



2019  
**ANNUAL  
REPORT**

VET DEVELOPMENT CENTRE



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## ABOUT US

### WHAT WE DO

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

Through our services, the VDC provides continuous professional learning to all teaching and non-teaching staff in the VET Sector across Australia. This is achieved through the design and delivery of an extensive range of webinars, workshops and thought leader events, as well as Victorian Government funded continuing professional learning and evaluation activities to the Victorian VET workforce.

### GOVERNANCE

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

## STRATEGIC PLAN

### OUR 2020 GOALS AND SUCCESS INDICATORS

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

#### OUR 2020 GOALS

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

### OUR VISION

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

Our vision is to become the leading organisation for all VET professional learning programs for Government and training providers. With a new state of the art training facility to expand our face to face and digital reach, plus a continuously revitalised program focused on building quality through practice excellence and innovation, we are confident in our contribution to building the capability of the VET workforce.

### OUR VALUES

// **Ethics and Integrity, Respect and Collaboration** through our strongly collaborative approach and trusted relationships

// **Passion and a Customer focus** through our relentless efforts to understand the specific needs of providers and to be a partner in their success

// **Life-long learning and Quality** by continuously seeking out best practice methodologies and engaging more and more in strategic collaborations with providers and agencies to build the knowledge-base that can then be shared across the sector

## OUR 2020 SUCCESS INDICATORS

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

To reach these goals, we develop an annual set of priorities which, for the 2019 calendar year, are as follows:

## OUR 2019 PRIORITIES

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

## ORGANISATIONAL STRUCTURE

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

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



## MESSAGE FROM THE CHAIR

It is with pleasure that I present the VET Development Centre Limited (VDC) 2019 Annual Report.

Firstly, I wish to acknowledge the significant contribution of my predecessor Ms Sue Christophers PSM who lead the establishment of the VDC training facilities and new centre of excellence focus, and remains a most valued member of the VDC Board.

Building on the VDC's transformation of recent years to becoming a centre of excellence for the VET Sector workforce, the VDC has once again achieved record engagement in its programs. For the first time there were over 11,000 participants for 389 government funded and fee for service events designed, delivered and/or hosted by the VDC in 2019. This represents an 11 percent increase in engagement on the previous (record) year.

This dramatic increase reflects the ability of the organisation to attract and service a larger cohort of participants through the establishment of its own training centre in 2017, a revitalised staff structure, more proactive webinar based customised delivery as well as improved categorisation of professional learning.

In order to describe the level of content being presented in training, in 2019 VDC introduced Professional Learning Categories for its webinars and workshops as well as elements of the Victorian Government funded professional development programs aligned to the levels in the industry respected VET Practitioner Capability Framework developed by IBSA in 2011.

In 2019 VDC provided a range of stimulating industry focussed seminars and symposiums for the sector through national webinars and Victorian based seminars on thought leader practitioner topics. A collaboration with the Office of the Victorian Skills Commissioner for the *Industry Engagement Symposium Series* provided opportunities for senior managers within TAFE and private training organisations to connect with industry experts, as well as with keynote speaker Peter Hutton educator and futurist, Founder and



Convener of the Future Schools Alliance and transformer of the Templestowe Secondary College at the inaugural VDC World Teachers' Day Luncheon.

The VDC Strategic Work Plan 2019 with the Victorian Department of Education and Training (DET) highlighted the collaboration and continuing commitment provided by Government. DET, in consultation with VDC, focused the 2019 Strategic Work Plan on delivering workforce professional learning to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.

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

I am confident 2020 will see the VDC continuing to thrive and enhance its professional learning programs, with TAFE, private provider, learn local organisations and VET in Schools teachers all participating collaboratively at PD activities.

A handwritten signature in black ink, appearing to read 'Belinda McLennan', written in a cursive style.

**Dr. Belinda McLennan**

Chairperson

**389**

events hosted by  
VDC (a record)

**80%**

increase in services  
utilisation over past  
five years

**2,500**

attendees at Victorian  
Government funded PD  
in 2019

**11,500**

attendees at VDC programs,  
events and services in 2019  
(11% increase on 2018 record)

# CEO REPORT - 2019 HIGHLIGHTS



**It was a privilege to witness the VDC consolidate its reputation as the major provider of Victorian Government funded training to Skills First training providers in 2019.**

The activities of the VDC also extended far wider with the record program and services delivery reaching almost 400 events for the first time. The popularity of key thought leader events, utilisation of the VDC facilities by the VET Sector and the provision of professional learning expertise to TAFE and training providers in South Australia stand out as highlights.

VDC was engaged to provide significant professional learning programs for the VET sector workforce focussing on practitioners of accredited training, equipping training providers for the National Disability Insurance Scheme, masterclasses on Family Violence intervention, as well as informing the broader public sector on the role and purpose of Vocational Education.

We embraced World Teachers Day for the VET Sector through the inaugural VET World Teachers' Day Luncheon on the last Friday in October, the date it is celebrated in Australia. World Teachers' Day was established in 1994

by UNESCO to acknowledge the achievements of the profession and also demonstrate the standards, rights and responsibilities of teachers to be supported to provide quality education and lifelong learning.

In order to demonstrate and measure the impact of the funded programs over time, the Australian Council for Educational Research (ACER) conducted an independent evaluation for the second year in succession, to track the return on engagement, medium to longer term benefits and the impact of participation in the professional learning programs and series.

Based on the evidence collected for the 2019 evaluation, ACER has found that the program continues to make an important contribution to the continuing professional development of the VET workforce in Victoria.

As part of moving towards becoming a centre of excellence, VDC has invested considerable effort and resource to improving the support materials that participants will receive for VDC workshops. A new workbook format was aimed to aid the workshop but also provide a means of referral for participants when back in their workplaces.

The outcomes for 2019 speak for themselves in terms of the continuing growth of the VDC as a leading professional learning provider. Satisfaction ratings averaged over 97 percent for the 200 professional development events delivered by the VDC in 2019. Record engagement of 11,417 participants with VDC professional development programs and services was achieved including a new attendance record. These results are reflected in the achievement of a performance surplus of \$240,344 as shown in the audited financial accounts in this report.

The following report provides a snapshot of the diverse range programs and events undertaken in 2019.

**Martin Powell**

Chief Executive Officer/Company Secretary

## 2019 SNAPSHOT

**5,300**

attendees at VDC customised programs and services in 2019 (25% increase on 2018 record)

**97%**

average satisfaction rating for attendees surveyed at VDC programs

**115%**

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

**\$2.5m**

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

## 2019 HIGHLIGHTS

### PROFESSIONAL LEARNING

*'Teachers engage in professional learning to stimulate their thinking and professional knowledge and to ensure that their practice is critically informed and current.'*

*'When a wide range of high-quality, sustained professional learning experiences are undertaken, teachers are more likely to inspire pupils and provide high-quality teaching and learning experiences, enabling learners to achieve their best.'*

*(The General Teaching Council for Scotland)'*

The VDC provides continuous professional learning (non-accredited training) for the VET workforce through an extensive range of webinars, half and full day workshops and special events such as Thought Leader seminars, conferences and other functions.

In order to describe the level of content being presented in training, in 2019 VDC introduced Professional Learning Categories for its webinars and workshops as well as elements of the Victorian Government funded professional development programs. The categories are aligned to the levels in the VET Practitioner Capability Framework (IBSA 2011). The level descriptions are described as:

#### ▲ Introductory (New to the topic)

These sessions are aimed at practitioners that have a broad theoretical knowledge and practical experience of training and assessment; they operate independently and seek guidance when necessary.

#### ● Intermediate (Build on your existing Knowledge)

These sessions are aimed at practitioners that have specialised theoretical knowledge and practical experience of training and assessment; they employ a wide range of teaching and assessment methods and provide guidance and support to practitioners.

#### ■ Advanced

These sessions are aimed at practitioners that have in-depth knowledge and established skills to shape a team's training and assessment practice; they inspire others, lead change processes and provide specialist advice and support.

As part of moving towards its 2020 vision of becoming a centre of excellence, VDC invested considerable effort and resource to improving the support materials that

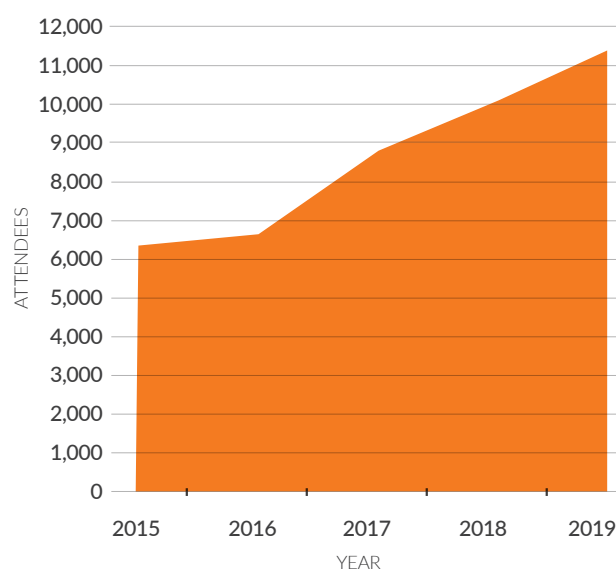
participants receive at VDC workshops. A new workbook format was introduced that is desktop designed and the content is quality assured by VET content experts Louise Wignall and Anita Roberts. The workbook aids the workshop delivery and also provides a means of referral for participants when back in their workplaces. From April, participants at VDC Professional Learning Programs, and programs funded by the Victorian Department of Education and Training VDC 2019 Strategic Work Plan workshops were provided with the new resource booklets.

Total engagement with the VDC programs, events and services in 2019 eclipsed the record participation of 10,112 set in 2018 with 11,417 participants. This represents an increase of 13% from 2018 and 80% since 2015.

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

The increase for VDC services was driven by increased demand for VDC customised professional learning activities, the popularity of the VDC free thought leader seminar and webinar events and an increase in VDC venue hire bookings.

### ATTENDEES AT VDC ACTIVITIES





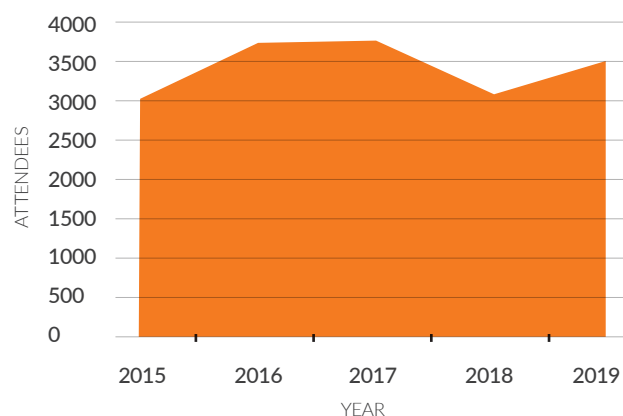
## VDC Professional Learning Program

The VDC Professional Learning Program in 2019 provided 92 sessions consisting of workshops, national webinars, seminars and a conference to the sector around the following key themes:

- // Assessment Essentials
- // Industry Engagement
- // Leadership & Management
- // Mapping & Validation
- // Quality, Compliance & Auditing
- // Teaching & Learning Series
- // Professional Learning Events

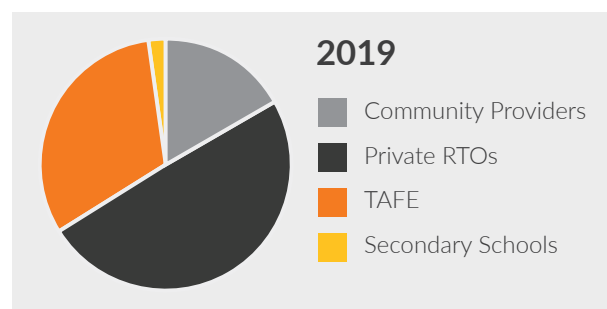
The overall attendance average at the VDC Professional Learning Program increased to a record 38 per session. Overall registrants increased by 11% to 3,504. Workshops were conducted at the VDC premises, while webinars were accessed by all states and territories in Australia, as well as New Zealand.

### ATTENDEES AT VDC PROFESSIONAL DEVELOPMENT PROGRAMS



TAFE attendees maintained a one third share of attendees in line with 2017 and 2018 results. The VDC experienced a slight decrease in private training provider attendees as a proportion of VDC Professional Development events but remain the largest sector accessing this program. Learn Local Organisations attended in greater numbers which is interesting given that specific training was provided to this sector under government training outlined further in this report. VET in Schools Teacher engagement remained consistent with 2018 and 2019 levels after specific funded training places were provided under a VET for Schools program in 2017.

ORGANISATION	2015	2016	2017	2018	2019
Community Providers	527	473	505	394	579
Private RTOs	1313	1757	1943	1760	1692
TAFE	1126	1463	1204	939	1091
Secondary Schools	51	64	130	64	67
<b>TOTALS</b>	<b>3017</b>	<b>3756</b>	<b>3782</b>	<b>3157</b>	<b>3429</b>



## Professional Learning Solutions

In addition to the VDC Professional Learning Program, the VDC designs PD that meets individual workforce development needs for training organisations. Customised programs are delivered at the VDC or at training organisation locations across Australia.

Our highly experienced content experts and consultants work with training organisations to design a program that identifies the organisation's workforce development needs and is delivered at a time and place that is convenient to an organisation. Major clients in 2019 included:

- // The South Australian Department of Industry & Skills
- // WorldSkills Australia
- // The Victorian Regulations & Qualifications Authority
- // TAFESA
- // Federation University
- // Geelong Technical Education Centre (The Gordon)
- // Holmseglen TAFE
- // Moe Life Skills Community Centre

VDC customised programs experienced a 36% increase in reach in 2019 with 63 sessions provided to 2,439 participants.

Through the VDC training facilities, venue hire services were provided for major clients such as Wellness Coaching Australia, Swinburne Professional, Federation University School of Education Research, Accenture, Federated Association for International Co-operation Australia (FAICA) and Water Research Australia.

In addition, webinar hosting services were provided for major VET stakeholders including VETASSESS and the Victorian TAFE Association (VTA).

Hire and hosting services supported 2,888 attendees over 140 meetings, events and programs. A facility utilisation rate of 115% was achieved for the VDC training facilities at 379 Collins Street, prompting the VDC Board and Management to increase the baseline for room hire in 2020 to 45 hours a week.

## In Kind Support

The VDC assisted a number of community-based and not for profit organisations through the provision of in-kind services in 2019. VDC contributed webinar hosting / registration services for deafConnectEd and the ACFE Board of Victoria, as well as 8% (valued at \$10,000) of total room bookings being provided to a wide range of community and peak organisations free of charge including the QuIET (Quality in Education and Training) Network Meetings.



## VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

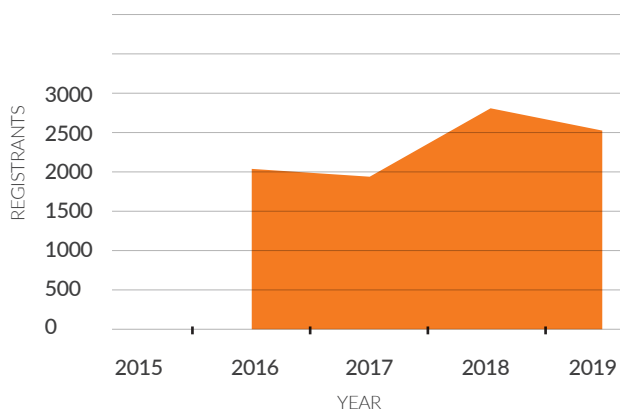
In 2019 the VDC delivered a diverse range of professional development programs funded by the Victorian Government, available to all training providers that held a *Skills First* funding contract with the Victorian Department of Education and Training (DET), National Disability Insurance Scheme (NDIS) training provider programs, information sessions and workshop series for TAFE, Learn Local and RTO trainers and policy makers working on family violence workforce development to improve family violence prevention, response and training in the VET sector. In addition, further Family Violence related training on the Multi-Agency Risk Assessment and Management Framework (MARAM) delivery of non-accredited professional development sessions was provided. Over 2,500 VET workforce participants accessed 84 complimentary sessions over 2019.

2019 was the second year that DET funding for workforce development grants and scholarships, as part of the Common Funding Agreement between VDC and DET, was converted into funding to deliver workforce professional learning in the form of workshops, webinars and information sessions. These professional learning activities aim to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.

2019 VICTORIAN GOVERNMENT FUNDED PROGRAMS	SESSIONS	REGISTRATIONS
<i>Skills First</i> : Planning and delivering suitable and appropriate training	5	140
Developing Effective Training and Assessment Strategies workshops	10	204
Good Practice Language, Literacy and Numeracy (LLN) Assessment and Support Workshops	5	134
<i>Skills First</i> : Quality Assessment Practices	10	291
NDIS Professional Development for Victorian VET Providers - Trainers and Assessors of NDIS related qualifications		382
Family Violence Programs	11	234
Professional Development for Providers of Accredited Training	27	967
Professional Development specific to Learn Local Organisations	12	178
Professional Development for Community Sector Workers and Government Department Staff	4	56
<b>TOTALS</b>	<b>84</b>	<b>2,586</b>

The second year of the broad range of funded training was embraced by *Skills First* contracted providers. There were 100 sessions in 2018 compared to 84 in 2019, resulting in a slightly lower overall attendance. However, average registrations per professional learning session remained consistent over both years.

## REGISTRATIONS AT GOVERNMENT FUNDED TRAINING



Great session and very informative too. The presenter was extremely knowledgeable and provided sufficient time to analyse and practice what we learnt during the session.



## Putting Students First: Delivering suitable and appropriate training

The Victorian Department of Education and Training (DET) has provided funding since 2015 for a professional development program to support every *Skills First* contracted training provider to improve the experience of students undertaking government funded training through the delivery of training that is both suitable and appropriate. This initiative forms part of the Government's *Skills First* Additional Professional Development Program for 2019 included funding for delivery of 5 Putting Students First: Delivering suitable and appropriate workshops, refined to a half day format.

Due to proactive engagement by the VDC with providers to increase the awareness of the workshops as well as conversion rates of registrants into attendees, the *Skills First: Planning and Delivering Suitable and Appropriate Training* workshops achieved a record attendance in 2019. To increase provider engagement and participation in the *Skills First: Planning and Delivering Suitable and Appropriate Training* workshops, VDC trialled sending SMS reminders to participants to confirm their attendance or non-attendance. The impact is reflected in the 11 percent increase in attendance: 132 attendees out of 140 registrants in 2019 (94%) in contrast to 237 attendees out of 285 registrants in 2018 (83%) for 10 workshops. The proportion of TAFE attendees to this program more than doubled (25%) in the 5 workshops in 2019.

// 94% of respondents agreed the program delivery and content was good or excellent.

It was a very informative session.  
Looking forward to more  
sessions like this.

## Developing Effective Training and Assessment Strategies

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

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

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

The program, consisting of a full day workshop was developed by the VDC after consultation with Vocational Education and Training experts and careful referencing of VET documentation including the *Skills First* Contract.

Due to the proactive engagement by the VDC with contracted training providers to increase the awareness of the workshops as well as conversion rates of registrants into attendees, the *Skills First: Developing effective training and assessment strategies* workshops achieved an increase in the conversion rate of 5%. This conversion rate was affected by two major transport delays.

To increase provider engagement and participation in the *Skills First: Developing effective training and assessment strategies* workshops, VDC sent SMS reminders to participants to confirm their attendance or non-attendance. With 300 places, 204 registrations (68%) were received with 172 attending (84%), compared to 294 registrations (98%) with 235 attending (79%) in 2018.

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

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

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

In 2019 DET committed to focus on LLN to support contracted providers to appropriately conduct thorough and valid language, literacy and numeracy assessments prior to commencement of training. The VET Funding Contract requires training providers to consider literacy and numeracy skills when carrying out a Pre-Training Review. This also formed part of the Government's *Skills First* commitment to high quality training. In 2019, DET funded the delivery of five half day *Skills First: Good Practice LLN Assessment and Support* workshops.

To increase provider engagement and participation in the *Skills First: Good Practice LLN Assessment and Support* workshops, VDC trialled sending SMS reminders to participants to confirm their attendance or non-attendance. The impact is reflected in the 11 percent increase in attendance. In 2019, with 150 places, 134 registrations were received with 114 attending (85%) in contrast to 2018 with 300 places, 270 registrations were received with 199 attending (74%).

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

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

In October 2016 the Minister for Housing, Disability & Ageing released *Keeping our sector Strong: Victoria's workforce plan for the NDIS*, which outlines the strategy to address Victoria's workforce needs for the National Disability Insurance Scheme (NDIS).

The Plan has been developed to ensure Victoria has a clear strategy to grow a skilled, diverse and responsive disability workforce, and harness the opportunity the scheme presents for Victoria to position itself as a leader in quality and innovation.

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

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

The Information Sessions provided an overview of the following:

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

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

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

In 2019, the DET program provided 6 half day Information Sessions, 9 full day Workshops, 7 full day Masterclasses and 4 Community of Practice sessions totalling 916 registrations. The programs and registrations were:

- // VET NDIS Professional Development Program  
- 6 Information Sessions
- // VET NDIS Professional Development Program  
- 9 Workshops
- // VET NDIS Professional Development Program  
- 6 Masterclasses
- // VET NDIS Community of Practice Sessions  
- 4 CoP sessions

The VDC refined the program to ensure content remained relevant to trainers and assessors. The VDC also reduced the number of information sessions and provided additional masterclass sessions on psychosocial, zero tolerance and communicating with people with complex needs.

To complement the changes to facilitate a deeper understanding of NDIS the VDC designed the resources to a common template and structure to assist with readability and mapping to the intended learning outcomes.

Through implementing these changes described above, responses remained positive with an overall satisfaction rate of:

- 83% achieved for the Information sessions
- 97.5% achieved for the Workshop sessions
- 95% achieved for the Communication for People who have Complex Communication Needs and Behaviours of Concern Masterclass
- 97% achieved for the Masterclass Session on Psychosocial Disability
- 100% achieved for the Masterclass Session on Zero Tolerance



## 2019 VDC Strategic Plan Victorian Government Funded Initiatives

2019 was the second year of a transition to the new approach of developing and delivering professional development and learning opportunities for *Skills First* training providers and Learn Local providers. Previously, the Victorian Department of Education and Training (DET) provided funding to VDC to administer a range of workforce development grants and scholarships. The first year of transition was supported by the establishment of permanent VDC training facilities at Level 8, 379 Collins Street, Melbourne, which has provided the VDC and DET with an efficient and best practice model to deliver consistent, high-quality, funded training opportunities.

This second-year of DET's approach to funded professional workforce development programs through the VDC 2019 Strategic Work Plan is contributing to the VET sector workforce continuing to be supported and developed through the VET Development Centre, as outlined in the DET 2019-2023 Strategic Plan (p6). The 2019 VDC Strategic Work Plan also aligns to the VDC Strategic Plan 2018-2020 to transforming VDC into a Centre of Excellence for continuing professional learning and thought leadership for the VET sector workforce.

DET, in consultation with VDC, focused the 2019 Strategic Work Plan on delivering workforce professional learning to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.

VDC transformed the Work Plan into a range of Professional Learning Programs series comprising full and half day workshops and three webinars.

The Program was delivered under four main domains:

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

The programs were well-subscribed and well-supported by those who attended. Over 1,300 registrations were received across the programs.

The results of the VDC evaluation and an ongoing independent evaluation conducted by the Australian Centre for Educational Research (ACER) in 2018 and 2019 found that the program continues to make an important contribution to the continuing professional development of the VET workforce in Victoria.

At the participant level, ACER identified a number of positive benefits and applications of the knowledge and skills developed by participants. The results demonstrate that the sessions were well-supported, and the participants reported that they were able to learn and/or refresh skills and knowledge. Also, the participants intended to implement or drive change back in their workplace. ACER followed up with participants 4-8 weeks post the session and reported that the majority were in the process of applying the learning/knowledge/skills.



Also, at the organisation level, ACER noted the participants often presented (or planned to present) to colleagues in staff meetings or had shared the workbook with other team members. Similarly, with the leader series, the resources were being used to deliver in-house PD in their organisations.

Further, at the student level, ACER collected numerous stories on evidence of the positive impact that practitioners believe the workshops will have, and have had, on their students, and were able to clearly articulate the positive benefits.

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



## PROGRAM DOMAIN 1

### Professional Development for Providers of Accredited Training

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

24 workshops, 3 webinars, 967 registrations in the program areas of:

- **Professional Knowledge Series:**  
9 workshops, 207 registrations
- **Professional Learning Series:**  
9 workshops, 3 webinars, 614 registrations
- **Professional Practice Series:**  
6 workshops, 146 registrations

Average Satisfaction Rating

97%

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

#### WORKSHOP 1

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

###### AREAS OF FOCUS

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

#### WORKSHOP 2

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

###### AREAS OF FOCUS

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

#### WORKSHOP 3

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

###### AREAS OF FOCUS

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

### 'These sessions make you question what you are doing'

PROFESSIONAL KNOWLEDGE SERIES  
WORKSHOP 1: TEACHING THEORY AND PRACTICE,  
LEARNING AND ASSESSMENT

'I work in the hospitality area for a TAFE. I've worked in VET for a long time. As a trainer, as a department manager and now back as a trainer again. **I go to these things to check if I'm on the right track. The sessions motivate me. I come away with some ideas about what I might do in my own training.**

This time it was about assessment. The students benefit because we bring fresh ideas into our teaching and review our assessments - fair, valid, reliable...using the principles of assessment.

**It is easy to just settle into ways of doing things but these sessions make you question what you are doing.**

I take back ideas and discuss them with others. Because I've been there a long time people expect that from me.'

### 'Self-reflection is key'

PROFESSIONAL KNOWLEDGE SERIES  
WORKSHOP 1-3: ALL SESSIONS

'I work for a private childcare RTO to help them with developing their trainer's teaching styles. I use observation and feedback to improve the new trainer's delivery style.

**The Knowledge Series is great because it reminds you of all the theory. It brings it back to the surface.** Some of the participatory approaches we talked about reminded me of the Early Years Learning Framework. It's good to make those connections.

Karen is always fun and gives a lot of take-away tips. Cherylle Pell brought a lot of experience as an auditor and Carole McCreadie her experience as an educator in industry. **Having that level of expertise in the room is really impressive.**

Having the experts is great but I also love networking with the people in the room. I set up little informal email groups and we share ideas.'

### 'Even the small things matter'

PROFESSIONAL KNOWLEDGE SERIES  
WORKSHOP 2: CONTENT, CONTEXT AND HOW IT  
CAN BE TAUGHT

I was a Training Manager in a Disability out of Home Care organisation and I've come across to work in TAFE. I was sessional but now I'm full time at TAFE. I want to improve my existing skills and knowledge as I have a diverse student group and I really want to improve my practice.

**I'm upgrading my TAE so all of the practical tips were excellent.** As a result of the workshop I adjusted an assessment for a couple of students. One of my African students is really good at PowerPoint so I got him to do an assessment that way- with lots of visuals and presenting to the class. Another woman who was terrified of talking in front of class - I got her to watch all the other presentations first to gain her confidence. **There are lots of small things you can do that make a big positive impact.** I have had good feedback from students telling me that assessment is not so stressful. It's all about being able to make those small modifications but keep the assessment fair.

The workbook was really good and well set out. But there was a lot we skipped over. You can't cover everything I suppose but it is good to look back on.

*'I want to get the skills and experiences to get the best out of my students and think through where the barriers are for them.'*

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

### WORKSHOP 1

#### Plan professional learning to improve student outcomes

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

##### AREAS OF FOCUS

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

### WORKSHOP 3

#### Evaluate impact of professional learning

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

##### AREAS OF FOCUS

- Monitor and review impact of own professional learning on learners

### WORKSHOP 2

#### Engage in professional learning

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

##### AREAS OF FOCUS

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

### 'Journaling as a way to register the impact of PD'

#### PROFESSIONAL LEARNING SERIES WORKSHOP 3: EVALUATE THE IMPACT OF PROFESSIONAL LEARNING

With over seven years of experience in the VET sector, Hamza started his role in quality and compliance management with a private RTO in June. He felt he was across most aspects of the new job but was looking for some take-home tips that would add value to his management of staff PD records and the impact of PD on their practice. He took what he learned at the workshop and implemented it straight away with his teachers at a training meeting. He introduced them to the VET Capability Framework – which he finds to be brief, clear and visually appealing and got them to use it as a self-assessment tool.

He felt they engaged with it and were 'on board' with the process of identifying their strengths and areas where they might seek improvement. As a result of the PD, Hamza created a new column in the PD logbook - somewhat like a journal entry - where trainers could register the impact of any PD. This was something he had not considered before but feels it brings the professional learning logbook to life.



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

### WORKSHOP 1

#### Design effective teaching and learning experiences

##### AREAS OF FOCUS

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

### WORKSHOP 3

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

##### AREAS OF FOCUS

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

### WORKSHOP 5

#### Evaluate impact of teacher on learning

##### AREAS OF FOCUS

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

### WORKSHOP 2

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

##### AREAS OF FOCUS

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

### WORKSHOP 4

#### Assess for learning and monitor learner progress

##### AREAS OF FOCUS

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

### WORKSHOP 6

#### Assess and report learner achievement

##### AREAS OF FOCUS

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

### 'Building stronger VET teachers'

#### PROFESSIONAL PRACTICE SERIES

#### WORKSHOP 5: EVALUATE THE IMPACT OF TEACHING AND LEARNING

Clara is a Senior Educator with responsibility across Business and Finance, Arts, Hospitality and Tourism at a regional TAFE. She is motivated to attend to develop strategies to drive change in her organisation. She travels up to Melbourne to attend the PD and then puts together a program for her TAFE colleagues once she is back in the office.

