



2020 ANNUAL REPORT

VET DEVELOPMENT CENTRE LIMITED



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

To reach these goals, we develop an annual set of priorities which, for the 2020 calendar year, are as follows:

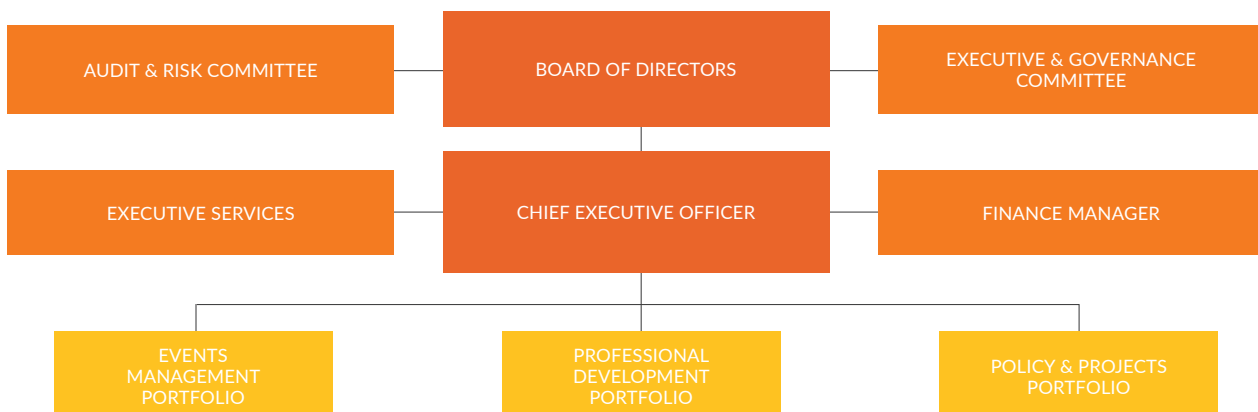
OUR 2020 PRIORITIES

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

ORGANISATIONAL STRUCTURE

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

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



MESSAGE FROM THE CHAIR

It is with pleasure that I present the VET Development Centre Limited (VDC) 2020 Annual Report.

The immense impact of the COVID-19 pandemic on society and education in 2020 cannot be understated. I am pleased to report that the activity and engagement outlined in this annual report reflects the resilience, flexibility and adaptability of the VET Sector workforce through unprecedented upheaval.

In response to the COVID-19 pandemic restrictions, I can advise that the VDC was able to expediently and successfully transition its services by late March 2020 and maintain complete functionality through its existing online training delivery capability and cloud-based office network. The organisation's business continuity and crisis management plans were invaluable in facilitating this transition as was the cooperation between the Board, Executive Management and staff in enabling this smooth transition.

The Hon. Gayle Tierney MP, Minister for Training and Skills and the Victorian Department of Education and Training (DET) maintained its ongoing commitment to the VDC's government funded programs throughout this transition. This enabled the continuity of the contracted professional learning for the TAFE, Learn Local and Skills First funded RTOs workforces. Workforce professional learning was provided 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.

I would like to acknowledge the stewardship of the CEO throughout the year and the continuation and success of VDC services in 2020. Management and staff working remotely exceeded expectations and the Board provided great support. Developing the VDC Strategic Plan for 2021-2023, the risk management alignment of the day-to-day business, and the work around COVID to return to the workplace, have been great achievements throughout 2020. Running a conference virtually with good stewardship from home for all participants also reflected this success.



Even under these trying times, the evidence of success in transitioning to online training builds 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 second consecutive year there were over 11,800 participants for 344 government funded and fee for service events designed, delivered and/or hosted by the VDC in 2020.

The maintenance of this increased engagement and an accompanying overall satisfaction rating of 94% for VDC professional learning reflects the ability of the organisation to attract and service a larger cohort of participants through cumulative milestones such as establishment of its own training centre in 2017, a revitalised staff structure, more proactive webinar based and virtual classroom delivery as well as improved categorisation of professional learning. This engagement also reflects the adaptiveness and responsiveness to change demonstrated by the VET workforce in Victoria and across Australia.

I am confident 2021 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 virtual and face to face PD activities as well as through self-paced and blended learning experiences.

A handwritten signature in black ink, appearing to read 'Belinda McLennan', written over a white background.

Dr. Belinda McLennan
Chairperson

94%

average satisfaction rating for attendees surveyed at VDC programs

11,800

attendees at VDC programs, events and services in 2020 (previous record 2019 - 11,400)

14,500

registrations for all VDC services in 2020 (a record)

74%

increase in services utilisation over past five years

344

events hosted by VDC

CEO REPORT - 2020 HIGHLIGHTS



It would be an understatement to acknowledge 2020 has brought significant challenges to education and our society. For VET this meant reworking business models, adapting to working remotely and moving further into an online training environment. VET providers increasingly needed support to navigate the changing environment that they found themselves in and looking to the future.

Taking these challenges into consideration, VDC explored how to continue to evolve its professional learning to support the sector. In line with the significant success of the VDC webinars in recent years, all face-to-face training was converted to online sessions from March 2020. Further, major thought leader events were also conducted via virtual platforms. The VDC facilities were closed from March 2020 and a VDC COVID-19 Recovery Map and COVIDSafe Plan developed to ensure strategic oversight and management of VDC corporate functions and professional learning services.

VDC responded rapidly to the initial COVID-19 workplace restrictions for VET teachers and professionals by holding free information webinars for VET, TAFE and Learn Locals in early April. A new range of online learning sessions relating to online training delivery and working from home were also developed at this time.

It was a privilege to witness the VET Workforce further adapt to virtual learning during the COVID-19 workplace restrictions. Presenters and attendees turned their cameras and microphones on and let each other get closer in chat rooms and during sessions. The uptake in sessions stimulated

the need for additional sessions which, in turn, helped consolidate the VDC reputation as the major provider of Victorian Government funded training to Skills First training providers as well as extend its delivery of professional learning across Australia. The accessibility of virtual training sessions for regional participants and those providers from outside Melbourne was evident in the record engagement from people from these locations.

Through the support of the Victorian Department of Education and Training and the VDC Board and management and staff, VDC was able to continue to provide significant professional learning programs for the VET sector focussing on practitioners of accredited training, masterclasses on Family Violence intervention, leadership programs for Learn Local providers and TAFE Board Governance, as well as informing the broader public sector on the role and purpose of Vocational Education.

The Australian Council for Educational Research conducted an independent evaluation for the third year in succession, to track the return on engagement, medium to longer term benefits and the impact of participation in the professional learning programs. Based on the evidence collected for the 2020 evaluation, ACER has found that the VDC continues to make an important contribution to the continuing professional development of the VET workforce.

The outcomes for 2020 speak for themselves in terms of the continuing growth of the VDC as a leading professional learning provider. Satisfaction ratings averaged over 94 percent for the 260 professional development events delivered by the VDC in 2020. Record engagement of 14,366 registrations for VDC professional development programs and services was achieved, eclipsing the 2019 record of 11,500 engagement.

The following report provides a snapshot of the programs and events undertaken in 2020.

Martin Powell

Chief Executive Officer/Company Secretary

2020 SNAPSHOT

2,700
registrations for in-kind events and services for the VET Sector

3,800
registrations for Victorian Government funded PD in 2020

60%
increase in registrations from 2019 for the VDC Professional Learning Program to a record 6,000 registrations

\$3.5m
million provided by Victorian Government to support the VDC and related professional development activities for Victorian Government funded training providers and Learn Local Organisations

2020 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.

All professional learning sessions are aligned to the Teaching, Assessment, Systems and Compliance, and Industry, Community and Collaboration domains and related capabilities / learning outcomes as prescribed in the VET Practitioner Capability Framework (IBSA 2011).

