET in Schools Program

// VET Teacher Indigenous Capability Program

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

GRANTS AND PROJECTS

In 2016 as part of the 2015-17 common funding agreement with the VDC, the Victorian Department of Education and Training provided funding to the VDC for allocation for workforce development initiatives to organisations and individuals in the Victorian VET Sector. Organisations or employees of organisations that had a Victorian Training Guarantee funding contract were eligible to apply.

Under this arrangement a total of 96 grants that were allocated to 41 training organisations consisting of 15 TAFE Institutes receiving 60 grants, 20 private providers receiving 30 grants and 6 ACFE providers receiving 6 grants. This distribution is consistent with the proportion of applications received from the sector.

Project funding grants were available to organisations for digital innovation, Indigenous education, industry currency and workforce development. To support individuals in the VET workforce the following scholarships were allocated and supported by the VDC:

- // 20 VDC Specialist Scholarships
- // 20 VTG Diploma of VET Scholarship
- // 15 VTG Trainer and Assessor Academic Grants
- // 20 VDC Teaching Fellowships
- // 5 Research Fellowships

EVENTS

Major events hosted and subsidised by VDC in 2016 were:

VDC TEACHING & LEARNING CONFERENCE

The 2016 VDC Teaching and Learning Conference was held on 1 & 2 September 2016 at the RACV Torquay Resort on the Great Ocean Road in Victoria with a record number of 200 attendees from over 50 organisations.

VDC VET LEADERS LUNCHES

In 2016 the VDC hosted two VET Leaders Lunches with Mr. Neil Coulson Victorian Skills Commissioner as the guest speaker in June and the Victorian Parliamentary Secretary for Education Judith Graley as guest speaker at the second event in October.

VDC BUSINESS BREAKFAST

To provide VET providers with exposure to the broader business community, the VDC introduced its Business Breakfast in 2016. The General Manager of Football Operations at the Hawthorn Football Club, Mr. Chris Fagan was the inaugural guest speaker held at the MCG in August 2016.

VDC THOUGHT LEADERS

The VDC VET Thought Leaders Seminar was held in October at Rydges Melbourne with Know One Teach One (KOTO) project founder Jimmy Pham as guest speaker from Vietnam.

VDC CHRISTMAS COCKTAIL PARTY

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

SPONSORSHIP

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

AVETRA Conference, Sydney April 2016

NCVER No Frills Conference July 2016

QulET Network Conference July 2016

VTA 2016 State Conference, Melbourne August 2016

ACPET National Conference, Hobart August 2016

Victorian Training Awards, September 2016

TDA Conference Melbourne October 2016

ACPET VET Education Series (Sept - Nov 2016)

Community Colleges Australia, Sydney October 2016

ACDEVEG Conference, Sydney December 2016

VET Practitioners Network, 2016

VALA network meetings, 2016

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

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 2016. Two fire wardens have been appointed and trained and the company has a qualified First Aid Officer.

MERIT AND EQUITY POLICY

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

STAFF OF THE COMPANY

As at 31 December 2016, the company employed 7 staff by contract (2015: 9 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 2016 under the Freedom of Information Act 1982.

QUALITY AND RESEARCH

The research grants program supported 5 practitioners teaching higher education programs in TAFE institutions to undertake a small scholarly project through the assistance of a \$4000 grant. The VDC also funded the Victorian TAFE Association (VTA) research project, *'The Strengths and benefits of the Victorian TAFE Model'*.

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

As part of the 2017 Provider Selection Process, the Department maintains APLs for reported Recognition of Prior Learning (RPL), for the delivery of courses on the Department's Foundation Skills Course List, and for delivery of courses on the Training and Assessment Course List (TAE), to reflect that stronger requirements must be met by providers wishing to claim a subsidy in these areas.

STAFF DEVELOPMENT

Activities undertaken in 2016 to maintain, develop and improve staff capability included:

- // Appointment of a Chief Financial Officer and Project Director
- // A new management structure for the event management team
- // Formalising the Human Resources function
- // Introduction of a revised Professional Development Plan cycle 2016-17 linked to the VDC strategic plan as well as individual development plans for professional development for staff
- // Increased professional development activities for staff initiated in 2016, particularly in national conferences participation
- // Improved IT facilities, capacity and physical improvements to VDC offices
- // The review of the Code of Conduct for staff