She considers the funded PD opportunity at VDC as invaluable as it is costly to send individuals to the PD because of time release and travel. Her main reason for attending the PD was to support others to improve their practice. She has 9 or 10 new teachers that she wants to take through the basics – things like making a statement at the start of the class about what the session is going to be about and what the student is going to learn.

Clara finds that the VDC Workbook is a tangible resource to draw on. "I've written a lot of notes on it!" Once back at work Clara puts together a session to run through the TAFE's Teaching Quality Centre.

"We want to go beyond the compliance issues that can dominate staff meetings and have some content on building teaching skills – moving towards great experiences in the classroom."

Clara uses the VDC PD content to formulate an internal round of PD where teachers can share ideas and share their failures without fear of judgement.

"We assign each new teacher a mentor to help them in the early days. I like to look at who is struggling and who is going well. It's better to know early rather than wait for failure rates in courses or bad student feedback. Bringing all the teachers from our different courses together means there is a cross fertilisation of practices and ideas. I then alert them to the VDC webinars that we subscribe to for follow-up.

Some people are natural teachers. Some are not. Just knowing doesn't mean that you know how to teach it to others.

The VDC sessions help me think about the way I teach and some of the bad habits I may have developed or if I have lost sight of things."

### 'Creating learner-centred feedback loops'

#### PROFESSIONAL PRACTICE SERIES

#### WORKSHOP 2: EFFECTIVE TEACHING AND LEARNING STRATEGIES TO CATER FOR A RANGE OF LEARNER NEEDS

A great take home message from this session was the need to get shorter formative feedback from the learners. I went away and made a mini-feedback form for my lower-English classes to build a bit of a picture for each unit. Students feel they can express their feelings. This gives me a sense of what things are bothering people and it's a tool for quick turnaround from the feedback into the next lesson where I can revise things.

### 'Practical matters'

#### PROFESSIONAL PRACTICE SERIES

#### WORKSHOP 4: ASSESS AND REPORT LEARNER ACHIEVEMENT

Brenton was looking for new ideas to put into practice as he is rewriting one of his RTO's finance courses. He found the example in the workbook about a non-compliance a very good example to work through on the day. He picked up on some wording used in the workshop in relation to marking guides and found some phrases really resonated with him. He was able to apply this directly to his documents back in the workplace.

## PROGRAM DOMAIN 2

### Professional Development specific to Learn Local Organisations

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

12 workshops, 178 registrations in the program areas of:

- **Access, Choice and Equity Series:**  
8 workshops, 104 registrations
- **Professional Leadership Series:**  
4 workshops, 74 registrations

Average Satisfaction Rating

98%

The well-received **Access, Choice and Equity Series** has been developed and delivered for the Learn Local workforce since 2017. The four workshops were repeated twice to enable broader access to the program. The improved series was well received, as reflected in an average 98% satisfaction rating derived from the program evaluations.

The professional leadership program is targeted to LLO managers and leaders. VDC delivered a **Professional Leadership Series** with a focus on two areas: Governance, Funding and Reporting; and Leadership & Organisational Development.

This Leadership Series focused on how to effectively communicate with others and to confidently communicate a clear message, by providing attendees with simple concepts as well as time to practice new learnings especially interpersonal communication and conveying a distinctive message.

It also addressed the challenges of leading rather than managing and independent thinking as well as problem-solving skills, so participants could unlock their true potential. The sessions were repeated to ensure maximum engagement by the LLOs.

In addition, DET continued to provide **funded places for LLO** staff in the 2019 VDC Professional Learning Program. VDC offered funded places for LLOs to attend existing VDC webinars and workshops. VDC allocated funding in April and again in July. The program was fully subscribed, accommodating 158 staff from 70 LLOs (45 LLOs in 2018) to attend 295 VDC professional learning program sessions.



### 'Resourcing the team'

#### LLP ACCESS, CHOICE AND EQUITY SERIES WORKSHOP 2: LEARNER SUPPORT AND WELLBEING

As a coordinator of Early Childhood Education at a suburban LLO/RTO Gary finds that whilst his team can support most learners in their academic studies they often face challenges dealing with the issues that arise in learner's personal lives. Sometimes these issues get in the way of them progressing through the course.

He went to this workshop on Learner Support and Well-being to find out about the resources he might bring back to his team and was very pleased to come away with a list of resources and practical strategies and ways to connect with external not-for-profit services. Gary felt the workshop exceeded his expectations.

Gary felt that the facilitator brought a wealth of personal experience and rich work history to his role and was adept at drawing out the experience of others in the room through effective questioning. He felt that the facilitator understood the challenges that workshop participants were facing and offered practical yet realistic advice.

*Gary's motivation to attend was driven by a desire to drive change in his organisation – as team leader he wants his team to feel supported and have all the relevant resources at their fingertips. The workbook has been a sought after resource amongst the team and they are working their way through the suggested links and resources in it and making a set of contact lists for the office.*

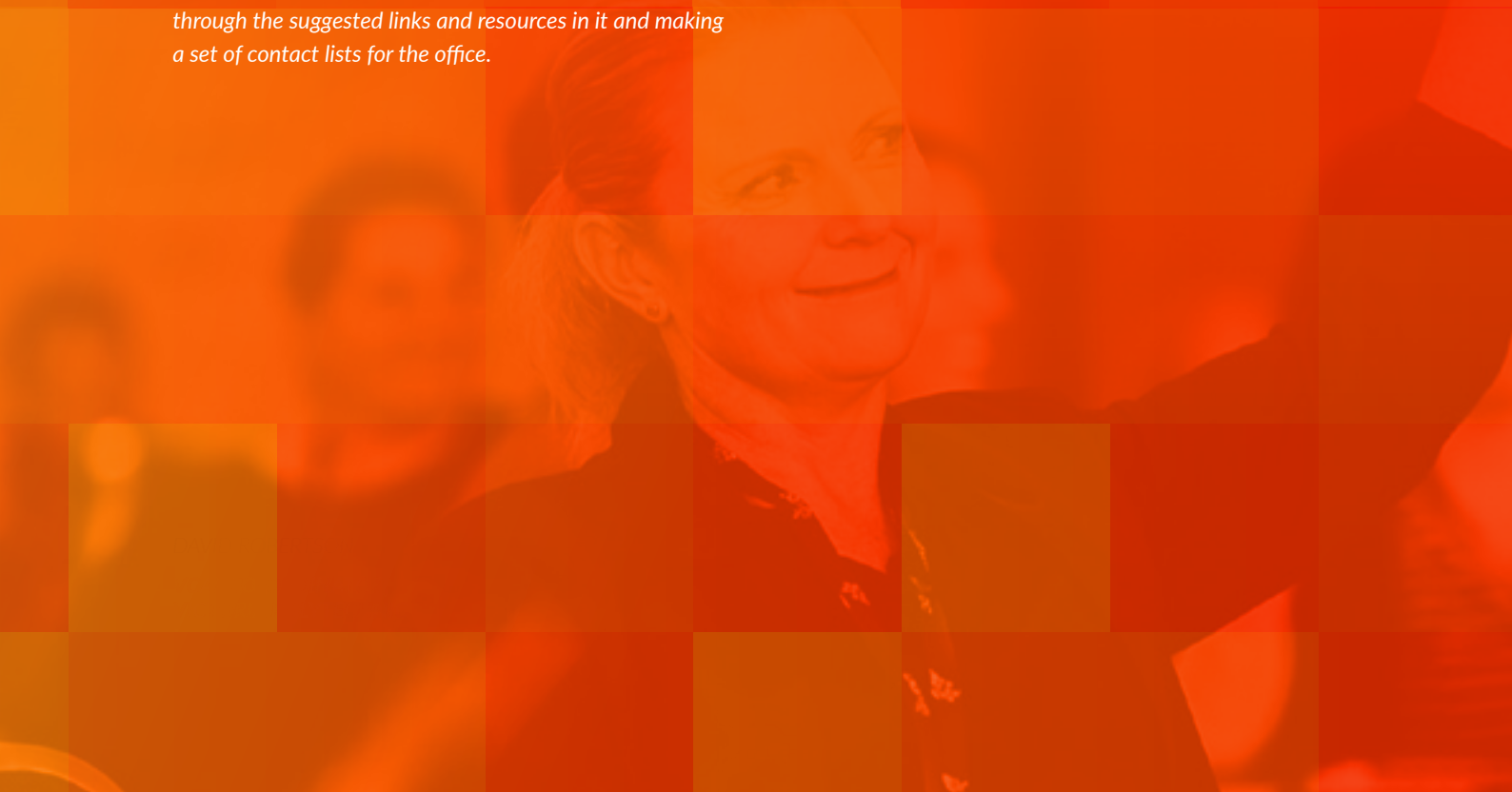
### 'Expanding strategies to support learners'

#### LLP ACCESS, CHOICE AND EQUITY SERIES WORKSHOP 3: TEACHING AND LEARNING

Eloise teaches in three different sectors – emergency teaching in a primary school, a workplace English and maths course in a factory setting and the Cert I in the Certificates in General Education for Adults. She is a strong believer in constructivist theory and tries hard to create interesting 'hands on activities' for her learners of all ages. She uses a phonics approach to learning to read with both her child and adult learners but changes her strategies and use of humour to suit each learner group.

"The technique I can use with all of them is to break up the learning into chunks- to spend 15-20 mins on one thing and then get up and move, or sing a song, or discuss things with a partner. This links in with the research that says spending too long on one thing without a break means that the information doesn't filter in. I also loved the information we got on teaching dyslexia and working with a growth mindset!"

*I love the VDC workshops because they keep me learning. I have tried doing online courses but I prefer face to face. I love the contact with other people and sharing ideas and stories with one another. I went to expand my strategies to support all of my learners in the best possible way.*



### 'Responsive funding approaches'

#### LLP ACCESS, CHOICE AND EQUITY SERIES WORKSHOP 1: GOVERNANCE, FUNDING AND REPORTING

Originally from a teaching background but now in program management, Saif was pleased to have the opportunity to attend the session on Governance Funding and Reporting.

'The skills that I need now in my job are a combination of small business, project management and accounting applied to an education environment. I am held accountable in my job for every cent that is spent in my programs and the senior leadership team and Board are fully behind me attending this type of PD that is directly applicable to my job.

The workshop had excellent tips about project planning – putting spreadsheets in place to really scope out proposed costings that might accompany an application for funding for extra curricula activities. In the work book there were links to access additional resources after the workshop. I am still referring to the workbook and see it as a simple yet vital tool that I will continue to use.

I wanted to learn some new things and I came away with a much better understanding of State based funding – Skills First, ACFE and LEAP funding. I manage the AMEP funding which is from the Commonwealth but we are always looking at innovative ways to combine funding sources to meet learner cohort needs – like lower level conversational English for example. The students at our LLO [LLP] can really benefit when we are able to be responsive and fund programs or team teaching approaches that benefit them.'

*I really enjoyed my day – the presenter was excellent at drawing out the expertise in the room and getting us talking together. A tremendous outcome from that has been that we have formed a group and we are going to do site visits of other organisations and meet and discuss ways we might work together.*

### 'Communities of practice waiting to happen'

#### LLP ACCESS, CHOICE AND EQUITY SERIES WORKSHOP 2: LEADERSHIP AND ORGANISATIONAL CHANGE

Zach attended the workshop to learn more about change management and a systems software program he is wanting to introduce into his organisation. Whilst the content of the workshop was more broadly on leadership he felt that at least half of the workshop content was new to him and he came away with a couple of new concepts he will use in his role as coordinator of a Neighbourhood House. Referring to the workbook he received on the day he cited the section on meeting human's basic needs – a version of the Maslow hierarchy pyramid, as a useful concept that he intends to use when dealing with staff. He thinks such a framework will assist him to get to the bottom of any presenting issue from his team members.

Zach intends to share the workbook with his team but would prefer to have had access to the slides.

'I think it is crucial to have the slides so we can pass exactly what we learned on the day to the team. The workbooks are continuous text and not the same as the slides as they provide more digestible chunks of information.'

Zach found the facilitator clear and engaging but felt more could be made of the potential for the group to form 'a loose community of practice'. One of his suggestions is to reach agreement in the session so that participants' contact details are distributed by email after the session, or that the presenter could encourage participants with likeminded issues to connect on the day and then plan to catch up after the workshop to work together to solve a common issue.

'Sometimes it is just good to have someone else to touch base with.'

## PROGRAM DOMAIN 3

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

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

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

Average Satisfaction Rating

85%

The interactive workshop was repeated twice at the VDC in the Melbourne CBD and was also conducted in Bendigo and Frankston. The sessions were targeted at social justice workers as well as the Navigator workforce and attracted attendees employed within community service organisations delivering social and justice services to the local community and relevant Victorian Government

Department staff from Department of Health and Human Services (DHHS), Department of Justice and Regulation (DOJR), Department of Jobs, Precincts and Regions (DJPR), and any other Departments with an interest in understanding vocational education and training. The program achieved an average satisfaction rating of 85%.

## PROGRAM DOMAIN 4

### Other services to support specific programs

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

and Domestic Violence Resource Centre Victoria (DVRCV) developed two workshops focusing on: Family Violence and Risk Assessment; and Disclosure in the Adult learning environment. The program was repeated and attracted over 110 registrations and a satisfaction rating of 94%.

Average Satisfaction Rating

94%

A professional development program on **Family Violence** was implemented to as part of strengthening the knowledge, skills and practice of VET teachers, trainers, and assessors to improve the learning environment, experience and outcomes for all VET learners. The VDC and Domestic Violence Resource Centre Victoria (DVRCV) developed two workshops focusing on: Family Violence and Risk Assessment; and Disclosure in the Adult learning environment. The program was repeated and attracted over 110 registrations and a satisfaction rating of 94%.

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

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

#### Other Family Violence Programs

As part of the DET family violence workforce development projects prioritised in *Building from Strength: 10 Year Industry Plan for Family Violence Prevention and Response*, DET provided VDC additional funding to coordinate the delivery of non-accredited MARAM Screening and Identification training sessions. Content experts Domestic Violence Resource Centre Victoria (DVRCV) were engaged to design and deliver this training. The initial phase of the project was the design of the training and piloting with selected participants from organisations identified by DET. This pilot session was held on 27 and 28 November 2019. The program will be delivered across 2020.

In addition, DET engaged VDC to develop and deliver specific professional learning for Vocational Education and Training (VET) teachers, trainers and assessors delivering the Identifying and Responding to Family Violence Risk course. Information sessions and workshops commenced in 2019 and the program will culminate with a conference in 2020.