In order to describe the level of content being presented in training sessions, Professional Learning Categories are utilised for the VDC Professional Learning Program 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)**

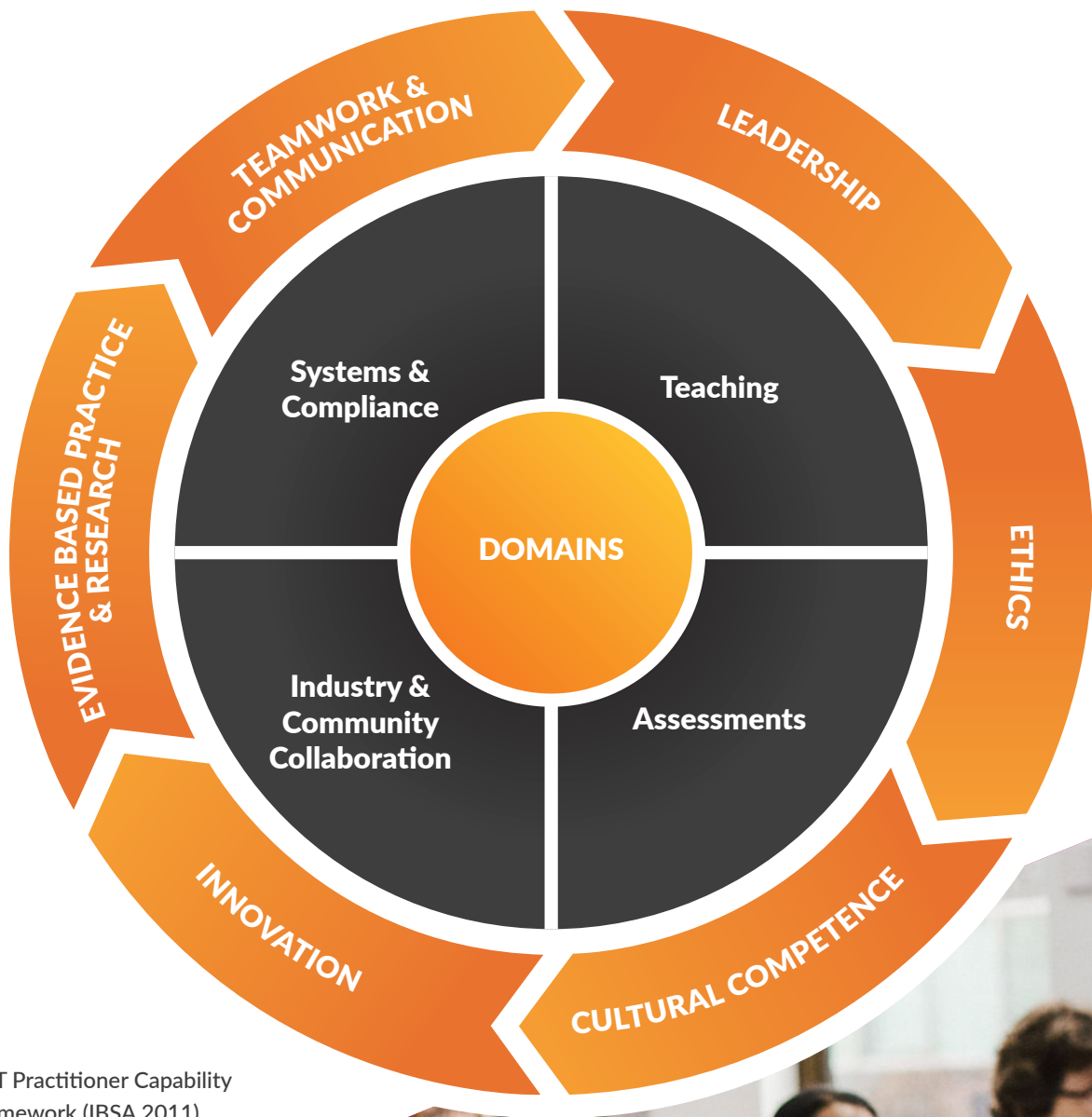
These sessions are aimed at practitioners that have a broad theoretical knowledge and practical experience of training and assessment. They operate independently and seek guidance when necessary.

● **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.



VET Practitioner Capability Framework (IBSA 2011)



Over 14,000 registrations were processed for VDC services in 2020, which is unprecedented for our organisation and reflects the extraordinary impact of working from home and home learning enforced during the year due to COVID-19.

Total engagement with the VDC programs, events and services in 2020 sustained the record participation of 11,417 set in 2019 with 11,805 participants. This represents an increase of 13% from 2018 and 74% since 2016.

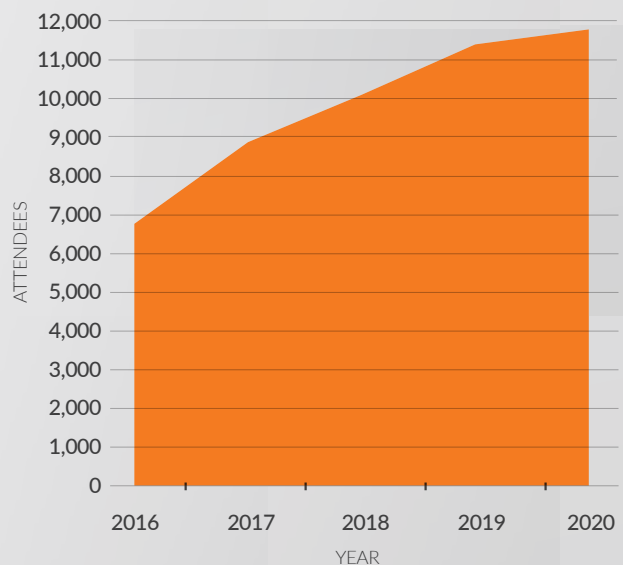
This activity represents attendance at all professional learning programs delivered including: VDC professional learning programs; Victorian government funded professional learning programs; customised training; webinar hosting services; facilities hire attendees and attendance at major VDC events.

This was a significant achievement in a year transformed by COVID-19 pandemic restrictions, which hit particularly hard in Victoria. Record engagement reflects the VDC's capacity, ability and extensive experience in providing online professional learning. With the cessation of room hire services and face to face training sessions and events from March, VDC was still able to increase engagement through an extensive range of webinars through its own Professional Learning Program as well as convert existing face to face workshops to a virtual delivery format as interactive online sessions. This enabled the continuation of the VDC professional learning programs, but also ensured the recommencement of major government funded workshop programs for TAFE, Learn Locals and Skills First providers from June.

The increase for VDC services was driven by increased sessions and demand for VDC Professional Learning online in Victoria and across Australia, a new series of weekly mid-morning VDC VET Chats that enabled a chat style format for participants with the VDC content experts, as well as online professional learning seminars and the VDC conference that achieved record engagement.

As part of moving towards its 2020 vision of becoming a centre of excellence, since 2019 VDC has invested considerable effort and resource to improving the support materials that participants receive at VDC workshops. A desktop designed workbook in electronic and hard copy aids the workshop delivery and provides 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 Strategic Work Plan workshops are now provided with the new resource booklets. An e-book format was trialled in 2020 that was not printable. Whilst this aided distribution during COVID-19 restrictions, it was not a popular choice with attendees, who voiced strong preference for hard copy reference material.

ATTENDEES AT VDC ACTIVITIES



CASE STUDY

Darren, Private RTO, WS VET Teaching Practice, Creating Effective Learning Experiences

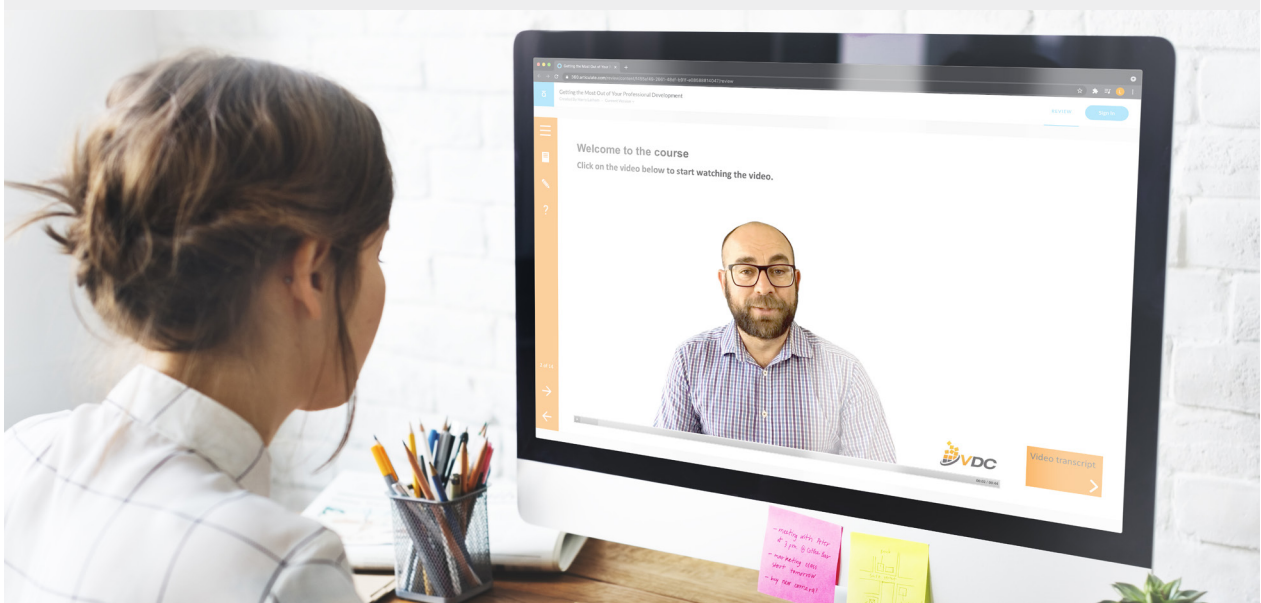
A VET Sector veteran Darren has experience as a company CEO responsible for delivery of national technical security and telecommunication VET qualifications and short courses. In his current roles, Darren applies his expertise across a number of RTOs and is a workplace assessment specialist. Darren has a long association with VDC PD and 'trusts the brand'.