MEETINGS OF DIRECTORS

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

	BOARD MEETINGS		AUDIT & RISK COMMITTEE		EXECUTIVE & GOVERNANCE	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Kirsten Bright	2	2	-	-	-	-
Michael Brown	5	5	-	-	2	2
Sue Christophers	5	4	4	4	1	1
Ray Griffiths	5	4	5	5	-	-
Brian Henderson	2	1	-	-	1	1
Mel Koumides	2	2	-	-	-	-
Lisa Line	2	2	-	-	-	-
Belinda McLennan	5	5			2	2
David Williams	5	5	4	4	-	-
Angela Hutson	3	3	1	1	1	1
Timothy Smith	2	1	-	-	1	1
Jill Calder	1	0	-	-	-	-
Walter Gilmore	0	0	-	-	-	-

Note: Walter Gilmore resigned as a Director before the first meeting was held in 2016.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2016 has been received and is provided on page 29.

Dated at Melbourne the 23rd day of March 2017

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



Susan Christophers

Chair



Ray Griffiths

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 2016, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
23 March 2017



Simone Bohan
as delegate for the Auditor-General of Victoria

FINANCIAL REPORT

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
INCOME FROM TRANSACTIONS			
Government grants	2(a)	2,460,000	3,310,000
Other income	2(b)	1,521,147	1,116,145
Total comprehensive income from transactions		3,981,147	4,426,145
EXPENSES FROM TRANSACTIONS			
Employee expenses		1,135,112	1,061,416
Depreciation	3(a)	1,344	1,344
Other operating expenses	3(b)	480,154	410,884
Project costs	3(c)	2,055,961	2,935,821
Total expenses from transactions		3,672,571	4,409,465
Net result from transactions (net operating balance)		308,576	16,680
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net surplus/(loss) arising from revaluation of long service leave liability		569	(141)
Net result		309,145	16,539
Comprehensive result		309,145	16,539

The statement of profit & loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

VET DEVELOPMENT CENTRE LIMITED
 ABN 15 113 721 770

STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	9(a)	1,136,049	805,347
Receivables	4	107,197	148,875
Other financial assets	5	34,375	34,375
Total financial assets		1,277,621	988,597
NON-FINANCIAL ASSETS			
Prepayments		65,858	66,886
Plant and equipment	6	10,843	16,496
Total non-financial assets		76,702	83,382
Total assets		1,354,323	1,071,979
LIABILITIES			
Payables	7	146,460	170,792
Provisions	8	120,934	123,404
Total liabilities		267,394	294,196
Net assets		1,086,929	777,783
EQUITY			
Accumulated surplus		1,086,929	777,783
Net worth		1,086,929	777,783

The statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Balance at 1 January 2015 \$	Net result for the year \$	Other comprehensive income for the year \$	Balance at 31 December 2016 \$
Accumulated surplus	777,783	309,145	-	1,086,929
Total equity at end of financial year	777,783	309,145	-	1,086,929
	Balance at 1 January 2015 \$	Net result for the year \$	Other comprehensive income for the year \$	Balance at 31 December 2016 \$
Accumulated surplus	761,244	16,539	-	777,783
Total equity at end of financial year	761,244	16,539	-	777,783

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

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government grants received		2,706,000	3,641,000
Receipts from customers		1,637,741	1,096,770
Interest received		51,198	59,487
Payments to suppliers and employees		(3,937,431)	(4,833,251)
Payment of GST to the ATO		(126,806)	(130,426)
Net cash flows provided by (used in) operating activities	9(b)	330,702	(166,420)
Net increase (decrease) in cash and cash equivalents		330,702	(166,420)
Cash and cash equivalents at beginning of financial year		805,347	971,767
Cash and cash equivalents at end of financial year	9(a)	1,136,049	805,347

The statement of cashflows should be read in conjunction with the accompanying notes to the financial statements.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2016. The purpose of the report is to provide users with information about the company's stewardship of resources entrusted to it.

(a) 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 17.

These annual financial statements were authorised for issue by the Board of Directors on 23 March 2017.

(b) 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 to Note 1(j)).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting preparation and measurement (continued)

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.

(c) 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 1, 478 Albert Street
EAST MELBOURNE VIC 3002

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.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Scope and presentation of financial statements

Statement of profit & loss and other comprehensive income

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

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

- **gains and losses from disposals of non-financial assets; and**
- **revaluations and impairments of non-financial physical assets.**

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

Statement of financial position

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provision of employee benefits, which are classified as current liabilities if the company does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

Statement of cashflows

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Rounding

Amounts in the financial statements have been rounded to the nearest dollar. Figures in the financial statements may not equate due to rounding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income from transactions

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.