### 'Supporting FV support solutions'

#### FAMILY VIOLENCE SERIES

#### WORKSHOP 1: IDENTIFYING FAMILY VIOLENCE IN AN EDUCATION SETTING

As the Curriculum Manager of her Community Learning Centre, Rachael was set the task by her manager to learn more about the Departments 'Contract notification' about the Course in Identifying and responding to Family Violence risk (22510VIC). Her manager forwarded Rachael the VDC offer of free PD and she was pleased to attend for two reasons- she wanted to personally understand the issue more clearly so she could take appropriate action should a student disclose family violence to her and secondly she wanted to investigate whether or not her RTO are best placed to put the 22510VIC course on scope for delivery in 2020.

Her Centre has over 800 students from diverse cultural backgrounds coming to a range of EAL and Foundation Skills courses. Rachael hopes that they consider her organisation to be a trusted and safe environment. Luckily her Centre delivers settlement services and as such has a counsellor in house. But Rachael was looking for information about how she might get as many staff within her own organisation 'up to speed' and then consider providing the course to front of house, universal services workers within her region.

Rachael felt the VDC course was well run and took her from a place of 'thinking she knew a bit about the issue' to 'having a good informed overview of the issue'. From a personal point of view, she felt the session gave her good background knowledge about the Family Violence, practical skills to identify and respond to a disclosure, where to access support resources and contacts of key organisations. She found the session run by a specialist in the area, to be dynamic- a mix of presentation, group discussion, reflection and feedback to the larger group. She found the Resource booklet on the day to be clear and full of useful information.

Rachael is meeting next week (last week Oct) to discuss the issue with her manager and decide how to create clear mechanisms in the RTO about the issue, how to best support teachers and whether to put the course on scope. She thinks that a presentation to staff and some brainstorming will help sort the issues and information into some draft policies and procedures.

Students will benefit in a number of ways. If staff are better briefed it will allow them to identify and respond to issues more quickly and efficiently. It will increase the safety of the learning space for students and support those who have issues to get on with their learning with peace of mind.



## VDC EVENTS



*From left, VDC CEO Martin Powell with Teacher / Trainer of the Year finalists at the Victorian Training Awards*

## VDC TEACHING & LEARNING CONFERENCE

The 2019 VDC Teaching & Learning conference was held on 16 & 17 May at the RACV Torquay Resort on the Great Ocean Road in Victoria. The event attracted over 150 delegates from across Australia.

A real strength of the VDC continues to be the diversity of attendance at its professional learning programs, with TAFE, private provider, learn local provider and VET in Schools teachers and trainers all participating together in professional learning. The conference is the perfect example of this interaction.

The conference theme was how educators can Inspire, Trust and Educate themselves for the benefit of their students. The conference program wasn't neatly presented under these three themes, but rather embedded in all the presentations and workshops. Those that were in attendance at the RACV Torquay Resort would no doubt agree it was an engaging, friendly and relaxed experience.

The conference program was revamped and extended to two full days to include more interactive workshops with keynote speakers presenting workshops. This allowed delegates to explore the keynote topics in a workshop and dive deeper into the subject matter with the content expert.

Dr. Rich Allen once again proved a most popular presenter and a masterful MC, cleverly using music throughout the two days to engage delegates.

Highly regarded and popular VDC presenters Anni Yaringa and Martin Probst really struck a chord with delegates as experienced VET trainers by providing their insights on how VET providers and trainers can inspire and educate.

Award winning educator Dr. Marcus Powe provided amusing insights through baby boomer banter and tongue in cheek anecdotes to highlight how creative ideas can lead to positive change through his keynote and workshops.

There were keynote presentations and workshops on Design Thinking from Dr. Christine Murphy, a lecturer at RMIT University Graduate School of Business and Law and Swinburne University's Graduate School of Entrepreneurship.

This was rounded off by an amazing Conference Dinner this year with the introduction of networking drinks as well as two entertainers at the dinner itself, old school magician and jokester Warren Jackman and the ridiculously skilled and funny Marty Ralph with yoyo, lasso, stock whip and spinning tops tricks that achieved two world records and had to be seen to be believed.



VDC facilitator Martin Probst presenting at the 2020 VDC Teaching & Learning Conference Torquay



VDC Thought Leaders Seminar, Assoc. Prof. Melanie Williams, William Angliss Institute

## VDC WORLD TEACHERS DAY LUNCHEON

The inaugural VDC World Teachers Day luncheon was held on Friday 26 October at the RACV City Club, Melbourne. The event was very well received by over 90 attendees from a diverse range of VET providers and key VET stakeholders including WorldSkills Australia, Victorian Skills Commissioner, International Specialised Skills Institute and Victorian Curriculum and Assessment Authority.

World Teachers Day was established in 1994 by UNESCO to acknowledge the achievements of the profession and also demonstrate the standards, rights and responsibilities of teachers to be supported to provide quality education and lifelong learning.

The UNESCO theme of World Teachers Day for 2019 looked at the future of the profession and the role of young teachers in it – taking onboard the changing climate of education and schooling, the need to draw in and retain a new generation of dedicated educators, and to prepare them for the 21st century challenges of ‘teaching in diversity’ and ‘diversity in teaching.’

Guests were delighted by keynote speaker Peter Hutton educator and futurist, Founder and Convener of the Future Schools Alliance and transformer of the Templestowe Secondary College, now acknowledged as one of the world's most innovative education institutions. Peter provided his insights on student engagement and how education and the role of the teachers will change and the increasingly important role that teachers have in the new future.

VDC was also able to further capitalise on the exposure it receives as the major sponsor for the Teacher / Trainer of the Year Awards at the Victorian Training Awards that were held on 6 September at Palladium at Crown Melbourne. Jodie Rechsteiner from GO TAFE, the winner of the award attended as guest of honour and was an equally engaging speaker.

## VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 65th Annual Victorian Training Awards, held at Palladium at Crown Melbourne on Friday 6 September 2019. It was the third consecutive year VDC had sponsored this award. The awards celebrate the outstanding achievements of students, teachers, vocational staff, employers and training providers across the state.

Jodi Rechsteiner from GOTAFE took out this year's award, which also acknowledged the outstanding achievements of the other finalists in this category, Roeland Trietsch from Melbourne Polytechnic and Brenda Fithall from Federation University Australia.

It wasn't until her mid-thirties, university and trade-qualified, that Jodi realised teaching was a great career choice, as it allows Jodi to combine her skills as a qualified chef and her enjoyment of science. Jodi teaches in the Hospitality and VCAL departments and her unwavering passion for achieving outcomes for all her students, by ensuring her program delivery, resources and their format are all governed by what works best for her them, made her the perfect choice for this year's award.

Jodie went on to join other state and territory training awards winners as finalists at the Australian Training Awards held in Brisbane on 21 November 2019.

## VDC THOUGHT LEADERS SEMINARS

The 2019 VDC Thought Leadership Series consisted of 4 events being 2 seminars at the VDC in Melbourne and 2 national webinars, webinars being introduced for the first time for this expanded series.

The Series provided the opportunity for VET professionals (mainly practitioners) to engage with industry consultants, education experts and academic researchers about VET sector's cutting-edge topics. All VDC Thought Leadership Seminars were free and were followed by an opportunity to network at morning tea (excluding webinars).

The first seminar was 'Creating the conditions for innovation' at the VDC on 15 March 2019.

Tiina Tuulos and Pauliina Mattila from the Design Factory at Swinburne University presented on an experiment around staff training in creative problem-solving which introduced new ways of working in supporting the transition towards an innovative enterprise.

The first national webinar for this series was presented as the second thought leadership series event. The topic was 'The Invisible Classroom: Using Mindfulness, Neuroscience and Relationships for Teacher & Student Well-Being'. VDC partnered with International Specialised Skills (ISS) Institute to present this webinar.

The presenter was Dr Kirke Olsen Psy.D. whom ISS Institute had brought out for a fellowship tour of Australia. The topic was 'understanding brain systems that we can use to build routines into the day that make the hard work of teaching less stressful and more rewarding while it improves our students' learning'. The event was the largest webinar attendance for the VDC with 247 registrations.

The third Thought Leaders event for 2019 on 23 August focussed on 'Supported internships: a program of social inclusion for young people with disability'. International Specialised Skills Institute (ISSI) fellowship recipient Jan Davis from Holmesglen Institute of TAFE outlined findings from a UK study tour and the subsequent pilot between Holmesglen Institute and the Royal Children's Hospital which is leading the way in introducing the supported internship program in Australia. The webinar attracted similar interest to the previous (record) webinar with 240 registrations, including a higher proportion of interstate attendees due to initial interstate only marketing before opening the event to Victoria.

The fourth event for the year was held at the VDC on 31 October 2019. The seminar focussed on 'Developing 21st Century skills in VET' which was presented by Associate Professor Melanie Williams from William Angliss Institute. Twenty first century skills were described as skills and behaviours that represent the ability to cope with complex problems and unpredictable situations that will feature in contemporary and future workplaces. The two-part presentation reported on the findings from Melanie's VET International Practitioner Fellowship that researched international approaches to developing these skills in both students and teachers in Spain and New Zealand.



## INDUSTRY ENGAGEMENT SYMPOSIUM SERIES

VDC in conjunction with the Office of the Victorian Skills Commissioner (OVSC) co-presented and developed an Industry Engagement Symposium Series to provide opportunities for senior managers within TAFE and private training organisations to connect with industry experts.

Six half-day Industry Symposiums, each with up to 30 participants, were held at the VDC during May and June 2019. The events proved most successful with over 200 registrations for the sessions. The symposiums held were for the following industries:

- // 7 May: Electrotechnology and Electrical
- // 9 May: Disability
- // 16 May: Commercial Cookery and Hospitality
- // 21 May: Automotive
- // 23 May: Childcare
- // 6 June: Amenity Horticulture and Related Sectors







2010  
**DIRECTORS'  
REPORT**

## DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2019.

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



**DR. BELINDA McLENNAN**

Chairperson

// DProf (UK), MEd, BA, GCert (LD), GCert (Ed), GDip (Ed), AICD  
Reappointed: 7 June 2017

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.



**DR. MICHAEL BROWN**

Director

// PhD, MEd, GradDip of Ed Admin, B Ed  
Reappointed: 7 June 2019

Prior to retiring in 2018 Mike was 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.



### **SUSAN CHRISTOPHERS**

Director

// BEd, DipBusStudies, GAICD, PSM  
Reappointed: 18 June 2019

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

Sue's passion for education and training has fuelled her career and her impact on state education in Victoria is testament to this passion, her determination and her focus on excellence. Sue most recently served as the Chair of the ACFE Board from 2016 to 2018 and was Chair of the VDC Board from August 2016 to June 2018.



### **CLIVE DRISCOLL**

Director

// BA Bus (Acc), Master Information Systems, Fellow CPA Australia  
Appointed: 29 July 2019

Clive is the General Manager, Finance & Business Performance with the Melbourne Cricket Club. He is a Senior Level Executive with extensive hands-on experience in management, business leadership, working directly with Board Directors, Lawyers, Banks and Governments with an established record for adding value to the business.

He is highly skilled in financial, strategy, risk, governance and information technology management, which includes budgeting, forecasts, cash control, IT infrastructure, IT Governance, risk and project management.



### **BRIAN HENDERSON**

Director

// BA, DipEd  
Reappointed: 28 July 2019

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  
Reappointed: 19 July 2019

Lisa was appointed to the Deputy Vice-Chancellor role at Swinburne in June 2019 and was the CEO of The Gordon from 2013. Prior to this, she was Acting CEO and Deputy CEO/COO. Lisa had previously been with The Gordon in the positions of Director Organisation Development, Acting Executive Director Corporate Services and Senior Manger Human Resources.

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



**SHIRLEY SOUTHGATE**

Director

// BA, LLB (Hons), EMPA, GAICD  
Appointed: 29 July 2019

Shirley is the Executive Director/CEO of Leo Cussen Centre for Law and previously she was the Director – Practical Legal Training with Leo Cussen Centre for Law for 3 years. She has significant public sector and community sector senior management experience, including a strong understanding of government regulatory bodies.

Shirley is an experienced legal practitioner with significant experience as a senior in-house government lawyer in a statutory authority.



**DAVID WILLIAMS**

Director

// Cert Survey Drafting  
Reappointed: 7 June 2017

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

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



**DAVID WINDRIDGE**

Director

// BEc, GDip (Accounting), GDip (Teaching), GAICD,  
Fellow CEO Institute

Appointed: 1 January 2018

David is the CEO/Executive Director of MEGT (Australia) Ltd, Ability English and MEGT UK. David is a significant figure in the private training sector. This has been acknowledged by receiving life memberships with the Australian Council for Private Education and Training (ACPET) now known as Independent Tertiary Education Council Australia (ITECA) and Group Training Australia. As CEO of MEGT David oversaw the growth of MEGT from one office in Melbourne's outer-east to a national entity employing over 800 people with 95 offices and reaching out to students from all over the world.

Board Room

## COMPANY MEMBER

The Company member as at 31 December 2019 is the Victorian Government Minister responsible for Training and Skills, the Hon. Gayle Tierney MP.

## LIABILITY OF MEMBERS

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

## CHIEF EXECUTIVE OFFICER

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

## AUDIT AND RISK COMMITTEE

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

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

Membership AS AT 31 DECEMBER 2019

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

// **David Windridge**, VDC Director  
BEc, GradDip – Accounting, GradDip – Teaching  
GAICD, Fellow CEO Institute

// **Clive Driscoll**, VDC Director  
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 Officer (CEO) 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 2019

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

// **Dr. Michael Brown**, VDC Director  
PhD, M Ed, GradDip of Ed Admin, B Ed

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

// **Martin Powell**, VDC Chief Executive Officer/Company Secretary  
BBus (Acc)

## PRINCIPAL ACTIVITIES

The principal activities of the company during 2019 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 VDC has the following functions:

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

In carrying out its functions, the VDC may:

- // Provide training, consultancy, management and strategic support services within and outside the Sector in areas related to its functions, including to people working in private vocational education and training providers on a fee-for-service basis or as otherwise agreed with the relevant funding body;
- // Attract investment in and generate revenue for development of the workforce within the Sector; and
- // Do all such things as are incidental or conducive to the attainment of all or any of the objects of the Centre.

## STRATEGIES

The vision for the organisation is for the VDC to be the centre of excellence for continuing professional learning in the VET workforce.

To achieve our vision the VDC has identified the following strategic goals throughout 2018-2020:

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

## PERFORMANCE

### Operating results

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

Any monies remaining at the end of a financial year are added to retained earnings. The company does not issue any shares or debentures and does not and will not pay dividends. The net operating result for 2019 was a surplus of \$240,344.

The performance result for the year against budget is a surplus of \$247,343. This surplus is the effect of total budgeted revenue against total budgeted expenditure incurred prior to any accounting entries for updated accounting standards effective 1 January 2019.

An amount of \$1,315,000 for core funding and \$645,000 strategic project funding was received in advance from the Victorian Department of Education and Training (DET) in December 2019 for the 2020 year.