"I've been to a lot of sessions over the years and there is always something in there- even for the most experienced. I go to share ideas; check my understandings and I like to contribute something to the new participants. That was always a bit easier when you were sitting around a table or chatting over lunch but it still can be achieved if you are not shy of using the chat box in an online forum. In the breakout rooms you can really get some good deep information sharing going".

Darren has attended a range of the funded VDC sessions and found some more engaging than others.

"It all depends on the topic and the style of presentation. If I can hear that the presenter is checking who is in the room, how comfortable and experiences they are working online and asking for feedback and contribution and then monitoring and responding in real time to participants then they will have my full attention. If they are just reading from the slides then I tend to tune out and do something else at the same time. As a presenter myself I like to be inclusive – to check that everyone is fully engaged. Otherwise you might as well prerecord something and just let people listen whenever they want."

VDC have done well with the online environment. They have a presenter and an administrator helping with slides and discussion point slides in the breakout rooms. That is necessary to have things run smoothly but I am sure it is more resource intensive for them. For those of us doing all our communication online it is resource intensive also – to have good reliable video and audio I have had to increase my bandwidth."



CASE STUDY

Miranda, Small regional Private RTO, SF Language Literacy & Numeracy

As a Managing Director of a small regional RTO delivering governance and business management qualifications, Miranda is responsible for ASQA compliance related issues in addition to her role as a trainer and assessor. With the majority of her delivery in short course and Diploma offerings to the corporate sector, Miranda feels that LLN issues are not really an issue for her learner cohort.

'Even if people say they are not so good with maths we find that they can quickly recognise their strengths once we point out that they use numbers all the time in charts, spreadsheets and the like'

In the session she attended, she was interested to hear that digital literacy is now being considered in the definition of LLN and LLND is appearing in the documentation. Miranda realised that her RTOs enrolment processes were in fact an opportunity to gather pre-training information about a potential students LLN and D skills.

Since attending the workshop Miranda has made some adjustments to her online enrolment process to ensure that she gathers the full range of information about the individual's digital literacy. Miranda felt that the inclusion of digital literacy into the Australian Core Skills Framework was an interesting and necessary addition.

Miranda was particularly drawn to the LLN compliance workshop online as it saved her the time of a commute to the city, parking and the long trip home at the end of a day. *"These workshops online really work for me because I can multitask - I get the value of the workshop and also achieve other things at the same time. As a facilitator I prefer face to face - so learning to deliver and to participate online is new and challenging. I enjoyed the session as I was picking up on ways to deliver online. Now that I've experienced the possibilities of the online offerings I would definitely choose online in future."*

Since attending the workshop Miranda has made some adjustments to her online enrolment process to ensure that she gathers the full range of information about the individual's digital literacy.



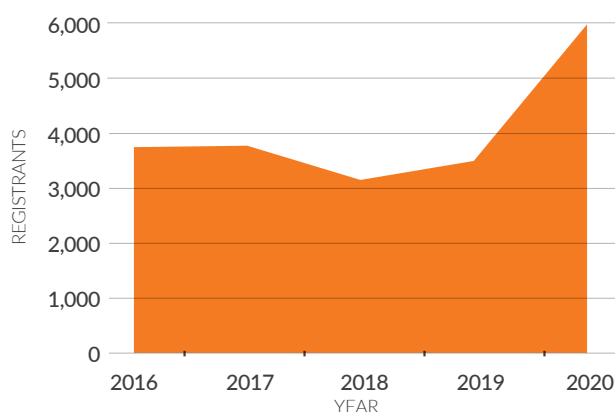
VDC Professional Learning Program

VDC webinars and online sessions in the VDC's fee for service program experienced a significant increase in demand in 2020. In response to the COVID-19 Pandemic free information webinars for VET, TAFE and Learn Locals were also run prior to Easter, with over 500 registrations for 4 webinars. A new range of online learning sessions relating to online training delivery and working from home were also developed to support the VET Sector during this unprecedented upheaval in early 2020. VDC converted existing face to face workshop content to either webinars or the online learning session format.

The VDC Professional Learning Program in 2020 provided 138 sessions to meet online demand, compared to 92 sessions in the previous year. Sessions consisted of face-to-face workshops (only to March 2020), virtual workshops, national webinars, seminars and a virtual conference to the sector around the following key themes:

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

The overall registrations for the VDC Professional Learning Program increased by an astonishing 60% to a record 5,998. The average attendance per session was 35, with VET chats and specialist learn local sessions capped at 40 participants. Some sessions on remote learning, blended delivery and online learning achieved registrations close to 200 per session. The Workshops were conducted at the VDC premises until COVID-19 restrictions commenced in March 2020. The smooth transition to online professional learning programs off premises commenced by the end of March complementing already scheduled webinars which were accessed by all states and territories in Australia, as well as New Zealand.

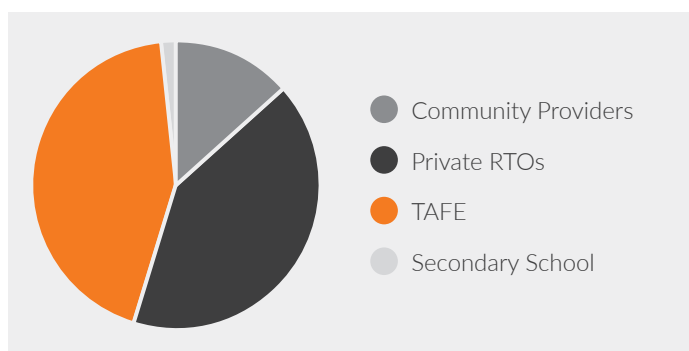


“These workshops online really work for me because I can multitask – I get the value of the workshop and also achieve other things at the same time. As a facilitator I prefer face to face – so learning to deliver and to participate online is new and challenging.”

Another major change in 2020 was the influx of demand from TAFE attendees and participation from VET professionals from outside of Victoria. TAFE attendees have consistently maintained a one third share of attendees since 2016. The VDC experienced a 140% increase from TAFE employees at its Professional Learning Program with TAFE representing 43% of registrations, private providers 41% and Community Providers 14%. All organisation types experienced an increase however

the TAFE increase was by far the most significant. 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	2016	2017	2018	2019	2020
Community Providers	473	505	394	579	811
Private RTOs	1757	1943	1760	1692	2483
TAFE	1463	1204	939	1091	2606
Secondary School	64	130	64	67	98
TOTALS	3757	3782	3157	3429	5998



CASE STUDY

Patricia, Health Services Private RTO, VDC PL Program – Assessment Questions for AQF levels, The Nuts and Bolts of Assessment, Understanding the volume of learning requirements

As the CEO/Director of Studies of her own Aged Care College, Patricia's aim is to encourage as many people of diverse cultural backgrounds and genders to enter nursing, aged care, health and community services, mental health and disability. She believes that the provision of quality training to prepare graduates to work in aged care and in the community requires her trainers and assessors to not only be across the content of their Training Package but also fully up to speed on the way to construct training, assess appropriately and pitch content at the right level for learners.

Patricia uses VDCs calendar to provide staff with the opportunity to dip into topical PD that they can use to 'keep on the right track'. She assigned a couple of the sessions she enrolled in, to other staff and attended The Nuts and Bolts of Assessment session herself - she thought the content was the same as last year but appreciated the refresher. She likes that webinar sessions are of manageable duration, are convenient and that because of her busy schedule 'she did not have to get dressed up and travel into the city!'

Patricia feels VDC offers good value for money and is 'down to Earth in their approach'. "I'm into the facts - not much into hearing about the personal experiences of presenters."

Patricia uses VDCs calendar to provide staff with the opportunity to dip into topical PD that they can use to 'keep on the right track'.



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, through the VDC online platforms 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 2020 included GOTAFE, William Angliss Institute, The ACFE Board of Victoria and the Department of Education and Training Victoria.

VDC experienced an influx of requests for webinar recordings to supplement VET providers professional development offerings to their employees in 2020, with TAFENSW, TAFESA, Holmesglen Institute, William Angliss Institute of TAFE, Ambulance Victoria and GOTAFE securing large bundles of webinar recordings and transcripts to encourage self-paced learning.

As a result of the impact of COVID-19 on training organisations and the restrictions placed on physical training delivery and the cessation of room and facilities hire at VDC, VDC customised hosting services dominated the professional learning solutions and helped maintain similar participation to 2019. VDC was able to support 2,919 participants for 18 sessions (compared to 2,439 for 63 sessions in 2019). This was predominantly driven through VDC webinar and virtual online session hosting services for the Victorian TAFE Association and VETASSESS.