Government grants

Government grants are recognised as income as and when received, and when the company gains control over the underlying assets. For non-reciprocal grants, the company is deemed to have assumed control when the grant is received or receivable.

Interest

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

Income from the supply of services

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).

(f) Expenses from transactions

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

Employee expenses

Refer to the section in Note 1(k) regarding employee benefits.

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.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Expenses from transactions (continued)

Depreciation

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. Refer to Note 1(j) for the depreciation policy for leasehold improvements.

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	
	2016	2015
Plant and equipment	5% - 25%	5% - 25%
Leasehold improvements	30.52%	30.52%

Grant and other transfers

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.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and services

Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred.

(g) Other economic flows included in the net result

Other economic flows are changes in the volume or value of an asset or liability that does not result from transactions.

Net gain/(loss) on non-financial assets

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Other economic flows included in the net result (continued)

Net gain/(loss) on disposal of non-financial assets

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

Impairment of non-financial assets

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

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

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

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.

Refer to Note 1(j) in relation to the recognition and measurement of non-financial assets.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1(i)) and disposals of financial assets and derecognition of financial liabilities.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the company's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

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

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.

Financial liabilities measured at amortised cost include all contractual payables, deposits held and advances received.

(i) Financial assets

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

Receivables

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 (refer to Note 1(h) Financial Instruments for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

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.

For the measurement principle of receivables, refer to Note 1(h).

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

Impairment of financial assets

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

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

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

(j) Non-financial assets

Plant and equipment

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).

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

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.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(g) - Impairment of non-financial assets.

Leasehold improvements

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

Other non-financial assets

Prepayments

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 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liabilities

Payables

Payables consist of:

- **contractual payables, 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, such as goods and services tax and fringe benefits tax payables.**

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(h)). Statutory payables 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 a contract.

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

Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

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.

(l) WAGES AND SALARIES AND ANNUAL 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liabilities (continued)

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.**

(II) LONG SERVICE LEAVE

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.**

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 (refer to Note 1(g)).

Employee benefits on-costs

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

Derecognition of financial liabilities

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

(l) Operating leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 10 Commitments for expenditure) 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.

(n) 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 (refer to Note 15 Contingent assets and contingent liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(o) Accounting for the goods and services tax

Income, expenses and assets are recognised net of the amount of associated goods and services tax (GST), except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

(p) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(q) Events after the reporting period

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.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Materiality

In accordance with Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Error, when an Australian Accounting Standard specifically applies to a transaction, other event or condition, the accounting policies applied to that item shall be determined by applying the Standard, unless the effect of applying them is immaterial.

Accounting policies will be considered material if their omission or misstatement could, either individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

(s) 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 2016 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2016, 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 BEGINNING ON	IMPACT ON FINANCIAL STATEMENTS
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The preliminary assessment has not identified any material impact arising from AASB 9.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	<p>Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <ul style="list-style-type: none"> establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Australian Accounting Standards issued that are not yet effective (continued)

In addition to the new standards above, the AASB has issued a list of other amending standards that are not effective for the 2015 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on the company.

- AASB 2014-1 Amendments to Australian Accounting Standards [PART E Financial Instruments]
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 2: INCOME FROM TRANSACTIONS

	2016	2015
	\$	\$
(a) Government grants		
(i) Department of Education and Training (DET)	2,460,000	3,310,000
(ii) Other special government grants	-	-
	2,460,000	3,310,000
(b) Other income		
Fee for service - customised programs and events	661,174	702,095
Fee for service - grants and tender	808,800	353,500
Interest received from third party	51,173	60,550
	1,521,147	1,116,145

NOTE 3: EXPENSES FROM TRANSACTIONS

(a) Depreciation		
Plant and equipment	1,344	1,344
Leasehold improvements	-	-
	1,344	1,344
(b) Other operating expenses		
Board and Committee	25,510	33,609
Consulting	69,780	57,156
Information Technology	70,599	46,516
Marketing	78,399	58,900
Office	40,267	47,974
Accommodation	165,721	141,732
Professional development	12,467	9,363
Travel	17,412	15,635
	480,154	410,884

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 3: EXPENSES FROM TRANSACTIONS (CONTINUED)

	Note	2016 \$	2015 \$
(c) Project costs			
Core funded programs		1,311,015	2,396,529
Knowledge sharing		27,058	31,924
Fee for service expense - customised programs and events		421,291	369,103
Fee for service expense - grants and tenders		296,597	138,265
		2,055,961	2,935,821

NOTE 4: RECEIVABLES

Current receivables

Contractual

Other receivables	12(f)	81,339	84,613
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Statutory

GST receivable		25,858	64,262
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Total receivables		107,197	148,875
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(a) These amounts are interest-free and are due for settlement no more 90 days from the date of recognition.