Due to the recognition requirements under the accounting standard AASB 1058 Income of not-for-profit entities, the income received in advance of \$1,315,000 core funding for 2020 has been recognised as income in the year received, being 2019 in this case. The Strategic Program funding income received in December 2019 will be accounted under accounting standard AASB 15 Revenue from Contracts with Customers and recorded as income for the 2020 year.

In 2019 the VDC designed, organised and hosted 389 professional development activities servicing over 11,400 attendees, including open access Professional Development programs, government funded programs, customised training programs, external webinars, major corporate events, facilities hire and the Annual Teaching and Learning conference.

### Achievement against objectives and strategies

The VDC delivered the following programs and services in 2019 to meet the stated objectives and strategies.

## TRAINING FACILITIES

2019 represented the second year of professional learning program delivery from the permanent VDC training facilities at Collins Street, Melbourne. The facilities have provided the VDC, the Victorian Department of Education and Training (DET) and the broader VET sector with an efficient and best practice model to deliver consistent, high-quality, funded training opportunities.

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

## PROFESSIONAL DEVELOPMENT

The VDC Professional Development Program in 2019 attracted over 3,500 registrations for 92 sessions consisting of workshops, national webinars, seminars and a conference to the sector around the following key themes:

- // Assessment Essentials
- // Industry Engagement
- // Leadership & Management
- // Mapping & Validation
- // Quality, Compliance & Auditing
- // Teaching & Learning Series
- // Professional Learning Events

As part of moving towards its 2020 vision of becoming a centre of excellence, VDC invested considerable effort and resource to improving the support materials that participants receive at VDC workshops. A new workbook format was introduced that is desktop designed and the content is quality assured by VET content experts. The workbook aids the workshop delivery but also provide a means of referral for participants when back in their workplaces. Participants at all VDC Professional Learning Program and programs funded by the Victorian Department of Education and Training VDC 2019 Strategic Work Plan workshops were provided with the new resource booklets.

In 2019 the VDC delivered a diverse range of professional development programs funded by the Victorian Government available to all training providers that held a *Skills First* funding contract with the Victorian Department of Education and Training (DET), a training program specifically designed for providers of Family Violence training, as well as National Disability Insurance Scheme (NDIS) training provider programs, and programs for community service organisations delivering social and justice services to the local community, and relevant Government Department staff from Department of Health and Human Services (DHHS), Department of Justice and Regulation (DOJR), Department of Jobs, Precincts and Regions (DJPR). Over 2,500 VET workforce participants accessed 84 complimentary PD events in 2019.

In addition to the *Skills First* professional development program, in previous years DET had provided funding to VDC to administer a range of workforce development grants and scholarships as part of the Common Funding Agreement between VDC and DET. In 2019 a Strategic Work Plan was developed, following on from the initial programs developed in 2018, that focussed on reinvesting this funding into delivering workforce professional learning in the form of workshops, webinars and information sessions. These professional learning activities aimed to improve the knowledge, skills and practice of VET teachers, trainers and assessors, which in turn aims to improve the learning environment, experience and outcomes for all VET learners.

#### 2019 Victorian Government Funded Programs:

- // **Skills First: Planning and delivering suitable and appropriate training**
- // **Developing Effective Training and Assessment Strategies workshops**
- // **Good Practice Language, Literacy and Numeracy (LLN) Assessment and Support Workshops**
- // **Skills First: Quality Assessment Practices**
- // **NDIS Professional Development for Victorian VET Providers - Trainers and Assessors of NDIS related qualifications**
- // **Family Violence Programs**
- // **Professional Development for Providers of Accredited Training**
- // **Professional Development specific to Learn Local Organisations**
- // **Professional Development for Community Sector Workers and Government Department Staff**

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

## EVENTS

Major events hosted and subsidised by VDC in 2019 were:

### VDC TEACHING & LEARNING CONFERENCE

The 2019 VDC Teaching & Learning conference was held on 16 & 17 May at the RACV Torquay Resort on the Great Ocean Road in Victoria. The event attracted over 150 delegates from across Australia.

A real strength of the VDC continues to be the diversity of attendance at its professional learning programs, with TAFE, private provider, learn local provider and VET in Schools teachers and trainers all participating together in professional learning. The conference is the perfect example of this interaction.

The conference theme was how educators can **Inspire, Trust and Educate** themselves for the benefit of their students. The conference program wasn't neatly presented under these three themes, but rather embedded in all the presentations and workshops. Those that were in attendance at the RACV Torquay Resort would no doubt agree it was an engaging, friendly and relaxed experience.

The conference program was revamped and extended to two full days to include more interactive workshops with keynote speakers presenting workshops. This allowed delegates to explore the keynote topics in a workshop and dive deeper into the subject matter with the content expert.

### VDC WORLD TEACHERS DAY LUNCHEON

The inaugural VDC World Teachers Day luncheon was held on Friday 26 October at the RACV City Club, Melbourne. The event was very well received by over 90 attendees from a diverse range of VET providers and key VET stakeholders including WorldSkills Australia, Victorian Skills Commissioner, International Specialised Skills Institute and Victorian Curriculum and Assessment Authority.

World Teachers Day was established in 1994 by UNESCO to acknowledge the achievements of the profession and also demonstrate the standards, rights and responsibilities of teachers to be supported to provide quality education and lifelong learning.

The UNESCO theme of World Teachers Day for 2019 looked at the future of the profession and the role of young teachers in it – taking onboard the changing climate of education and schooling, the need to draw in and retain a new generation of dedicated educators, and to prepare them for the 21st century challenges of 'teaching in diversity' and 'diversity in teaching.'

Guests were delighted by keynote speaker Peter Hutton educator and futurist, Founder and Convener of the Future Schools Alliance and transformer of the Templestowe Secondary College, now acknowledged as one of the world's most innovative education institutions. Peter provided his insights on student engagement and how education and the role of the teachers will change and the increasingly important role that teachers have in the new future.

VDC was also able to further capitalise on the exposure it receives as the major sponsor for the Teacher / Trainer of the Year Awards at the Victorian Training Awards that were held on 9 September at Palladium at Crown Melbourne. Jodie Rechsteiner from GO TAFE, the winner of the award attended as guest of honour and was an equally engaging speaker.

## VDC THOUGHT LEADERS SEMINAR

The 2019 VDC Thought Leadership Series consisted of 4 events being 2 seminars at the VDC in Melbourne and 2 national webinars which were introduced for the first time for this expanded series.

The Series provided the opportunity for VET professionals (mainly practitioners) to engage with industry consultants, education experts and academic researchers about VET sector's cutting-edge topics. All VDC Thought Leadership Seminars were free and were followed by an opportunity to network at morning tea (excluding webinars).

The first seminar was 'Creating the conditions for innovation' at the VDC on 15 March 2019. Tiina Tuulos and Pauliina Mattila from the Design Factory at Swinburne University presented on an experiment around staff training in creative problem-solving which introduced new ways of working in supporting the transition towards an innovative enterprise.

The first national webinar for this series was presented as the second thought leadership series event. The topic was 'The Invisible Classroom: Using Mindfulness, Neuroscience and Relationships for Teacher & Student Well-Being'. VDC partnered with International Specialised Skills (ISS) Institute to present this webinar. The presenter was Dr Kirke Olsen Psy.D. whom ISS Institute had brought out for a fellowship tour of Australia. The topic was 'understanding brain systems that we can use to build routines into the day that make the hard work of teaching less stressful and more rewarding while it improves our students' learning'. The event was the largest webinar attendance for the VDC with 247 registrations.

The third Thought Leaders event for 2019 on 23 August focussed on Supported internships: a program of social inclusion for young people with disability. International Specialised Skills Institute (ISSI) fellowship recipient Jan Davis from Holmesglen Institute of TAFE outlined findings from a UK study tour and the subsequent pilot between

Holmesglen Institute and the Royal Children's Hospital which is leading the way in introducing the supported internship program in Australia. The webinar attracted similar interest to the previous (record) webinar with 240 registrations, including a higher proportion of interstate attendees due to initial interstate only marketing before opening the event to Victoria.

The fourth event for the year was held at the VDC on 31 October 2019. The seminar focussed on Developing 21st Century skills in VET which was presented by Associate Professor Melanie Williams from William Angliss Institute. Twenty first century skills were described as skills and behaviours that represent the ability to cope with complex problems and unpredictable situations that will feature in contemporary and future workplaces. The two-part presentation reported on the findings from Melanie's VET International Practitioner Fellowship that researched international approaches to developing these skills in both students and teachers in Spain and New Zealand.

## VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 65th Annual Victorian Training Awards, held at Palladium at Crown Melbourne on Friday 6 September 2019. It was the third consecutive year VDC had sponsored this award. The awards celebrate the outstanding achievements of students, teachers, vocational staff, employers and training providers across the state.

Jodi Rechsteiner from GOTAFE won the award which also acknowledged the outstanding achievements of the other finalists in this category, Roeland Trietsch from Melbourne Polytechnic and Brenda Fithall from Federation University Australia.

## INDUSTRY ENGAGEMENT SYMPOSIUM SERIES

VDC in conjunction with the Office of the Victorian Skills Commissioner (OVSC) co-presented and developed an Industry Engagement Symposium Series to provide opportunities for senior managers within TAFE and private training organisations to connect with industry experts.

Six half-day Industry Symposiums, each with up to 30 participants, were held at the VDC during May and June 2019.

The events proved most successful with over 200 registrations for the sessions. The symposiums held were for the following industries:

- // **7 May: Electrotechnology and Electrical**
- // **9 May: Disability**
- // **16 May: Commercial Cookery and Hospitality**
- // **21 May: Automotive**
- // **23 May: Childcare**
- // **6 June: Amenity Horticulture and Related Sectors**

## OTHER SPONSORSHIP

The VDC provided in kind support to numerous peak bodies, community organisations, regional training providers and community of practice groups through the provision of facilities to the equivalent value of approximately \$10,000 or 158 hours in 2019. The VDC also provided sponsorship for the ongoing development of VET Workforce at major VET conferences. Major recipients are as follows:

Victorian TAFE Association meetings January, March 2019

deafConnectEd Webinars March, July 2019

Curriculum Maintenance Managers March 2019

Allied Health Assistance Victorian Network, March & May 2019

ACEVic Conference for LLN organisations, Melbourne 28-29 March 2019

Wellness Coaching Australia May 2019

ACDEVEG meeting May 2019

VATL Executive Committee/AGM June, July, Nov 2019

NCVER No Frills Conference, Adelaide, 10-12 July 2019

Early Childhood TAFE State-Wide Managers Network August, September, November 2019

Victorian TAFE Association conference, 15-16 August 2019

Federation University July, August, September 2019

TAFE Directors Association convention, 3-5 September 2019

Victorian Training Awards, 6 September 2019

AVETRA Interim Report Launch 29 October 2019

Community Colleges Australia conference, 18-20 November 2019

## 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 2019. Two fire wardens have been appointed and trained and the company has five qualified First Aid Officers.

## MERIT AND EQUITY POLICY

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

## STAFF OF THE COMPANY

As at 31 December 2019, the company employed 10 staff by contract (2018: 10 staff).

## PROTECTED DISCLOSURES ACT 2012

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

## FREEDOM OF INFORMATION

There were no requests for information during 2019 under the Freedom of Information Act 1982.

## MEETINGS OF DIRECTORS

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

	Board Meetings		Audit & Risk Committee		Executive & Governance	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Michael Brown	4	4	-	-	4	4
Sue Christophers	2	2	-	-	-	-
Clive Driscoll	2	1	2	2	-	-
Brian Henderson	4	4	-	-	4	4
Lisa Line	4	4	-	-	-	-
Belinda McLennan	4	4	-	-	4	4
Shirley Southgate	2	2	-	-	-	-
David Williams	4	3	4	4	-	-
David Windridge	4	4	4	4	-	-

# AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2019 has been received and is provided on page 49.

Dated at Melbourne the 3rd day of April 2020.

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



**Dr. Belinda McLennan**

Chairperson



**Mr. David Williams**

Director



## Auditor-General's Independence Declaration

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

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

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

### *Independence Declaration*

As auditor for the VET Development Centre Ltd for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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



Charlotte Jeffries

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
21 April 2020

# FINANCIAL REPORT

VET DEVELOPMENT CENTRE LIMITED  
ABN 15 113 721 770

## COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
<b>INCOME FROM TRANSACTIONS</b>			
Government grants	2.1.1	1,315,000	2,605,000
Sales from contracts with customers	2.1.2	1,693,721	1,651,095
Interest income	2.1.3	47,944	37,003
Other income	2.1.4	36,402	72,721
<b>Total income from transactions</b>		<b>3,093,067</b>	<b>4,365,819</b>
<b>EXPENSES FROM TRANSACTIONS</b>			
Employee expenses	3.1.1	1,150,332	1,229,258
Depreciation	4.1.1	499,646	171,497
Project costs	3.2	963,264	991,635
Other operating expenses	3.3	245,464	625,759
Finance costs		51,219	-
<b>Total expenses from transactions</b>		<b>2,909,925</b>	<b>3,018,149</b>
Net result from transactions		183,142	1,347,670
<b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>			
Net gain/(loss) on non-financial assets <sup>(a)</sup>	8.2	59,240	-
Other gains/(losses) from other economic flows	8.2	(2,038)	(640)
<b>Net result from continuing operations</b>		<b>240,344</b>	<b>1,347,030</b>
<b>Net result</b>		<b>240,344</b>	<b>1,347,030</b>
<b>Comprehensive result</b>		<b>240,344</b>	<b>1,347,030</b>

The accompanying notes form part of these financial statements.

Notes:

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

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

**BALANCE SHEET**

AS AT 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>FINANCIAL ASSETS</b>			
Cash and deposits	6.1	2,721,265	584,817
Receivables	5.1	65,296	2,512,319
Investments and other financial assets	4.4	1,529,974	879,974
<b>Total financial assets</b>		<b>4,316,535</b>	<b>3,977,110</b>
<b>NON-FINANCIAL ASSETS</b>			
Property, plant and equipment	4.1	403,818	597,785
Right-of-use assets	4.2	2,237,547	-
Intangible assets	4.3	4,634	9,267
Other non-financial assets	5.3	86,959	50,388
<b>Total non-financial assets</b>		<b>2,732,958</b>	<b>657,440</b>
<b>Total assets</b>		<b>7,049,493</b>	<b>4,634,550</b>
<b>LIABILITIES</b>			
Payables	5.2	297,106	614,967
Contract liabilities	2.1.2	850,583	-
Lease liabilities	3.4	2,248,573	-
Employee related provisions	3.1.2	151,517	113,213
<b>Total liabilities</b>		<b>3,547,779</b>	<b>728,180</b>
<b>Net assets</b>		<b>3,501,714</b>	<b>3,906,370</b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)		3,501,714	3,906,370
<b>Net worth</b>		<b>3,501,714</b>	<b>3,906,370</b>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	<b>Accumulated Surplus \$</b>	<b>Total \$</b>
Balance at 31 December 2017	2,559,340	2,559,340
Net result for the year	1,347,030	1,347,030
<b>Balance at 31 December 2018</b>	<b>3,906,370</b>	<b>3,906,370</b>
Adjustment from the adoption of AASB 15 at 1/1/2019	(645,000)	(645,000)
Net result for the year	240,344	240,344
<b>Balance at 31 December 2019</b>	<b>3,501,714</b>	<b>3,501,714</b>

The accompanying notes form part of these financial statements.