Through the VDC training facilities, venue hire services were provided for major clients until March 2020. Organisations such as NACCHO, Council for Homeless Persons, DVRCV, CEAV Institute and Federation University. A facility utilisation rate of 65% was achieved for the VDC training facilities at 379 Collins Street, to 27 March 2020, reflecting the closure of venue hire from March to December 2020.

CASE STUDY

Liam, VET Sports College, VDC PL Program, Applying Reasonable Adjustment

Getting clear on what constitutes reasonable adjustment is critical for Liam as he works with a learner cohort who are highly motivated around their technical skill development but less so when it comes to academic learning.

Within Liam's RTO, assessment evidence is a hot topic with teachers and compliance staff. There is a variety of viewpoints about how much adjustment is 'reasonable'. Liam attended the one hour webinar to seek reassurance that he was on the right track with his delivery and assessment of Diplomas and felt his viewpoint was validated at the workshop.

He immediately returned to the workplace and added in some audio recordings to support his assessment process. He was pleased to find that these were accepted by the compliance team.

"I think a topic such as this is best suited to a quick webinar like this. To be able to dip and then out for a short investment of time suits me well. I always like to scan the VDC options and pick one or two offerings that directly improve my practice."

"I think a topic such as this is best suited to a quick webinar like this. To be able to dip and then out for a short investment of time suits me well. I always like to scan the VDC options and pick one or two offerings that directly improve my practice."

IN KIND SUPPORT

The VDC assisted a number of departmental, community-based and not for profit organisations through the provision of in-kind services in 2020. Over 2,700 registrations were received for the sessions. Participants benefited from VDC contributing professional learning sessions and webinar hosting / registration services for stakeholders such as deafConnectEd, the ACFE Board of Victoria, The Department of Education and Training Victoria, consultations for the Macklin Review (Skills for Victoria's Growing Economy) and International Specialised Skills institute.

In addition, 8 percent of total room bookings were scheduled to be provided to a wide range of community and peak organisations free of charge including the QuIET (Quality in Education and Training) Network Meetings, ACEVic and Domestic Violence Resources Centre Victoria before COVID-19 restrictions ceased room hire in March 2020.

VDC immediately responded to the impact of COVID-19 restrictions on adult education by running a number of key sessions on blended learning, online learning, remote learning, impacts on your RTO and other sessions to support educators during the pandemic. The table below outlines the strong response to the well appreciated sessions.

VDC IN KIND ONLINE SESSIONS/WEBINARS	EVENT DATE	TOTAL ATTENDED
Deaf ConnectEd Webinar - Practical Strategies	Thu 12 Mar	247
DET - Adult Literacy and Numeracy Practitioner Program - Expression of Interest Information Session	Thu 26 Mar	12
DET - Adult Literacy and Numeracy Practitioner Program - Expression of Interest Information Session	Thu 02 Apr	57
VDC - Managing Change and the Impact of COVID 19 on your RTO #1	Wed 08 Apr	274
VDC - Managing Change and the Impact of COVID 19 on your RTO #2	Wed 08 Apr	233
VDC - Insights into the experience of going remote and flexible #1	Tue 21 Apr	40
VDC - Insights into the experience of going remote and flexible #2	Tue 21 Apr	40
Deaf ConnectEd Webinar - Practical Strategies	Tue 16 Jun	247
VDC - Unpacking VET Policy responses to COVID-19	Thu 20 Aug	147
DET - Industry Registered Training Provider Roundtable	Wed 26 Aug	25
DET - Skills First Training Providers: COVID-19 Roundtable	Wed 16 Sep	131
ACFE Board 2021 Training Delivery Information Session	Thu 17 Sep	204
ACFE Board 2021 Training Delivery Information Session	Wed 23 Sep	118
DET Webinar – ACFE Skills for Work and Study Program	Mon 28 Sep	231
International Specialised Skills Institute Illuminate Forum	Tue 29 Sep	103
International Specialised Skills Institute Illuminate Forum	Wed 28 Oct	99
DET - Registered Training Organisations (RTO): COVID-19 Roundtable	Thu 29 Oct	121
Learn Local (ACFE) Training Providers: COVID-19 Roundtable	Thu 29 Oct	96
DET - Skills First Training Providers: JobTrainer Fund Briefing	Mon 09 Nov	99
DET- Skills First Training Providers: JobTrainer Fund Briefing	Tue 10 Nov	103
DET Registered Training Organisations (RTO): COVID-19 Roundtable	Thu 26 Nov	86
TOTALS		2,713

VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

CASE STUDY

Hall of Fame - John

John is a casually employed Second Level Practitioner who covered the costs of his time to attend himself.

John registered for 17 sessions and attended 16. This equated to 30 hours of CPD in 2020.

This included 8 sessions in the VET Teaching Practice Series, 1 in the Theory Series, 1 in the Career Development Series, 2 Assessment sessions in the Skills First Series and 4 VDC PL sessions.

In 2020 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), 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 were provided.

Over 3,800 registrations were received for the Victorian Government funded programs and information sessions in 2020 for 119 sessions. This compares to 2,500 VET workforce participants who accessed 84 complimentary sessions over 2019. The impact of COVID-19 and restricted workplace attendance resulted in an unprecedented increase for online session demand, sessions that could accept higher registrations compared to the physical training environment. Under this pressure of demand VDC was able to achieve an average satisfaction rating of 97% for its programs.

In January 2020 a significant desktop review was undertaken of the 2019 program to map the 2020 Strategic Work Plan Program to the VET Practitioner Capability Framework (IBSA 2011). This in-depth analysis informed the learning objectives and expected learning

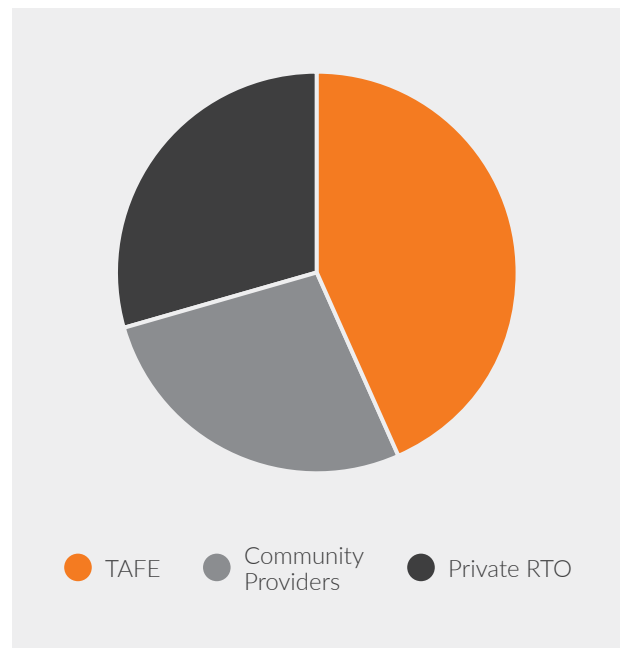
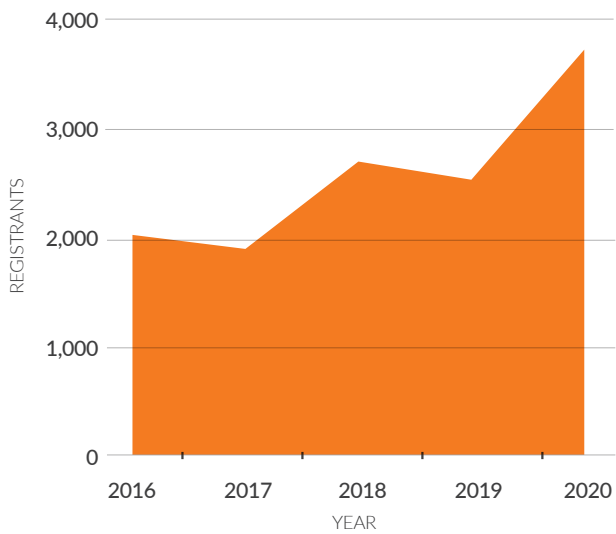
outcomes for all sessions (mapped to the VET Practitioner Capability Framework)

Due to the Coronavirus (COVID-19) pandemic and consequent Australian and Victorian Government actions in response to the situation, the VDC ceased all face-to-face workshops, external meetings and functions at its premises from 18 March 2020. The VDC had scheduled the government funded professional learning programs over 2 semesters in 2020. All semester 1 funded programs were paused from 18 March 2020.

Given VDC's capacity, ability and extensive experience in providing online professional learning, and with approval from Participation, Inclusion and Regional Engagement Branch of the Engagement, Participation & Inclusion Division (EPI), Higher Education and Skills (HES), all elements of the VDC Strategic Work Plan for 2020 were revised and delivered in the format of 3-hour online learning sessions and 1-hour webinars from June 2020.