(b) Please refer to Note 12(f) for the ageing analysis of contractual receivables.

(c) Please refer to Note 12(f) for the nature and extent of risks arising from contractual receivables.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 5: OTHER FINANCIAL ASSETS

	Note	2016 \$	2015 \$
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Non-current financial assets

Term deposit - bank guarantee	5(a)	34,375	34,375
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(a) Bank guarantee was renewed and is in favour of ColInvest Ltd which expires on 31 December 2017.

NOTE 6: PLANT AND EQUIPMENT

Plant and equipment

At fair value		54,344	54,344
Less accumulated depreciation		(43,500)	(37,848)

	6(a)	10,843	16,496
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Leasehold improvements

At fair value		17,400	17,400
Less accumulated depreciation		(17,400)	(17,400)
		-	-

Total plant and equipment		10,843	16,496
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**MOVEMENTS IN CARRYING AMOUNTS
 AND RECONCILIATION OF LEVEL 3 FAIR VALUE**

a. Plant and equipment

Carrying amount at the beginning of the financial year		16,496	17,840
Additions		-	-
Disposal		(4,308)	-
Depreciation expense		(1,344)	(1,344)

Carrying amount at the end of the financial year		10,843	16,496
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VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 6: PLANT AND EQUIPMENT (CONTINUED)

FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

	Carrying amount as at 31 Dec 2016 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant and equipment at fair value	10,843	-	-	10,843

	Carrying amount as at 31 Dec 2016 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant and equipment at fair value	16,496	-	-	16,496

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 2016.

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 improvements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
NOTE 7: PAYABLES			
CURRENT PAYABLES			
CONTRACTUAL			
Trade payables		78,739	69,232
Unearned income		17,600	-
Other payables and accruals		68,269	52,090
	12 (c)	114,608	121,322
STATUTORY			
Superannuation payables		8,805	17,892
PAYG withholding		23,048	31,578
		31,853	49,470
Total payables		146,460	170,792

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

(a) Please refer to Note 12(e) for the maturity analysis of contractual payables.

(b) Please refer to Note 12(e) for the nature and extent of risks arising from contractual payables.

NOTE 8: PROVISIONS

Current provisions

Employee benefits - annual leave:

Unconditional and expected to settle within 12 months	41,829	29,109
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Employee benefits - long service leave:

Unconditional and expected to settle after 12 months	28,273	45,667
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	70,102	74,776
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Provisions related to employee benefit on-costs:

Unconditional and expected to settle within 12 months	14,248	10,062
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Unconditional and expected to settle after 12 months	3,606	5,824
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	17,854	15,886
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Total current provisions

	87,956	90,662
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
NOTE 8: PROVISIONS (CONTINUED)			
Non-current provisions			
Conditional and expected to settle after 12 months			
Employee benefits - long service leave		29,248	29,038
Employee benefits on-costs - long service leave		3,730	3,704
Total non-current provisions		32,978	32,742
Total provisions		120,934	123,404

NOTE 9: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on hand	9(a)(i)	600	600
Cash at bank	9(a)(ii)	1,135,449	804,747
Cash and cash equivalents at the end of the financial year		1,136,049	805,347

(i) Cash on hand is non-interest bearing.

(ii) Cash at bank are bearing floating interest rates between 0.01% and 3.40% (2015: between 0.01% and 3.30%).

(b) Reconciliation of net result for the year to net cash flows from operating activities:

Net result for the year		309,145	16,539
Non-cash movements:			
Depreciation of non-current assets		1,344	1,344
Movements in assets and liabilities:			
(Increase)/decrease in receivables		41,679	(72,436)
(Increase)/decrease in other financial assets		-	(4,492)
(Increase)/decrease in fixed assets		4,308	-
(Increase)/decrease in prepayments		1,028	(14,965)
Increase/(decrease) in payables		(24,332)	(65,500)
Increase/(decrease) in provisions		(2,470)	(26,910)
Net cash flows provided by (used in) operating activities		330,702	(166,420)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 10: COMMITMENTS FOR EXPENDITURE

The following commitments have not been recognised as liabilities in the financial statements:

(a) Capital Expenditure Commitments

The company's commitments for capital expenditure to be spent in the next financial year are \$0 (2015: \$0)

(b) Other Expenditure Commitments

The company's commitments for grant and other expenditure to be spent in the next financial year are \$0 (2015: \$0).