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

**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government grants received		3,475,000	645,000
Receipts from customers		2,202,903	1,320,170
Interest received		49,671	32,571
<b>Total receipts</b>		<b>5,727,574</b>	<b>1,997,741</b>
<b>Payments</b>			
Payments to suppliers and employees		(2,484,031)	(2,665,130)
Goods and services tax paid to the ATO <sup>(a)</sup>		(175,095)	(191,267)
Interest paid - lease liability		(51,219)	-
<b>Total payments</b>		<b>(2,710,345)</b>	<b>(2,856,397)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>6.1</b>	<b>3,017,229</b>	<b>(858,656)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments		(650,000)	(700,000)
Proceeds from sale of non-financial assets		2,773	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(647,227)</b>	<b>(700,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(233,554)	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(233,554)</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents		<b>2,136,448</b>	<b>(1,558,656)</b>
Cash and cash equivalents at the beginning of the financial year		<b>584,817</b>	<b>2,143,473</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6.1</b>	<b>2,721,265</b>	<b>584,817</b>

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

**NOTE 1: ABOUT THIS REPORT**

**Reporting entity**

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

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

Its principal place of business and registered office is:

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

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

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

**Basis of preparation**

These annual financial statements represent the audited general purpose financial statements for the VET Development Centre Limited (the company) for the year ended 31 December 2019. The purpose of the report is to provide users with information about the company's stewardship of resources entrusted to it.

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to the fair value of plant and equipment refer Note 7.3.

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Fair value assessments are conducted annually to ensure that the assets carrying value still materially reflects its fair value.

**VET DEVELOPMENT CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

**NOTE 1: ABOUT THIS REPORT** (CONTINUED)

**Compliance Information**

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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

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

These annual financial statements were authorised for issue by the Board of Directors on 3rd April 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

**NOTE 2: FUNDING DELIVERY OF OUR SERVICES**

The VET Development Centre's long-term objective is to promote the development and raise the professional standing of people working in the Victorian vocational education and training sector. To enable the company to fulfil its objective, it receives income predominantly in the nature of government grants and other fee for service income for the supply of goods and services.

Through our services, the company provides continuous professional learning to all teaching and non-teaching staff in the VET Sector across Australia. This is achieved through the design and delivery of an extensive range of webinars, workshops and thought leader events, as well as Victorian Government funded continuing professional learning and evaluation activities to the Victorian VET workforce.

**Note 2.1 Summary of income that funds the delivery of our services**

	Notes	2019 \$	2018 \$
Government grants	2.1.1	1,315,000	2,605,000
Sales from contracts with customers	2.1.2	1,693,721	1,651,095
Interest income	2.1.3	47,944	37,003
Other income	2.1.4	36,402	72,721
<b>Total income from transactions</b>		<b>3,093,067</b>	<b>4,365,819</b>

**Revenue**

The company has applied AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of not-for-profit entities using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under AASB 118 Revenue and AASB 1004 Contributions.

The adoption of the new standards did not have a significant impact on the company's financial statements. The majority of the company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the company's evaluation process and review of its contracts with customers, the timing and amount of revenue recognised previously is consistent with how revenue is recognised under the new standard. No changes were required to previously reported revenues as a result of the adoption.

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



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Grant Funding**

The company has a 3 year Common Funding Agreement (CFA) with the Department of Education and Training (DET) covering the period 1 January 2018 to 31 December 2020. The agreement provides for annual funding amounts made up of a Core funding and Strategic Program funding. The current agreement provides for the funding to be receivable in December of the year 'prior' to which the funding relates (with the exception of the 2018 year where Strategic Program funding was receivable upon approval of the 2018 Work Plan which occurred in February 2018). These amounts relate to goods and services to be delivered during in the following year as part of the ongoing partnership between the DET and the company to provide professional development for the VET education sector workforce.

The DET provides the Core funding to meet the annual employee and accommodation costs for the company. This component of funding meets the criteria of, and is reported under, AASB 1058 Income of not-for-profit entities.

**Sales from Contact with Customers**

**Fee For Service**

Total fees and charges are sales from contracts with customer as per AASB 15. Fee for service income is measured based on the consideration specified in contract with a customer. The company recognises revenue when it satisfies performance obligations and/or transfers control of services to the customer.

**DET Program Funding and variations**

The DET provides the Program funding to the company to develop and deliver specific professional development programs for the vocational education sector in priority area as a response to the Department's commitment to quality training outcomes. The programs focus on delivering workforce development training to improve the knowledge, skills and practice of VET teachers, trainers, assessors and improve the learning environment, experience and outcomes for all VET learners. This component of funding meets the criteria of, and is reported under, AASB 15 Revenue from contracts with customers.

Additional funding in the form of variations to the Strategic Program funding may be receivable during the course of each reporting year. These variations are also reported in accordance with AASB 15.

Revenue is recognised and allocated upon the successful delivery of specific learning and development activities as recorded in contract agreements and detailed project plans.

**Customised and tailored professional development**

The company also provides tailored or customised professional development learning and training programs that meet individual workforce development needs for training organisations and other customers on a fee for service basis. Customised programs are delivered at the company's training facility or at the customers selected location as well as providing workshops and webinars to individuals for professional development opportunities.

Revenue is recognised and allocated upon the successful delivery of specific learning and development activities as recorded in contract agreements and detailed project plans.

**VET DEVELOPMENT CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**VDC continuous professional learning and development**

The company also has a Professional Development program providing continuous professional learning for the VET workforce through an extensive range of webinars and workshops and special events such as thought leader seminars, conferences and other functions.

Revenue is recognised when the services are delivered and have been accepted by customers, and the event has taken place which, is when the control is transferred. Revenue is recognised based on the contractual price. Payment of transaction price is due immediately when the customer registers for the webinar or workshop or other event. Where revenue has been clearly received in respect of events to be delivered in the following year, such amounts are disclosed as contract liability.

**Room Hire**

In addition, the company generates a small amount of revenue through the availability of its training rooms for hire to third parties. Revenue is recognised when the services are delivered and have been accepted by customers, and the room hire has taken place which, is when the control is transferred. Revenue is recognised based on the contractual price. Payment of transaction price is due immediately when the customer registers for the room hire.

Where revenue has been clearly received in respect of room hire to be delivered in the following year, such amounts are disclosed as contract liability. Revenue is recognised to the extent that it is highly probable a reversal will not occur. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as contract liability. There were no contracts that commenced during 2018 that warranted any adjustments to opening retained earnings in 2019. All contracts in 2018 were completed and finalised in 2018.

**Note 2.1.1 Government grants**

	2019 \$	2018 \$
<b>Government grants</b>		
Department of Education and Training (DET)	1,315,000	2,605,000
<b>Total Government grants</b>	<b>1,315,000</b>	<b>2,605,000</b>

An amount of \$1,315,000 was received at 31 December 2019 as Core funding to be used in the delivery of services in 2020. For 2019 this is reported under AASB 1058.

Strategic program funding relating to 2018 and 2019 years, which amounts to \$1,290,000 (\$645,000 for each period) was recognised in year 2018 and included under government grants. However, after application of AASB 15 amount relevant to year 2019 was adjusted through retained earnings and presented under sales from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 2.1.2 Sales from contracts with customers**

	2019 \$	2018 \$
<b>Sales from contracts with customers</b>		
Fee for service - DET Strategic Program plus variations	1,183,176	886,479
Fee for service - Customised programs	145,330	278,870
Fee for service - Professional learning and development	287,048	438,738
Fee for service - Venue hire	78,167	47,008
<b>Total sales from contracts with customers</b>	<b>1,693,721</b>	<b>1,651,095</b>

**Revenue by timing of revenue recognition**

	2019 \$	2018 \$
Revenue recognised over time	-	-
Revenue recognised at a point in time	1,693,721	-
<b>Total revenue</b>	<b>1,693,721</b>	<b>-</b>

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to a customer. As outlined above, the company has applied AASB 15 using the cumulative effect method. Under this method, the comparative information is not restated.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The company has recognised the following assets and liabilities related to contracts with customers.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	54,092	-
Contract assets	4,402	-
<b>Total contract assets</b>	<b>58,494</b>	<b>-</b>
Contract Liabilities - Fee for service - DET Strategic Program plus variations	835,560	-
Contract Liabilities - Fee for service - Professional Learning and development	15,023	-
<b>Total contract liabilities</b>	<b>850,583</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Revenue recognised in relation to contract liabilities**

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

**Revenue recognised that was included in the contract liability balance at the beginning of the period**

	2019 \$	2018 \$
Fee for service - DET Strategic Program plus variations	645,000	-
Fee for service - Professional learning and development	2,350	-
Fee for service - Venue hire	2,000	-
<b>Total</b>	<b>649,350</b>	<b>-</b>

**Transaction price allocated to remaining performance obligations**

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	2020 \$	2021 \$
Revenue expected to be recognised	850,583	-
<b>Total</b>	<b>850,583</b>	<b>-</b>

The company applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15. Further the amounts disclosed above do not include variable consideration which has been constrained.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Policy applicable prior to 1 January 2019**

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date.

The company has applied AASB 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118 and AASB 1004. The details of the significant changes and quantitative impact of the changes are set out below.

**Impacts on the financial statements**

The following tables summarise the impacts of adopting AASB 15 on the company's financial statements for the year ending 31 December 2019.

	<b>As reported</b>	<b>Adjustments (AASB 15)</b>	<b>Balance without adoption</b>
	<b>\$</b>	<b>\$</b>	<b>of AASB 15, 1058</b>
			<b>\$</b>
Receivables	54,092	-	54,092
Contract assets	4,402	-	4,402
Revenue	1,693,721	-	1,693,721
Contract liabilities	850,583	-	850,583

There was only one adjustment required as a result of adopting AASB 15 as revenue recognised in the 2018 year was related to deliverables that were completed within the 2019 financial period. This related to the Strategic Program funding component under the DET CFA. The amount of contract liabilities recognised and adjusted at 1/1/2019 was \$645,000 from 2018. This is offset by the deferral of equivalent amount of 2020 funding deferred to next year, which would have been recognised under the previous standard. There were no further adjustments required to opening and closing balances of receivables and contract assets otherwise separately presented or disclosed.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 2.1.3 Interest Income**

	2019 \$	2018 \$
<b>Interest from financial deposits not at fair value through profit and loss</b>		
Interest on bank deposits	47,944	37,003
<b>Total interest from financial deposits not at fair value through profit and loss</b>	<b>47,944</b>	<b>37,003</b>

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

**Note 2.1.4 Other income**

	2019 \$	2018 \$
Rental income - sub lease - part Level 8, 379 Collins Street	32,086	64,089
Paid Parental Leave funds received	4,316	8,632
<b>Total other income</b>	<b>36,402</b>	<b>72,721</b>

Rental income relates to the sub lease of part level 8, 379 Collins Street to the period ending 30 June 2019. The sub-lease was terminated on 30 May 2019 and the area being sub-let was surrendered back to the head landlord on 31 October 2019. The company no longer holds any area for the purpose of sub-leasing in the future.

**VET DEVELOPMENT CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

	Notes	2019 \$	2018 \$
Employee benefit expenses	3.1.1	1,150,332	1,229,258
Project costs	3.2	963,264	991,635
Other operating expenses	3.3	245,464	625,759
<b>Total expenses incurred in delivery of services</b>		<b>2,359,060</b>	<b>2,846,652</b>

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

	2019 \$	2018 \$
Salary & wages	916,687	985,891
Annual leave	91,487	96,031
Long service leave	15,745	3,138
Superannuation	93,767	101,151
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	28,345	41,392
Casual/temporary staff	4,301	1,655
<b>Total employee expenses</b>	<b>1,150,332</b>	<b>1,229,258</b>

Employee 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.

The 2018 amounts for salaries and wages, annual leave and long service leave have been restated to disclose the actual amounts paid for annual leave and long service leave rather than the movement equivalent to the year end provision. The corresponding restatement was against salaries and wages.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 3.1.2 Employee benefits in the balance sheet**

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

	2019 \$	2018 \$
<b>Current provisions</b>		
<b>Annual Leave:</b>		
Unconditional and expected to settle within 12 months	70,365	55,069
Unconditional and expected to settle after 12 months	-	-
<b>Long service leave:</b>		
Unconditional and expected to settle within 12 months	-	-
Unconditional and expected to settle after 12 months	33,032	29,916
	103,397	84,985
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	24,129	18,904
Unconditional and expected to settle after 12 months	4,143	3,799
	28,272	22,703
<b>Total current provisions for employee benefits</b>	<b>131,669</b>	<b>107,688</b>
<b>Non-current provisions</b>		
<b>Long service leave</b>		
Conditional and expected to settle after 12 months	17,636	4,902
<b>On-costs</b>		
Conditional and expected to settle after 12 months	2,212	623
<b>Total non-current provisions for employee benefits</b>	<b>19,848</b>	<b>5,525</b>
<b>Total provisions for employee benefits</b>	<b>151,517</b>	<b>113,213</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

	2019 \$	2018 \$
Opening balance	23,326	26,816
Additional provisions recognised	5,226	649
Reductions arising from payments/other sacrifices of future economic benefits	1,932	(4,139)
<b>Closing balance</b>	<b>30,484</b>	<b>23,326</b>
Current	28,272	22,703
Non-current	2,212	623

**Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the company does not have an unconditional right to defer settlements of these liabilities. The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the company expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken. Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Unconditional LSL**

Unconditional LSL is disclosed 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:

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Conditional LSL**

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

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

**Note 3.1.3 Superannuation Contributions**

Employees of the company are entitled to receive superannuation benefits and the company contributes to defined contribution plans.

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Defined contribution plans:</b>				
Victorian Superannuation Scheme	46,391	43,270	5,509	3,783
Various other	49,772	63,107	6,541	4,846
<b>Total</b>	<b>96,163</b>	<b>106,377</b>	<b>12,050</b>	<b>8,629</b>

Total superannuation contributions made by the company were \$96,163 (2018: \$106,377). \$12,050 of superannuation contributions were outstanding at 31 December 2019 (2018: \$8,629).