VDC invested considerable effort to improve the supporting resources that participants were to receive as a hard copy at the VDC face to face workshops. A new workbook format was introduced that was desktop designed and the content was quality assured by VET content expert and instructional designer. In light of moving to online, VDC revisited the supporting resources and redeveloped the resources to provide a means of referral for participants when offline. The workbooks were provided in an e-book (online) format.

2020 VICTORIAN GOVERNMENT FUNDED PROGRAMS	SESSIONS	REGISTRATIONS
Skills First Contract Professional Learning Program	24	924
Victorian VET Teacher Professional Learning Program	26	687
Victorian Learn Local Professional Learning Program	28	349
Family Violence Professional Learning Program	11	336
Introduction to the Victorian Family Violence Multiagency Risk Assessment and Risk Management Framework (MARAM)	12	319
TAFE Board Governance Capability Program	7	274
Additional DET funded programs and information sessions	11	922
TOTALS	119	3,811



CASE STUDY

Claire, Suburban Learning Centre, Learn Local Access, Choice and Equity Series: Building Learner Support and Wellbeing and Developing Outreach and Engagement

Juggling both the training coordinator and acting manager roles during a pandemic was not exactly in Claire's plans for 2020, so she found the VDC PD Program a most welcome touchstone and the opportunity to problem solve 'in real time' with peers in some of the sessions very valuable.

We were all in the same boat - we needed to think through who we were catering for and what did our students really need from us during this time? We had to be a bit adventurous and be prepared to be pushed out of our comfort zone - but the lockdown provided us with some time for planning and a chance to do things differently.

Claire found the format of a main session followed by a shorter re-cap and report back a few weeks kept her accountable.

"Sometimes you can go to a session and have good ideas but then you just lose your intent to pursue the idea. This way we had to come back and talk about it. When we came back together it was great to hear what everyone had been doing and realise that I was on the right track."

I had to think about what we were doing and why we were doing it? Was there anything we could tweak that would make our provision more client based? Sometimes you can go to a session and have good ideas but then you just lose your intent to pursue the idea. This way we had to come back and talk about it. When we came back together it was great to hear what everyone had been doing and realise that I was on the right track.

At a time when online learning was on everyone's agenda, Claire appreciated VDC's approach to delivery- the inclusive practices of the presenter; the use of breakout rooms supported by additional VDC staff, the free flowing sharing of resources and useful website links and the collegiate atmosphere amongst attendees resulted in a positive and satisfying experience:

At a time when we were all really busy with coping these sessions offered an opportunity to pause and take the time to recognise our expertise and capacities. I found the series to be really morale building



CASE STUDY

Sofia, Outer Suburban Learning Centre, Learn Local Access, Choice and Equity Series: Building Learner Support and Wellbeing and Developing Outreach and Engagement

Sofia's RTO felt that it needed to play a significant outreach role during the lockdown by providing an expanded social service role, in addition to its usual education focus. Sofia found the information and resources provided in both the Learner Support and Outreach sessions to be invaluable. For many of her Sudanese clients, lockdown meant lack of work and social disconnection. This triggered past traumas for some clients.

Knowing how to breach issues without causing embarrassment, showing students how to set up online communication networks on their phones so they could keep in touch, referring them to support services – these were all important topics covered in the sessions. These sessions were just fantastic- particularly as many of the Learn Local participants in the PD were facing similar challenges brought on by COVID-19.

Sofia is a dedicated attendee of VDC PD and really appreciated the rapid move to online and some of the mental health and well-being sessions for practitioners that were run early on in the year.

I found that the VDC sessions really made me feel I was part of a wider community and that I had support from a group of professionals to think through how to approach things. In the break-out rooms we really got to know each other and there were opportunities to share contact information and I'm now part of a much wider network of educators that I met online! There are new people and very experienced people in the group and a lot of honesty and sharing. I think this builds leadership in some people and makes the newcomers really feel part of a community.

Sofia's preference is to now meet some of these new professional contacts face to face in 2021 – but she also sees value in continuing to participate in online PD. Her preference though is for a 4 o'clock timeslot – after class and when there is less demand on the internet!

"I found that the VDC sessions really made me feel I was part of a wider community and that I had support from a group of professionals to think through how to approach things."



Industry Placement Program - A Professional Learning Opportunity for VET teachers in Government Schools

In 2020 the Victorian Government funded the VET Development Centre to commence planning for the delivery a professional learning initiative for VET Teachers - the Industry Placement Program. The Industry Placement Program will provide VET teachers in Victorian Government Schools with the opportunity to participate in activities specifically designed to enhance their industry skills, knowledge and networks. The Industry Placement Program activities will run across 2021 and 2022.

DET is funding the VDC to develop and deliver a professional development initiative to enhance the industry knowledge, skills and currency of VET teachers delivering VET programs to Victorian government secondary school students. The Industry Placement Program initiative will aim to develop and deliver structured professional development activities to provide VET teachers with direct industry exposure to maintain industry currency as required by Australian Skills Quality Authority (ASQA) Standards for Registered Training Providers (RTOs).

The overarching objective of the program is the improved capability of VET teachers in Secondary Victorian State Secondary Schools.

The areas of activity are:


- **Industry Placements**
VET teachers will have an opportunity to undertake a ten-day program comprising of an industry placement and additional activities to gain specific industry exposure.
- **Industry Themed Forums**
a series of one-day forums will help VET teachers to enhance overall knowledge and currency of a specific industry area. The forums will be accessible to VET teachers across Victoria and will feature speakers with expert knowledge of current and future trends, new technologies and practice.
- **Industry Engagement Conference**
VET teachers will be invited to a two-day conference. The conference will be an opportunity for experts in the field to speak about key areas of interest such as trends in VET teaching and learning, COVID-19 impacts and broader sector reform.




INDEPENDENT EVALUATION

Building the capability of the vocational education and training (VET) workforce through professional development is critical to delivering quality outcomes. All Professional Development Programs delivered by VDC are focused on developing and delivering specific professional development programs for the vocational education sector in priority areas.

The VDC through the support of the Victorian Department of Education and Training has contracted the Australian Council for Educational Research (ACER) since 2018 to independently evaluate its programs.



The results of the VDC evaluation in 2020 and an ongoing independent evaluation conducted by the ACER in 2018 and 2019 found that the programs continue to make an important contribution to the continuing professional development of the VET workforce in Victoria.



Both the DET-funded and VDC PL Programs continue to perform strongly on measures relating to attendance, satisfaction, application and impact. The traditional client base of VET and Learn Local trainers, assessors and managers continue to grow, just as the scope of programs continues to broaden into new areas and reach new market segments such as Family Violence and Mental Health.

At the start of 2020 the VDC had commenced a program of full and half-day face-to-face workshops as planned. The unprecedented disruption caused by COVID-19 from around March-April, particularly in Melbourne, required a complete reframing of the format and structure of the program. Working within this uncertain and challenging environment, the VDC and its facilitators successfully adapted and contextualised the program in an extremely short period of time.

Participants have provided extremely positive feedback to both the VDC and the independent evaluation which suggests that the impact of this disruption, and the adaptation to an online model, has not diminished the positive experiences of participants. Instead, it may have opened up new possibilities for professional learning and enabled VET practitioners to connect with each other in ways not previously possible.

ACER stated that the challenge will be to continue building on this momentum as practitioners return to a 'COVID normal' professional life in 2021.

The VDC programs within scope of the independent evaluation are summarised in Figure 1 below:

- // The DET funded programs under a **Work Plan** covering content relevant to VET Teaching, Learn Local provision and Family Violence;
- // The DET funded program covering a **Skills First** series focused on training, assessment and LLN content; and
- // The **VDC Professional Learning Program** covering a range of topics aligned to the VET Practitioner Capability Framework.