(c) Operating Lease Commitments

Non-cancellable operating leases contracted for but not disclosed in the financial statements:

	2016	2015
	\$	\$
PAYABLE – MINIMUM LEASE PAYMENTS		
not later than 12 months	161,509	155,848
between 12 months and 5 years	-	161,509
	161,509	317,357

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 4% per annum. The option to renew for a further three years was taken up and the lease runs from 1 January 2015 to 31 December 2017.

NOTE 11: RELATED PARTIES

(a) 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 year:

Name

Responsible Minister	The Hon. Steve Herbert MP	1 Jan 2016 to 8 Nov 2016
Responsible Minister	The Hon. Gayle Tierney MP	9 Nov 2016 to 31 Dec 2016

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.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11: RELATED PARTIES (CONTINUED)

(b) Remuneration of directors

Income received or due and receivable by the directors of the company, including amounts received, or due and receivable from a related corporation was \$21,986 (2015: \$23,332).

Number of directors whose remuneration was within the bands \$0 - \$9,999 were 13 (2015: 8). Number of directors whose remuneration was within the bands of \$10,000 - \$19,999 were Nil (2015: 1).

There were no amounts of prescribed benefit given during the period and during the previous year by the company or a related party to a director or a prescribed superannuation fund in connection with the retirement from a prescribed office.

(c) Related party transactions

The persons who held the position of directors of the company are as follows:

// Susan Christophers	// Lisa Line – Appointed 1st August 2016
// Angela Hutson – Retired 1st August 2016	// Mel Koumides – Resigned 13th December 2016
// Belinda McLennan	// Michael Brown
// Brian Henderson – Appointed 8th August 2016	// Ray Griffiths
// David Williams	// Tim Smith – Resigned 7th June 2016
// Jill Calder – Resigned 2nd April 2016	// Walter Gilmore – Retired 26th February 2016
// Kirstin Bright – Appointed 9th August 2016	

Belinda McLennan is the COO of AMES Australia. The company paid for services and reimbursements of \$0 (2015: \$22,000) and received revenue of \$15,008 (2015: \$14,266)

Lisa Line is the CEO of The Gordon. The company paid for services and reimbursements of \$60,500 (2015: \$11,000). The company received funds for services of \$27,866.50 (2015: \$11,073)

Mel Koumides is the Chair of the Australian Council for Private Education and Training (ACPET). The company paid for services and reimbursements of \$24,475 (2015: \$82,500)

Mel Koumides is CEO of Academia International. The company paid for services and reimbursements of \$16,500 (2015: \$0). The company received funds of \$16,894 (2015: \$410)

David Williams is a Director of Federation Training. The company paid for services and reimbursements of \$44,550 (2015: \$78,100) and received revenue of \$23,280 (2015: \$15,010)

(d) Remuneration of executives

There was one executive officer during the reporting period. The total remuneration received or receivable by the executive officer during the reporting period (including non-cash benefits) was \$201,633.94 (\$267,687.15 at 31 Dec 2015). The base remuneration of the executive officer was \$172,250.52 (\$202,992.02 at 31 Dec 2015). Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits and non-cash benefits.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

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.

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 and financial liability above are disclosed in Note 1 to the financial statements.

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.

(b) Categorisation of financial instruments

The carrying amounts of the company's contractual financial assets and financial liabilities by category are as follows:

CONTRACTUAL FINANCIAL ASSETS	NOTE	CATEGORY	2016 \$	2015 \$
Cash and cash equivalents	9(a)	Loans and receivables (at amortised cost)	1,136,049	805,347
Receivables (a)	4	Loans and receivables (at amortised cost)	81,339	84,613
Term deposit - bank guarantee	5	Loans and receivables (at amortised cost)	34,375	34,375

CONTRACTUAL FINANCIAL LIABILITIES	NOTE	CATEGORY	2016 \$	2015 \$
Payables (b)	7	Financial liabilities (at amortised cost)	97,008	121,322

(a) The amount of receivables disclosed here excludes statutory receivables.