**Note 3.2 Project costs**

	2019 \$	2018 \$
Core funded programs	194,545	169,428
Fee for service expense - customised programs and events	580,469	453,033
Fee for service expense - grants and tenders	188,250	369,174
<b>Total project costs</b>	<b>963,264</b>	<b>991,635</b>

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

**VET DEVELOPMENT CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

**Note 3.3 Other operating expenses**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Board and committee	14,488	15,926
Professional services (Consulting)	85,278	66,564
Information technology	34,551	38,516
Marketing	47,601	56,972
Printing, stationery and office requisites	29,663	58,494
Accommodation occupancy costs	14,320	360,336
Training and development	2,506	8,450
Travel and related expenses	5,916	3,983
Recruitment and advertising	11,141	16,518
<b>Total other operating expenses</b>	<b>245,464</b>	<b>625,759</b>

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

Accommodation occupancy costs in the comparative column included operating lease payments that were recognised in profit or loss on a straight-line basis over the term of the lease under AASB 117. As of 2019, these costs are now disclosed in Note 3.4 - Leases in accordance with AASB 16.

**Note 3.4 Leases**

The Company has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

**Policy applicable before 1 January 2019**

As a lessee, the company classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the company.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)**

Operating lease payments, including any contingent rentals, were 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 was not recognised in the balance sheet.

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

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

**Policy applicable from 1 January 2019**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)**

**As a lessee**

The Company recognises a right-of-use asset and a lease liability at the date of initial application being 1 January 2019 for leases previously classified as operating leases. The right-of-use asset is an equal amount to the lease liability adjusted for any amount prepaid or accrued lease payments relating to that lease recognised in the financial position immediately before the date of application.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Right-of-use asset**

	Plant & Equipment \$	Property \$	Total \$
<b>2019</b>			
<b>Balance at 1 January</b>	<b>8,887</b>	<b>2,909,373</b>	<b>2,918,260</b>
Depreciation charge for the year	(5,925)	(329,893)	(335,818)
Impairment due to surrender	-	(344,895)	(344,895)
<b>Balance at 31 December</b>	<b>2,962</b>	<b>2,234,585</b>	<b>2,237,547</b>

**Lease liabilities**

	Plant & Equipment \$	Property \$	Total \$
<b>2019</b>			
<b>Maturity analysis</b>			
Less than one year	3,240	233,691	236,931
One to five years	-	1,573,608	1,573,608
More than five years	-	562,905	562,905
<b>Total undiscounted lease liabilities</b>	<b>3,240</b>	<b>2,370,204</b>	<b>2,373,444</b>
Effect of discounting those lease commitments	(63)	(124,808)	(124,871)
<b>Lease liabilities included in the statement of financial position at 31 December</b>	<b>3,177</b>	<b>2,245,396</b>	<b>2,248,573</b>
Current	3,177	211,583	214,760
Non-current	-	2,033,813	2,033,813

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Impact on financial statements - On transition - modified retrospective approach**

The weighted average incremental borrowing rate applied to leases liabilities on 1 January 2019 was 2.44%.

The aggregate lease liability recognised in the statement of financial position at 1 January 2019 and the Company's operating lease commitment at 31 December 2018 can be reconciled as follows:

In applying the modified retrospective approach, the Company has taken advantage of the following practical expedients and applied a single discount rate to leases with reasonably similar characteristics.

	Plant & Equipment \$	Property \$	Total \$
<b>Operating lease commitment at 31 December 2018</b>	<b>9,180</b>	<b>3,263,406</b>	<b>3,272,586</b>
Effect of discounting those lease commitments at an annual rate of 2.44%	(293)	(354,033)	(354,326)
<b>Operating lease commitment at 1 January 2019</b>	<b>8,887</b>	<b>2,909,373</b>	<b>2,918,260</b>

The Company has elected to use the modified retrospective approach. In applying the modified retrospective approach, the Company has included the following in the measurement of the right of use asset initial direct costs.

- initial direct costs incurred by the company
- any prepaid lease amounts at effective date
- any lease incentives received
- an incremental borrowing rate as the discount rate

**Amounts recognised in profit and loss**

	2019 \$
Interest on lease liabilities	51,219
Income from sub-leasing right-of use assets	32,086

**Amounts recognised in statement of cash flows**

	2019 \$
<b>Total cash outflow for leases</b>	<b>233,554</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Short-term leases and leases of low-value assets**

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

**Under AASB 117**

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Significant judgement: Classification of investments as 'key assets'**

The company has made the judgement that investments are key assets utilised to support the company's objectives and activities.

**Fair value measurement**

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

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

	2019 \$	2018 \$
<b>Plant &amp; Equipment</b>		
At Fair Value	62,514	62,514
Less: Accumulated depreciation	(29,548)	(17,046)
	<b>32,966</b>	<b>45,468</b>
<b>Leasehold Improvements</b>		
At Fair Value	680,339	771,806
Less: Accumulated depreciation	(309,487)	(219,489)
	<b>370,852</b>	<b>552,317</b>
<b>Total property, plant and equipment</b>		
At Fair Value	742,853	834,320
Less: Accumulated depreciation	(339,035)	(236,535)
<b>Net carrying amount</b>	<b>403,818</b>	<b>597,785</b>

**Initial recognition**

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

**Subsequent measurement**

All assets of the company are subsequently measured at fair value. Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out in the table above. The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost. The existing depreciated historical cost of the plant and equipment is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 4.1.1 Depreciation and amortisation**

**Charge for the period**

	2019 \$	2018 \$
Plant & Equipment	12,503	12,503
Leasehold Improvements	146,692	154,361
Right-Of-Use assets	335,818	-
Intangible assets (amortisation)	4,633	4,633
<b>Total depreciation and amortisation</b>	<b>499,646</b>	<b>171,497</b>

All plant and equipment and leasehold improvements including right-of-use assets that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

ASSET CLASS	DEPRECIATION RATE
Plant & Equipment	5%-25%
Leasehold Improvements	20%
Right-Of-Use assets	12%
Intangible assets	33%

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

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

**Impairment**

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

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

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.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

	PLANT & EQUIPMENT		LEASEHOLD IMPROVEMENTS		TOTAL	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Opening balance	45,468	57,971	552,317	706,678	597,785	764,649
Additions	-	-	-	-	-	-
Disposals	-	-	(34,772)	-	(34,772)	-
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(12,503)	(12,503)	(146,692)	(154,361)	(159,195)	(166,864)
<b>Closing balance</b>	<b>32,965</b>	<b>45,468</b>	<b>370,853</b>	<b>552,317</b>	<b>403,818</b>	<b>597,785</b>

**Note 4.2 Right of Use assets**

	PLANT & EQUIPMENT		PROPERTY		TOTAL	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Opening balance	-	-	-	-	-	-
Additions	8,887	-	2,909,373	-	2,918,260	-
Disposals	-	-	(344,895)	-	(344,895)	-
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(5,925)	-	(329,893)	-	(335,818)	-
<b>Closing balance</b>	<b>2,962</b>	<b>-</b>	<b>2,234,585</b>	<b>-</b>	<b>2,237,547</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 4.3 Intangible assets**

	COMPUTER SOFTWARE		COMPUTER SOFTWARE (WORKS IN PROGRESS)		TOTAL	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Opening balance	9,267	-	-	13,900	9,267	13,900
Additions	-	13,900	-	-	-	13,900
Disposals	-	-	-	-	-	-
Transfers in/out of software under development	-	-	-	(13,900)	-	(13,900)
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(4,633)	(4,633)	-	-	(4,633)	(4,633)
<b>Closing balance</b>	<b>4,634</b>	<b>9,267</b>	<b>-</b>	<b>-</b>	<b>4,634</b>	<b>9,267</b>

**Initial recognition**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Subsequent measurement**

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

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

**Impairment of intangible assets**

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

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

**Significant intangible assets**

The company has capitalised software development expenditure for the development of its Event Management System technology software. The carrying amount of the capitalised software development asset is \$4,634. Its useful life is 3 years and will be fully amortised in 2020.

**Note 4.4 Investments and other financial assets**

	2019 \$	2018 \$
<b>Current investments and other financial assets</b>		
Term deposits <sup>(a)</sup>	1,350,000	700,000
Term deposit - bank guarantee <sup>(b)</sup>	179,974	179,974
	<b>1,529,974</b>	<b>879,974</b>

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

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Aging analysis of investments and other financial assets**

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Term Deposits	1,529,974	1,529,974	-	-	-	-
	<b>1,529,974</b>	<b>1,529,974</b>	-	-	-	-
<b>2018</b>						
Term Deposits	879,974	879,974	-	-	-	-
	<b>879,974</b>	<b>879,974</b>	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

**NOTE 5: OTHER ASSETS AND LIABILITIES**

This section sets out those assets and liabilities that arose from the company's controlled operations.

**Note 5.1 Receivables**

	2019 \$	2018 \$
<b>Contractual</b>		
Amount owing from the Department of Education and Training (DET)	-	2,160,000
Sale of goods and services	54,092	125,007
Contract assets	4,402	-
Other debtors	6,802	227,312
	65,296	2,512,319
	-	-
<b>Total receivables</b>	<b>65,296</b>	<b>2,512,319</b>
<b>Represented by:</b>		
Current receivables	65,296	2,349,953
Non-current receivables	-	162,366

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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

**Impairment**

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Aging analysis of contractual receivables**

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Sale of goods and services	60,894	-	56,693	4,201	-	-
Contract assets	4,402	-	4,402	-	-	-
	<b>65,296</b>	<b>-</b>	<b>61,095</b>	<b>4,201</b>	<b>-</b>	<b>-</b>
<b>2018</b>						
Sale of goods and services	352,319	-	76,735	113,218	-	162,366
Amounts owing from the Department of Education and Training	2,160,000	-	2,160,000	-	-	-
	<b>2,512,319</b>	<b>-</b>	<b>2,236,735</b>	<b>113,218</b>	<b>-</b>	<b>162,366</b>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 5.2 Payables**

	2019 \$	2018 \$
<b>Contractual</b>		
Creditors	46,670	39,452
Unused lease incentive	-	227,312
Unearned income	-	12,409
Other payables and accruals	27,693	128,770
	<b>74,363</b>	<b>407,943</b>
<b>Statutory</b>		
Superannuation payables	12,051	8,629
PAYG withholding	37,177	26,460
GST Payable	173,515	171,935
	<b>222,743</b>	<b>207,024</b>
<b>Total payables</b>	<b>297,106</b>	<b>614,967</b>
<b>Represented by:</b>		
Current payables	297,106	452,601
Non-current payables	-	162,366

Payables consist of:

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Payables	74,363	74,363	74,363	-	-	-
	<b>74,363</b>	<b>74,363</b>	<b>74,363</b>	-	-	-
<b>2018</b>						
Payables	395,534	395,534	233,168	-	-	162,366
	<b>395,534</b>	<b>395,534</b>	<b>233,168</b>	-	-	<b>162,366</b>

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

**Note 5.3 Other non-financial assets**

	2019 \$	2018 \$
<b>Current other assets</b>		
Prepayments	86,959	50,388
Total current other assets	86,959	50,388
<b>Total other non-financial assets</b>	<b>86,959</b>	<b>50,388</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

**NOTE 6: FINANCING OUR OPERATIONS**

This section provides information on the sources of finance utilised by the company during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Company.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

**Note 6.1 Cash flow information and balances**

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

	2019 \$	2018 \$
Total cash and deposits disclosed in the balance sheet	2,721,265	584,817
<b>Balance as per cash flow statement</b>	<b>2,721,265</b>	<b>584,817</b>

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

	2019 \$	2018 \$
<b>Net result for the period</b>	<b>240,344</b>	<b>1,347,030</b>
<b>Non cash movements:</b>		
(Gain)/loss on disposal of non-current assets	(59,240)	-
Depreciation and amortisation of non-current assets	499,646	171,497
Other non-cash movements	2,038	640
Adjustment from the adoption of AASB 15	(645,000)	-
<b>Movements in assets and liabilities:</b>		
(Increase) / decrease in receivables	2,451,425	(2,184,011)
(Increase) / decrease in contract assets	(4,402)	-
(Increase) / decrease in prepayments	(36,571)	5,969
Increase / (decrease) in payables	(317,860)	(109,499)
Increase / (decrease) in contract liabilities	850,583	-
Increase / (decrease) in provisions	36,266	(35,249)
Increase / (decrease) in income in advance	-	(55,033)
<b>Net cash flows from/(used in) operating activities</b>	<b>3,017,229</b>	<b>(858,656)</b>

**VET DEVELOPMENT CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

**NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS**

The company is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Company related mainly to fair value determination.

**Note 7.1 Financial instruments specific disclosures**

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

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

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the company's activities, certain financial assets and financial liabilities arise under statute rather than a contract.

**CATEGORIES OF FINANCIAL ASSETS**

**Financial assets measured at amortised cost**

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

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

The company recognises the following financial assets in this category:

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

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

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**CATEGORIES OF FINANCIAL LIABILITIES**

**Financial liabilities at amortised cost**

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

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

**Derecognition of financial assets**

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

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

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

**Impairment of financial assets**

The Company applies the 'expected credit loss' (ECL) model to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, revenue receivable and term deposits.

Credit loss allowances are measured on either of the following bases:

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

**Derecognition of financial liabilities**

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

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)**

**Note 7.1.1 Financial instruments: Categorisation**

	Contractual financial assets-loans and receivables \$	Contractual financial liabilities at amortised cost \$	Total \$
<b>2019</b>			
<b>Contractual financial assets</b>			
<b>Financial assets measured at amortised cost</b>			
Cash and deposits	2,721,265	-	2,721,265
Receivables <sup>(a)</sup>	54,092	-	54,092
Contract assets	4,402	-	4,402
Term deposits	1,529,974	-	1,529,974
<b>Total contractual financial assets</b>	<b>4,309,733</b>	<b>-</b>	<b>4,309,733</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(b)</sup>	-	74,363	74,363
Contract liabilities	-	850,583	850,583
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>924,946</b>	<b>924,946</b>
<b>2018</b>			
<b>Contractual financial assets</b>			
<b>Financial assets measured at amortised cost</b>			
Cash and deposits	584,817	-	584,817
Receivables <sup>(a)</sup>	2,285,007	-	2,285,007
Term deposits	879,974	-	879,974
<b>Total contractual financial assets</b>	<b>3,749,798</b>	<b>-</b>	<b>3,749,798</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(b)</sup>	-	168,222	168,222
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>168,222</b>	<b>168,222</b>

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

(b) The total amounts disclosed here exclude statutory amounts (e.g. taxes payable)



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 7.1.2 Financial risk management and objectives**

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

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

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

The company's main financial risks include credit risk, liquidity risk and interest rate risk. The company manages these financial risks in accordance with its financial risk management policy.