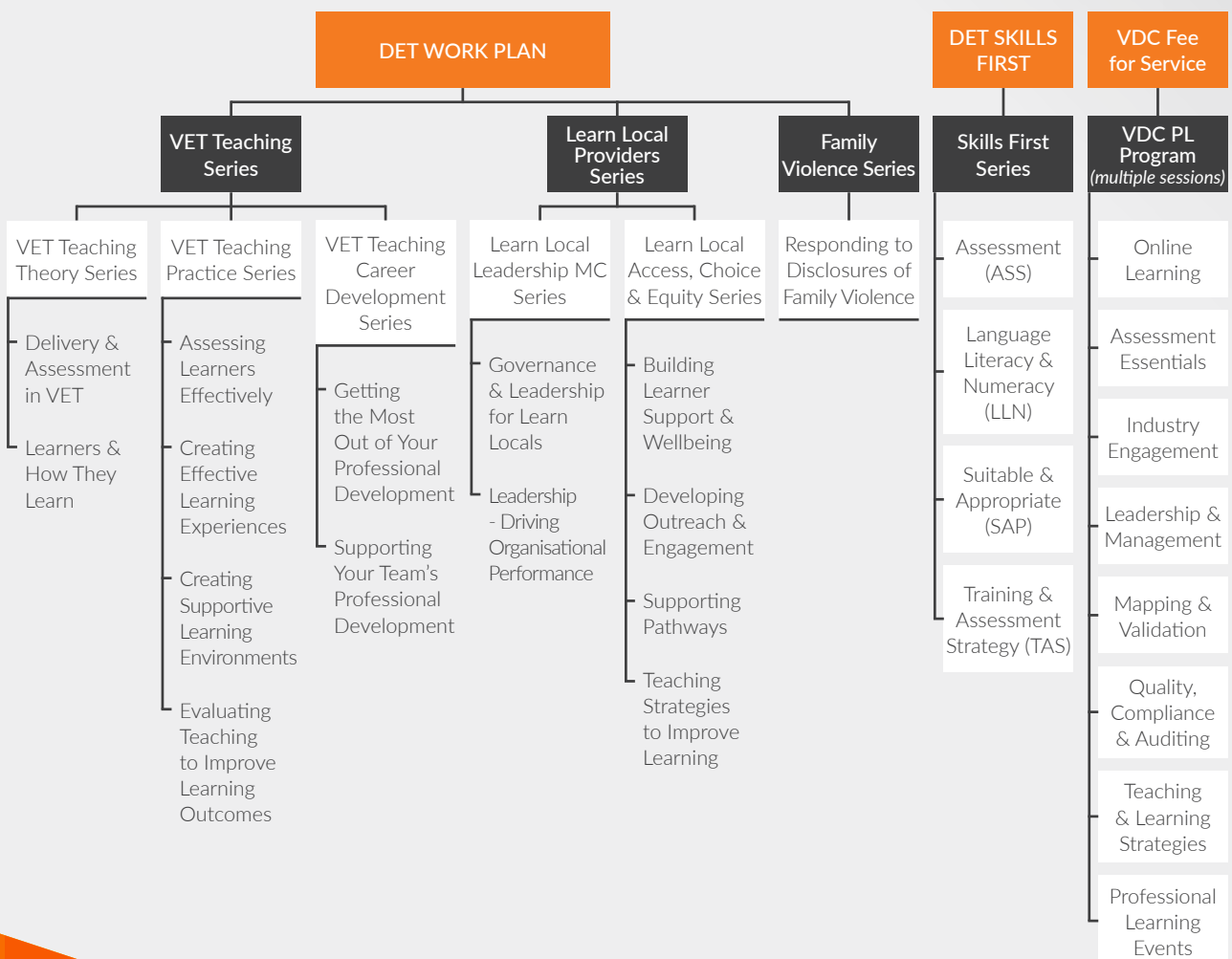


Figure 1: VET Programs within scope of the independent evaluation

Recommendations and findings from the independent evaluation have been invaluable to VDC and DET in refining program content, delivery and reach. In response to recommendations in the previous year’s evaluation report (2019):

- // The VET Practice Series and the Learn Local series introduced action learning activity where participants had the opportunity after the virtual workshop to reconnect with the facilitator in a one-hour discussion at a later date; and
- // All sessions are now aligned to Teaching, Assessment, Systems and Compliance, and Industry, Community and Collaboration domains and related capabilities as prescribed in the VET Practitioner Capability Framework (IBSA 2011).
- // All sessions are now categorised as either Introductory, Intermediate or Advanced to describe the level of content being presented in the training capabilities as prescribed in the VET Practitioner Capability Framework (IBSA 2011).

With the outbreak of COVID-19, and the resulting restrictions placed on movement in Melbourne, the VDC has had no option but to adapt every session for online delivery. From April, the program was adapted to be delivered in an online format and within an extremely tight timeframe. Summarised in Figure 2 below, the most significant changes made to adapt to this format in 2020 were:

- // The full day workshops were adapted into an interactive virtual workshop for 25 participants, with break out rooms for group discussion and interaction with facilitators.
- // The half day workshops were adapted into an hour online session with a Q&A opportunity with the facilitator.
- // Two moderators attended in breakout rooms and attendance and engagement was monitored throughout the session.

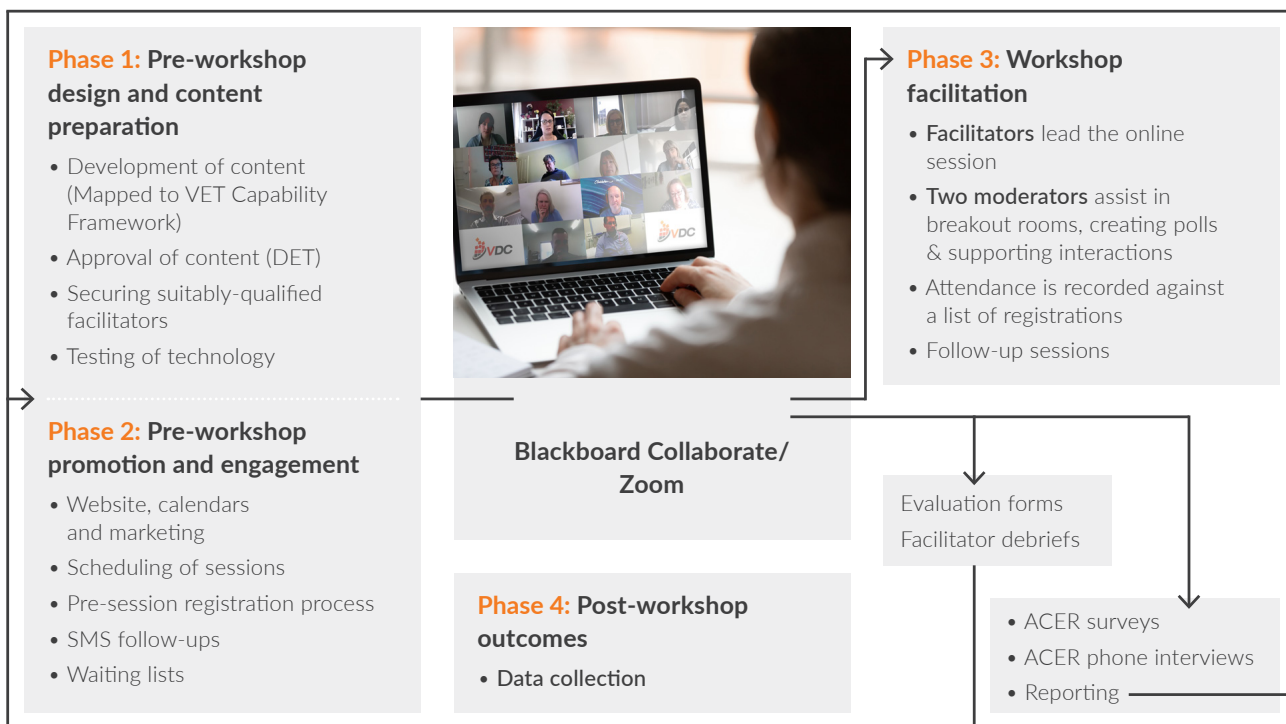


Figure 2: Online Delivery Format

1.1. Impacts on individuals, organisations and students

The evaluation identified a number of positive benefits and applications of the knowledge and skills developed by participants.

These benefits and applications have been identified, to varying extents, at three levels: the individual practitioners, their employer organisations and their learners (Figure 3).



Figure 3: Program Evaluation Lifecycle

1.1.1. Practitioners report positive impact on their own knowledge and skills

The practitioners themselves are **the most direct beneficiary** of participation in the online sessions, virtual workshops and webinars. A number of participants stated that they had become aware of an increase in the amount of professional learning opportunities that were being made available to them in the wake of the pandemic and shutdowns.

Even with this increased choice of providers and services, the majority of VDC series have been **well-subscribed and well-supported** by those who attended suggesting that each series is meeting practitioner and sector needs. The results of the evaluation show that **participants responded very favourably** in the time directly after, and again 4-8 weeks after, they participated. Participants reported that they were able to **learn and/or refresh skills and knowledge** that they intended to use to drive change in their organisation. The majority were **already in the process of applying** what they learnt when contacted 4-8 weeks later.

Phone interviews with participants found that those who had the best or complete recall about a workshop were those who **had implemented a practical solution** e.g., use of a technique, use of a specific template. Where there had not been a specific application in the weeks following the workshop, practitioner recollection of workshop content was not as confident or comprehensive.

Independent Evaluation	Satisfaction rate directly after session	Satisfaction rate 4-8 weeks after session
VET Teaching Series	97.4%	89.7%
Learn Local Provider Series	95.5%	
Family Violence Series	100.0%	
Skills First Series	95.8%	92.2%
DET-Funded Series	96.5%	91.0%
VDC PL Program	94.8%	86.0%

1.1.2. Practitioners report a positive impact on their organisation’s professional capability and expertise with caveats

Both the online survey and phone interviews found that those who attended as **individual practitioners often presented (or planned to present) to colleagues** in staff meetings or shared the workbook with others. Those who attended as learning leaders were highly aware of the value of the workshops and often utilised the resources to deliver in-house PD in their organisations on return to their RTO.