(b) The amount of payables disclosed here excludes statutory payables and unearned income.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Net holding gain/(loss) on financial instruments by category

CONTRACTUAL FINANCIAL ASSETS	INTEREST INCOME \$
2016 Financial assets - loans and receivables	51,173
2015 Financial assets - loans and receivables	60,550

(d) 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 %	Floating interest rate \$	Fixed interest rate \$	Non-interest rate \$
2016				
Financial Assets				
Cash and deposits	2.51	1,135,449	-	600
Receivables		-	-	81,339
Term deposit - bank guarantee	3.40	-	34,375	-
Financial Liabilities				
Payables		-	-	(97,008)
		1,135,449	34,375	(15,069)
2015				
Financial Assets				
Cash and deposits	2.14	804,747	-	600
Receivables		-	-	84,613
Term deposit - bank guarantee	3.40	-	34,375	-
Financial Liabilities				
Payables		-	-	(121,322)
		804,747	34,375	(36,109)

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 +/- \$11,354 (2015: \$8,047) on net result and equity.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12: FINANCIAL INSTRUMENTS (CONTINUED)

(e) 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.

MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

	MATURITY DATES			
	Carrying amount \$	Less than 1 month \$	1 - 3 months \$	3 months - 1 year \$
2016 PAYABLES	97,008	76,008	21,000	-
2015 PAYABLES	121,322	86,561	33,322	1,439

(f) 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.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12: FINANCIAL INSTRUMENTS (CONTINUED)

(f) Credit Risk (Cont'd)

FINANCIAL ASSETS THAT ARE EITHER PAST DUE OR IMPAIRED

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.

As at 31 December 2016, there is no financial asset that is impaired. The ageing analysis of financial assets is as follows:

	2016	2015
	\$	\$
RECEIVABLES		
Not past due and not impaired	81,339	84,613
Past due but not impaired		
<i>Less than 1 month</i>	-	-
<i>1 - 3 months</i>	-	-
<i>3 - 12 months</i>	-	-
	81,339	84,613

(g) Fair Value Measurements

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.

NOTE 13: REMUNERATION OF AUDITORS

Victorian Auditor-General's Office

Audit of the financial report	23,100	20,340
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NOTE 14: SUPERANNUATION

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.

Total superannuation contributions made by the company were \$90,300 (2015: \$81,642). \$6,803 of superannuation contributions were outstanding at 31 December 2016 (2015: \$6,388).

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the date of this report, the Board is unaware of any assets or liabilities, contingent or otherwise, that were not already disclosed elsewhere in this report (2015: nil).

NOTE 16: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

NOTE 17: GLOSSARY OF 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.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17: GLOSSARY OF TERMS (CONTINUED)

FINANCIAL ASSETS

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual or statutory right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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

FINANCIAL LIABILITY

A financial liability is any liability that is:

(a) A contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17: GLOSSARY OF TERMS (CONTINUED)

FINANCIAL STATEMENTS

A complete set of financial statements comprises:

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

GRANT AND OTHER TRANSFERS

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

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

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

INTEREST INCOME

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

NET RESULT

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

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17: GLOSSARY OF TERMS (CONTINUED)

Net result from transactions/net operating balance

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

Net worth

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

Non-financial assets

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

Other economic flows included in net result

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

Other economic flows - other comprehensive income

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

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

Payables

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

Receivables

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

Sales of goods and services

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17: GLOSSARY OF TERMS (CONTINUED)

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.

DIRECTORS AND ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors of the company declare that:

- 1. The financial statements and notes, as set out on pages 30 to 65, 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 2016 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)

Chair

Susan Christophers



(Accountable Officer)

Chief Executive Officer

Martin Powell

Dated: 23 March 2017

Dated: 23 March 2017

INDEPENDENT AUDITOR'S REPORT

To the Directors of the VET Development Centre Ltd

Opinion

I have audited the financial report of the VET Development Centre Ltd (the company) which comprises the:

- statement of financial position as at 31 December 2016
- statement of profit and loss and other comprehensive income for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- Directors and Accountable Officer's declaration.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and the *Corporations Act 2001* including:

- giving a true and fair view of the financial position of the company as at 31 December 2016 and its financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

The Auditor-General's independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibilities for the financial report

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 *Financial Management Act 1994* and the *Corporations Act 2001*, 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.

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.

Independent Auditor's Report (continued)

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

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

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

MELBOURNE
23 March 2017



Simone Bohan
as delegate for the Auditor-General of Victoria

APPENDIX

Disclosure Index

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

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VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

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 VET Development Centre

 VET Development Centre