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

**Financial instruments: credit risk**

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

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

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

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company. Currently the company does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

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

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

	Financial Institutions (AA credit rating) \$	Government agencies (Triple A credit rating) \$	Total \$
<b>2019</b>			
<b>Contractual financial assets</b>			
Cash and deposits	2,621,265	100,000	2,721,265
Receivables <sup>(a)</sup>	-	54,092	54,092
Contract assets	-	4,402	4,402
Term deposits	1,529,974	-	1,529,974
<b>Total contractual financial assets</b>	<b>4,151,239</b>	<b>158,494</b>	<b>4,309,733</b>
<b>2018</b>			
<b>Contractual financial assets</b>			
Cash and deposits	84,817	500,000	584,817
Receivables <sup>(a)</sup>	-	2,285,007	2,285,007
Term deposits	479,974	400,000	879,974
<b>Total contractual financial assets</b>	<b>564,791</b>	<b>3,185,007</b>	<b>3,749,798</b>

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

**Financial instruments: Liquidity risk**

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

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

**Financial instruments: Market risk**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Interest rate risk**

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

	Weighted average effective interest rate %	Carrying amount \$	Interest rate risk exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
<b>2019</b>					
<b>Financial assets</b>					
Cash and deposits	0.58	2,721,265	400,000	2,320,665	600
Receivables <sup>(a)</sup>		54,092	-	-	54,092
Contract assets		4,402	-	-	4,402
Term deposits	1.88	1,529,974	1,529,974	-	-
<b>Total financial assets</b>		<b>4,309,733</b>	<b>1,929,974</b>	<b>2,320,665</b>	<b>59,094</b>
<b>Financial liabilities</b>					
Payables		74,363	-	-	74,363
Contract liabilities		850,583	-	-	850,583
<b>Total financial liabilities</b>		<b>924,946</b>	<b>-</b>	<b>-</b>	<b>924,946</b>
<b>2018</b>					
<b>Financial assets</b>					
Cash and deposits	1.00	584,817	500,000	84,217	600
Receivables <sup>(a)</sup>		2,285,007	-	-	2,285,007
Term deposits	2.47	879,974	879,974	-	-
<b>Total financial assets</b>		<b>3,749,798</b>	<b>1,379,974</b>	<b>84,217</b>	<b>2,285,607</b>
<b>Financial liabilities</b>					
Payables		168,222	-	-	168,222
<b>Total financial liabilities</b>		<b>168,222</b>	<b>-</b>	<b>-</b>	<b>168,222</b>

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

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 +/- \$23,206 (2018: \$842) on net result and equity.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)**

**Note 7.2: Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

**Contingent assets**

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

At 31 December 2019 the company had no contingent assets (nil at 31 December 2018) .

**Contingent liabilities**

Contingent liabilities are:

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

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

At 31 December 2019 the company had one contingent liability \$90,180 (31 December 2018: \$106,250).

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Contingent liabilities</b>		
Make Good	90,180	106,250
<b>Total contingent liabilities</b>	<b>90,180</b>	<b>106,250</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 7.3 Fair value determination**

**Fair Value Hierarchy**

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

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

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

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

In addition, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 7.3.1 Fair Value determination: Non-financial physical assets**

**Fair Value Measurement Hierarchy**

	Carrying amount as at 31 Dec 2019 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	32,966	-	-	32,966
Leasehold Improvements at fair value	370,852	-	-	370,852
<b>Total</b>	<b>403,818</b>			<b>403,818</b>

	Carrying amount as at 31 Dec 2018 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	45,468	-	-	45,468
Leasehold Improvements at fair value	552,317	-	-	552,317
<b>Total</b>	<b>597,785</b>			<b>597,785</b>

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 2019.

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

**Description of significant unobservable inputs to Level 3 valuations**

	Valuation Technique	Significant unobservable inputs
Plant and equipment	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
Leasehold improvements	Depreciated replacement cost	Cost per unit
		Useful life of leasehold improvement

Significant unobservable inputs have remained unchanged since December 2018.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

## NOTE 8: OTHER DISCLOSURES

### Note 8.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

There were no ex gratia expenses as at 31 December 2019 (Nil at 31 December 2018).

### Note 8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

	2019 \$	2018 \$
<b>Net gain/(loss) on non-financial assets</b>		
Impairment of property, plant and equipment	-	-
Net gain/(loss) on disposal of property, plant and equipment <sup>(a)</sup>	59,240	-
<b>Total net gain/(loss) on non-financial assets</b>	<b>59,240</b>	<b>-</b>
<b>Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability <sup>(b)</sup>	(2,038)	640
<b>Total other gains/(losses) from other economic flows</b>	<b>(2,038)</b>	<b>640</b>

(a) Net gain/(loss) on disposal of property plant and equipment is due to the write down of part of the leasehold improvements and respective right of use asset at part level 8, 379 Collins Street. The company surrendered part of the leasehold back to the landlord on 31 October 2019.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.3 Responsible persons**

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

**NAMES**

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

Responsible Minister – Minister for Training and Skills	
<b>The Hon. Gayle Tierney, MP</b>	1 January 2019 to 31 December 2019

Board Members	
<b>Belinda McLennan</b>	1 January 2019 to 31 December 2019
<b>Brian Henderson</b>	1 January 2019 to 31 December 2019
<b>Clive Driscoll</b>	29 July 2019 to 31 December 2019
<b>David Williams</b>	1 January 2019 to 31 December 2019
<b>David Windridge</b>	1 January 2019 to 31 December 2019
<b>Kirsten Bright</b>	1 January 2019 to 11 February 2019
<b>Lisa Line</b>	1 January 2019 to 31 December 2019
<b>Michael Brown</b>	1 January 2019 to 31 December 2019
<b>Shirley Southgate</b>	29 July 2019 to 31 December 2019
<b>Susan Christophers</b>	18 June 2019 to 31 December 2019

Accountable Officer - Chief Executive Officer	
<b>Mr Martin Powell</b>	1 January 2019 to 31 December 2019



NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Remuneration**

Remuneration of the Minister is disclosed in the financial report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members' Interests, which each member of Parliament completes. Remuneration received or receivable by the Board members was in the range: \$0 - \$9,999 (\$0 - \$9,999 in 2018).

Remuneration Band	2019 No.	2018 No.
\$0-\$9,999	10	9
	10	9
<b>Total remuneration of Board Members (\$)</b>	<b>17,691</b>	<b>17,243</b>

Remuneration received or receivable by the Accountable Officer in connection with the management of the company during the reporting period was in the range: \$220,000 – \$229,999 (\$210,000 – \$219,999 in 2018).

Remuneration Band	2019 No.	2018 No.
\$210,000-\$219,999	-	1
\$220,000-\$229,999	1	-
<b>Total remuneration of Accountable Officer (\$)</b>	<b>228,555</b>	<b>214,438</b>

**Note 8.4 Remuneration of executives**

**Note 8.4.1 Remuneration of executives**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.5 Related parties**

Related parties of the company, include:

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

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

**Significant transactions with government-related entities**

The company received funding in the form of Grants and Fee for Service income from the Department of Education and Training of \$2,445,785 (2018: \$3,652,705) The company made a payment to the Department as sponsorship towards the annual Victorian Training Awards of \$17,500 (2018: \$25,000).

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

**Remuneration of key management personnel**

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

<b>Compensation of KMP's</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits <sup>(a)</sup>	222,123	208,868
Post-employment benefits	19,421	18,204
Other long-term benefits	4,701	4,609
Termination benefits	-	-
<b>Total</b>	<b>246,245</b>	<b>231,681</b>

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

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

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

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

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

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

**Transactions and balances with key management personnel and other related parties**

Lisa Line is the Deputy Vice-Chancellor, Pathways & Vocational Education, Swinburne University. The company did not pay for any services and reimbursements during 2019 (2018: NIL). The company received revenue of \$1,250 during 2019 (2018: \$598.18)

Belinda McLennan is a Chief Operating Officer of AMES Australia. The company did not pay for any services and reimbursements during 2019 (2018: NIL). The company received revenue of \$50 during 2019 (2018: \$1,196.36)

David Williams is a Director of Federation Training. The company did not pay for any services and reimbursements during 2019 (2018: NIL). The company did not receive any revenue during 2019 (2018: \$3,818)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: OTHER DISCLOSURES (CONTINUED)**

**Note 8.6 Remuneration of auditors**

**Victorian Auditor-General's Office**

	2019	2018
	\$	\$
Audit of the financial statements	19,800	22,000

**Note 8.7 Subsequent events**

As at the date of signing of this report and due to the outbreak of COVID-19, the Company has assessed the impact on its teaching and learning activities and any financial impact, both past and future.

The Governments announcements have been considered, specifically the measures and restrictions on businesses and places of gathering.

The Company has the resources and facilities to be able to continue to deliver continuous professional learning to all teaching and non-teaching staff in the VET Sector across Australia. It is anticipated that face-to-face learning activities will be postponed and delivered throughout the second half of 2020, whilst a key focus will continue to be on distant learning via webinars and livestreaming of workshops.

The Company does not envisage that there will be a material impact on the result of its activities or the state of affairs of the company in future years.

The company recognised income in advance of \$11,080 for workshops and events for the period January-June 2020. Only \$870 remains undelivered for workshops and webinars during these dates. There are no adjustments in the financial statements of material value that are required to be made between the end of the reporting period and when the financial statements were authorised for issue.

**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 8.8 Australian Accounting Standards issued that are not yet effective**

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 31 December 2019 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2019, 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 or after	Impact on financial statements
AAASB 17 Insurance Contracts	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 Jan 2021	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The standard is not expected to have a significant impact on the public sector.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Note 8.9 Glossary of technical terms**

**Comprehensive result**

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

**Commitments**

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

**Current grants**

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

**Depreciation**

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

**Effective interest method**

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

**Employee benefits expenses**

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

**Ex-gratia expenses**

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

**Financial assets**

A financial asset is any asset that is:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

**Financial liability**

A financial liability is any liability that is:

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

**Financial statements**

A complete set of financial statements comprises:

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Grant and other transfers**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

**Interest income**

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

**Leases**

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

**Net result**

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

**Net worth**

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

**Non-financial assets**

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

**Other economic flows included in net result**

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

**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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

**Payables**

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

**Receivables**

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

**Right-of-use asset**

The right-of-use asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received.

**Sales of goods and services**

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

**Supplies and services**

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

**Transactions**

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

**Note 8.10 Style conventions**

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

The notation used in the tables is as follows

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

The financial statements and notes are presented based on the illustration for a government department in the 2018-19 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the company's annual reports.

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

## DISCLOSURE INDEX

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

LEGISLATION	REQUIREMENT	PAGE REF
<b>STANDING DIRECTIONS &amp; FINANCIAL REPORTING DIRECTIONS</b>		
<b>REPORT OF OPERATIONS</b>		
<i>Charter and purpose</i>		
FRD 22H	Manner of establishment and the relevant Ministers	Page 39
FRD 22H	Purpose, functions, powers and duties	Page 39-40
FRD 22H	Nature and range of services provided	Page 8-33
<i>Management and structure</i>		
FRD 22H	Organisational structure	Page 5
<i>Financial and other information</i>		
FRD 8D	Budget portfolio outcomes	N/A
FRD 10A	Disclosure index	Page 106
FRD 12B	Disclosure of major contracts	N/A
FRD 15E	Executive officer disclosures	Page 36-39
FRD 17B	Wage Inflation and Discount rates for Employee Benefits	Page 66
FRD 21C	Disclosure of responsible Persons and Executive Officers in the Financial Report	Page 96
FRD 22H	Employment and conduct principles	Page 47
FRD 22H	Occupational health and safety policy	Page 47
FRD 22H	Summary of the financial results for the year	Page 42
FRD 22H	Significant changes in financial position during the year	N/A
FRD 22H	Major changes or factors affecting performance	N/A
FRD 22H	Subsequent events	N/A
FRD 22H	Application and operation of Freedom of Information Act 1982	Page 47
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	N/A
FRD 22H	Statement on National Competition Policy	N/A
FRD 22H	Application and operation of the Protected Disclosure Act 2012	Page 47
FRD 22H	Application and operation of the Carers Recognition Act 2012	N/A
FRD 22H	Details of consultancies over \$10 000	N/A
FRD 22H	Details of consultancies under \$10 000	N/A
FRD 22H	Disclosure of government advertising expenditure	N/A
FRD 22H	Disclosure of ICT expenditure	N/A
FRD 22H	Statement of availability of other information	N/A
FRD 24D	Reporting of office based environmental impacts	N/A
FRD 29C	Workforce data disclosures	Page 47
SD 5.2	Specific requirements under Standing Direction 5.2	N/A

LEGISLATION	REQUIREMENT	PAGE REF
<b>FINANCIAL STATEMENTS</b>		
<i>Declaration</i>		
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<i>Other requirements under Standing Direction 5.2</i>		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 55
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SD 5.2.1 (b)	Compliance with Model Financial Report	Page 50-105
<i>Other disclosures as required by FRDs in notes to the financial statements</i>		
FRD 9B	Departmental disclosure of administered assets and liabilities by activity	N/A
FRD 11A	Disclosure of Ex gratia expenses	Page 95
FRD 13	Disclosure of Parliamentary appropriations	N/A
FRD 21C	Disclosures of responsible persons, executive officers in the financial report	Page 96-99
FRD 102A	Inventories	N/A
FRD 103H	Non financial physical assets	Page 74-76
FRD 106B	Impairment of assets	Page 75
FRD 107B	Investment properties	N/A
FRD 109A	Intangible assets	Page 77
FRD 110A	Cash flow statements	Page 53
FRD 112D	Defined benefit superannuation obligations	N/A
FRD 113A	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114C	Financial instruments	Page 86-91
FRD 120M	Accounting and reporting pronouncements	Page 101
<b>LEGISLATION</b>		
<i>Freedom of Information Act 1982</i>		
<i>Protected Disclosures Act 2012</i>		
<i>Financial Management Act 1994</i>		

## DIRECTORS AND ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors of the company declare that:

1. **The financial statements and notes, as set out on pages 50 to 105, are in accordance with the Corporations Act 2001 and:**
  - a. comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for 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 circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.**

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



(On behalf of the Board)

**Chairperson**  
**Dr. Belinda McLennan**



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

Date: 3 April 2020

Date: 3 April 2020

# Independent Auditor's Report

## To the Directors of the VET Development Centre Ltd

<b>Opinion</b>	<p>I have audited the consolidated financial report of the VET Development Centre Ltd (the company), which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2019</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements</li> <li>• Directors and Accountable Officers's declaration.</li> </ul> <p>In my opinion the financial report is in accordance with applicable elements of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> <li>• giving a true and fair view of the financial position of the company as at 31 December 2019 and its financial performance and cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.</li> </ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Emphasis of matter – subsequent events COVID-19 Pandemic</b>	<p>I draw attention to Note 8.7 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.</p>
<b>Directors' responsibilities for the financial report</b>	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's  
responsibilities  
for the audit of  
the financial  
report**

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

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

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

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

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

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MELBOURNE  
21 April 2020



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





## VET DEVELOPMENT CENTRE

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 VET Development Centre

 VET Development Centre