Although confidence to apply knowledge and skills may be high, there often remains a number of **timing and cultural barriers** in place back at work that practitioners must contend with in order to have some opportunity to share, reflect and develop their own capabilities following the online session.

Workplaces were in a state of ongoing turbulence in 2020. With accessibility barriers diminished (i.e., geographic, travel time), through online learning there was an opportunity for practitioners to access professional learning opportunities that they may not have had access to previously, particularly for those practitioners residing in regional areas.

1.1.3. Practitioners report positive impact on learner outcomes

The evaluation has collected evidence of the positive impact that practitioners believe the workshops will have, and have had, on their learners. Anecdotally, when asked to comment on their students, interviewees were able to articulate **a number of specific and anticipated benefits**.

While students will inevitably benefit from improvements in practice, the capacity of evaluators to attribute the net effect of participation in PD on student learning and outcomes is extremely limited. The impact and benefit **may be indirect and flow from a complex set of behavioural changes made after the workshop** (e.g., review of assessment materials using an approach developed in a workshop; strategies to boost engagement and attendance with learners from disadvantaged backgrounds; or improvements to documentation of assessment practices in ways that benefit teaching and learning).

From a technical perspective, the capacity of any statistical model to control for the factors influencing student outcomes is also extremely limited. It is also plausible that participation in a VDC workshop and an improvement in student learning can occur both independently and concurrently without any relationship.

With the transfer to an online format, practitioners have voiced their appreciation for the leadership role that the VDC and its facilitators have taken in modelling good practice in the delivery of online learning, particularly in modelling strategies to sustain engagement among large groups over extended periods of time. This is an important and meaningful way in which the program has had a positive impact on VET learners in Victoria.

CASE STUDY

Netta, Regional Community Centre, SF Language Literacy & Numeracy

COVID-19 has had a significant impact on the way Netta has had to work with her clients. She teaches in a regional Centre that delivers educational and vocational courses to a range of clients with intellectual disabilities. Most of Netta's clients enrolled in Certs I and II in Work Education are in the 18-30 year old range and they thrive on face to face instruction and the opportunity to communicate and socialise in a supportive group atmosphere. COVID put a temporary end to that and so Netta's Centre posted out printed workbooks and followed up with phone calls to clients.

Netta's Centre was able to run some sessions online but she feels many of her clients do not have the digital literacy to participate fully in online learning. At the LLN Workshop she was interested to explore the draft Digital Literacy Framework that is soon to become part of the ACSF.

We had an opportunity to look at the draft and I could see that many of my clients are pre-level 1 in their digital literacy skills. So suddenly moving online is a big ask for these students. Without the one-on-one help the literacy and numeracy skills of clients suffer fairly quickly.

A client rang in to say he was having trouble with his workbook and felt he was not keeping up in the online group of four. So we split that group into two pairs and that worked a lot better. It's a matter of keeping an eye out for what isn't working and being able to make some immediate changes.

The VDC workshops allow you to reflect – there is usually not much time for that. They help with little improvements.

Netta found that attending the PD workshop online saved her some time (travelling from regional Vic) and she was able to share her observations about the workshop immediately with her colleagues.

"The VDC workshops allow you to reflect – there is usually not much time for that. They help with little improvements."

EVENTS

VDC VIRTUAL TEACHING & LEARNING CONFERENCE



The 15th annual VDC Teaching and Learning Conference was held online on a virtual platform for the first time in 2020, responding to COVID-19 restrictions in Australia. The 2020 VDC Virtual Teaching & Learning Conference was held on 19 and 20 November 2020, following the cancellation of the face-to-face event that was to have taken place at the RACV Torquay Resort, Victoria on 14 and 15 May 2020.

The conference was hosted utilising the Vfairs virtual events platform. The original conference theme of student and industry engagement was retained, and new presenters were engaged to reflect the online environment. The online event proved to be most popular and successful. Over 460 registrations were achieved for the event, eclipsing previous records. Due to the virtual format, attendance from outside of Victoria was significantly higher than previous years, including a large delegation from TAFE NSW.

The two-day conference provided attendees the exciting opportunity to interact with presenters in an intimate environment, by exploring their keynote concepts in a virtual interactive and engaging format. This year's program focussed on engagement, how we engage students and how we engage with industry. Keynote presenter Costa Georgiadis from ABC TV show Gardening Australia spoke on Nurturing Vocational Pathways during times of Turbulence and Uncertainty, finding and building narratives of hope and opportunity.

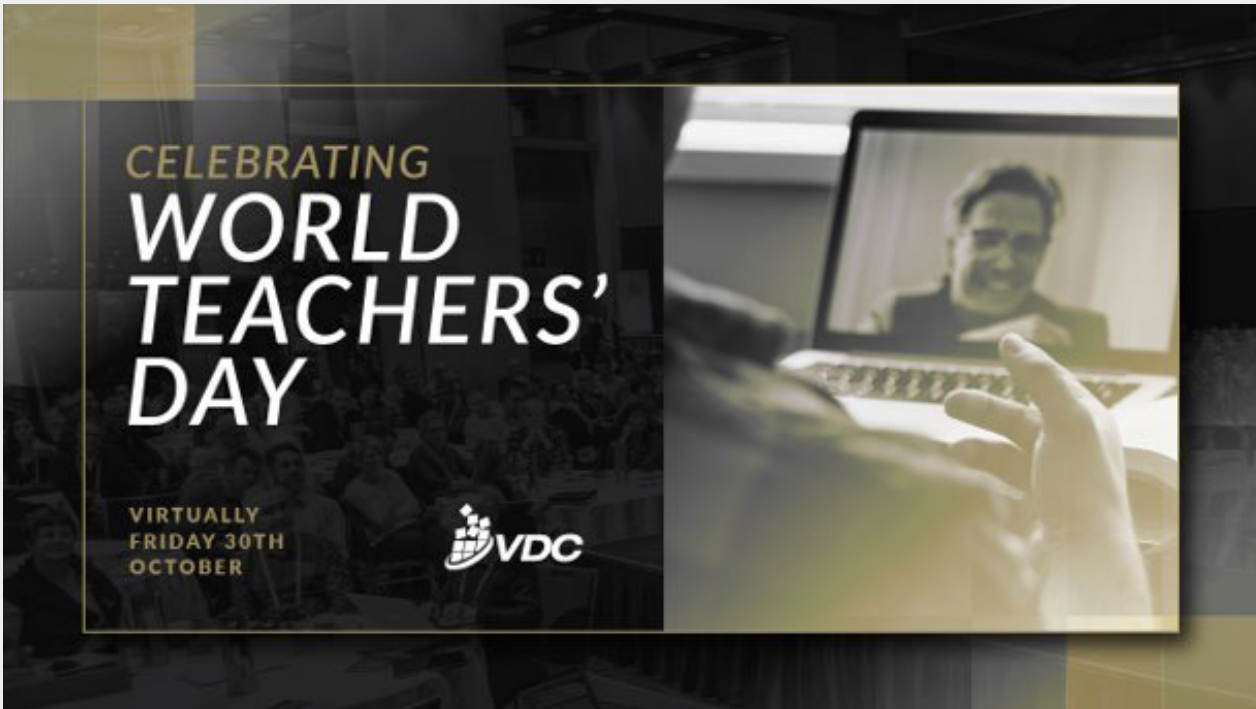
International keynote Dr Selena Chan, Educational Developer, from the ARA Institute of Canterbury in New Zealand, reflected on the impact of the 2011 Christchurch earthquake and presented on supporting 'Learning by Doing' via distance learning. Keynote presenter, Ryan O'Hare, CEO of Keypath Education Australia also provided key insights into online learning.

MC for the conference Chemène Sinson connected with people throughout the event as well as leading a panel discussion with experts around interactive learning and connecting with industry. Highly regarded and popular VDC presenters provided their insights on how VET providers and trainers can effectively teach in the current environment. In keeping with the recent tradition of conference dinner entertainment, during the breaks at the conference, comedian and impersonator Ben Price entertained throughout the program.

Keynote Speaker:
Costa Georgiadis
TV Presenter, Gardening
Australia, ABC TV



VDC WORLD TEACHERS' DAY



World Teachers' Day was initiated by UNESCO as an annual event in 1994 and is now celebrated in more than 100 countries each year. The event represents appreciation for the contribution that teachers make to education.

Following the success of the inaugural VDC World Teachers Day luncheon in 2019 at the RACV City Club, Melbourne, the 2020 function was transformed to a virtual celebration due to COVID-19 restrictions in Victoria.

VDC invited teachers, trainers and practitioners to its 2020 World Teachers' Day Celebration, a free online event that acknowledged the outstanding achievements of educators and trainers in the VET sector on Friday 30 October 2020. The 2020 World Teachers' Day celebrated teachers with the theme "Teachers: Leading in crisis, reimagining the future". Interest and representation nationally for this event was strong with 332 registrations, a record for a VDC Free event.

In response to the theme, the complimentary program featured two high-profile keynote speakers, including Huong Dang, Director, International Partnership and Engagement KOTO in Vietnam and Bernadette Black, CEO & Founder, Brave Foundation, Creating Pathways - Maintaining Connections in Hobart. Bernadette was Telstra Tasmanian Businesswoman of the Year in 2016, CEO and Founding Director of Brave Foundation and The Barnardo's Australian Mother of the Year in 2009. This was followed by a Panel Discussion 'Do we Pivot or Pirouette?' VDC assembled VET Educators from across Australia to reflect on the possibility of changes made during the COVID-19 crisis becoming the norm in VET.

Keynote Speaker:
Bernadette Black
CEO, Brave Foundation



VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 66th Annual Victorian Training Awards. In response to the COVID-19 restrictions in Victoria judging was conducted virtually and the awards were presented as a series of videos announcing the winners via social media in the week beginning 2 November 2020. It was the fourth 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.

Kevin Nunn from TAFE Gippsland was the successful finalist. Raised in the Bairnsdale area, Kevin Nunn spent a lot of his time growing up exploring the forest adjacent to the family farm in East Gippsland. Back then, there were no TAFE tree felling courses and people were expected to learn on the job. He remembers being filled with anxiety and adrenaline when he felled his first big Ash tree but when the dust settled, he turned to his teacher who just smiled and nodded his head. This experience nearly 40 years ago, guides how he trains his students today. With that same gesture, he tells his students that they've done a good job.

Kevin's the go-to person when it comes to adapting training to keep it engaging and applicable to real world scenarios. For example, the timber industry is significantly more automated than it was 15 years ago, with people and machinery working closely. Kevin has had the pleasure of teaching thousands of students about the industry that he loves, and he recognises each of their unique backgrounds and learning styles. His crucial work has helped make TAFE Gippsland a leading provider for forestry management and timber training.

Teacher Trainer
of the Year:
Kevin Nunn



VDC VET CHAT

In response to the COVID-19 workplace restrictions in place in Victoria during 2020, VDC introduced a new online professional learning series in May. VDC VET Chat started as a daily zoom meeting at morning tea that invited attendees to meet via video conferencing with a VET industry expert to discuss a topic. The daily series proved so popular it now continues as a mid-weekly event. VDC engages a range of VET industry experts to facilitate each weekly 30-minute VET Chat.

VDC THOUGHT LEADERS SERIES

The VDC Thought Leadership Series presents an opportunity for VET professionals (including executives, managers, coordinators and practitioners) to engage with industry consultants, education experts and academic researchers about VET sector's cutting-edge topics and beyond. The Series showcases the latest in academic research paired with industry and practical advice from the VET Sector and beyond. All VDC Thought Leadership Seminars are free and are followed by an opportunity to network at morning tea for face-to-face events. Due to COVID-19 workplace restrictions, no face-to-face events could be held in 2020.

A National Webinar was held in March 2020 titled Gender Equity and VET Practice. It was presented by Debra Parker who drew on her experience in leading the current Gender Equity Project for Women's Health Victoria to develop the accredited Course in Gender Equity. This webinar examined the emerging landscape of workplaces and how VET leaders can tap into this change. The event was highly successful with 247 registrations. Further free professional learning webinars were held or hosted by VDC during 2020, which are highlighted in the 'In Kind Support' section of this report.



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CBC

The cover features a large, stylized '2020' in a light orange color, set against a background of a grid of squares in various shades of orange and red. A diagonal line separates a solid blue area in the top-left corner from the rest of the page. On the left side, a portion of a modern building with a grid of windows is visible. The text 'DIRECTORS' REPORT' is written in a bold, white, sans-serif font, positioned to the right of the '2020' and overlapping the grid pattern.

2020
**DIRECTORS'
REPORT**

DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2020.

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)

Reappointed: 7 June 2020

Belinda McLennan retired as the Chief Operating Officer of AMES Australia in July 2020, having previously worked 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

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.



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

// PG Dip PersonnelMgt, 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 2020

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

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



DAVID WINDRIDGE

Director/CEO/Executive Director

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

Reappointed: 5 December 2020

David retired as the CEO/Executive Director of MEGT (Australia) Ltd, Ability English and MEGT UK in 2020. David is a significant figure in the private training sector. This has been acknowledged by receiving life memberships with the Australian Council for Private Education and Training (ACPET) and Group Training Australia.

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 2020 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 2020

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

// **Susan Christophers**, VDC Director
BEd, DipBusStudies, GAICD, PSM

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

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

EXECUTIVE AND GOVERNANCE COMMITTEE

The Executive & Governance Committee acts on behalf of the VDC between meetings of directors. The objective of the Executive & Governance Committee is to assist the Chief Executive 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 2020

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

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

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

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

PRINCIPAL ACTIVITIES

The principal activities of the company during 2020 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 2020 was a deficit of \$1,637,198.

The performance result for the year against budget is a deficit of \$322,200. This deficit is the effect of total budgeted revenue against total budgeted expenditure incurred prior to any accounting entries for updated accounting standards effective 1 January 2020.

In 2020 the VDC designed, organised and hosted 344 professional development activities servicing over 11,800 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 (held online on a virtual platform due to COVID-19 restrictions).

Achievement against objectives and strategies

The VDC delivered the following programs and services in 2020 to meet the stated objectives and strategies.

TRAINING FACILITIES

2020 represented the third 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.

In light of the Coronavirus (COVID-19) pandemic and consequent Australian and Victorian Government actions in response to the situation, the VDC ceased all face-to-face workshops, external meetings and functions at its premises from 18 March 2020. This was in keeping with social distancing guidelines as recommended by health experts and the Federal and State Government.

All staff were relocated to working remotely from home, half relocating on 18 March and the remaining staff on 25 March. Cloud based platforms, Microsoft Office and teams, and the virtual personal network for all accounting and other software packages enabled all functions to be transferred and continue unaffected. However, room hire is one function that ceased in 2020.

PROFESSIONAL DEVELOPMENT

VDC webinars and online sessions in the VDC's fee for service program experienced a significant increase in demand in 2020. In response to the COVID-19 restrictions on workplace training delivery in Victoria a new range of online learning sessions relating to online training delivery and working from home were also developed to support the VET Sector during this unprecedented upheaval in early 2020. VDC also converted existing face to face workshop content to either webinars or the online learning session format.

The VDC Professional Learning Program in 2020 provided 138 sessions to meet online demand, compared to 92 sessions in the previous year. Sessions consisted of face-to-face workshops (only to March 2020), virtual workshops, national webinars, seminars and a virtual conference to the sector around the following key themes:

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

The VDC Professional Learning Program in 2020 attracted record registrations of almost 6,000 for 138 sessions consisting of workshops, national webinars, seminars and a conference to the sector.

In 2020 the VDC delivered a diverse range of virtual 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), 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 were provided.

Over 3,800 registrations were received for the Victorian Government funded programs and information sessions in 2020 for 119 sessions. This compares to 2,500 VET workforce participants who accessed 84 complimentary sessions over 2019. The impact of COVID-19 and restricted workplace attendance resulted in an unprecedented increase for online session demand, sessions that could accept higher registrations compared to the physical training environment. Under this pressure of demand VDC was able to achieve an average overall satisfaction rating of 94% for its programs.

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.

2020 Victorian Government Funded Programs:

- // Skills First Contract Professional Learning Program
- // Victorian VET Teacher Professional Learning Program
- // Victorian Learn Local Professional Learning Program
- // Family Violence Professional Learning Program
- // Introduction to the Victorian Family Violence Multiagency Risk Assessment and Risk Management Framework (MARAM)
- // TAFE Board Governance Capability Program
- // Additional DET funded programs and information sessions

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 for Vocational Education and Research; reporting to and feedback from DET for the funding agreements in place; targeted market research; 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 2020 were:

VDC VIRTUAL TEACHING & LEARNING CONFERENCE

The 15th annual VDC Teaching and Learning Conference was held online on a virtual platform for the first time in 2020, responding to COVID-19 restrictions in Australia. The 2020 VDC Virtual Teaching & Learning Conference was held on 19 and 20 November 2020, following the cancellation of the face-to-face event that was to have taken place at the RACV Torquay Resort, Victoria on 14 and 15 May 2020.

The conference was hosted utilising the Vfairs virtual events platform. The original conference theme of student and industry engagement was retained, and new presenters were engaged to reflect the online environment. The online event proved to be most popular and successful. Over 460 registrations were achieved for the event, eclipsing previous records. Due to the virtual format, attendance from outside of Victoria was significantly higher than previous years, including a large delegation from TAFE NSW.

The two-day conference provided attendees the exciting opportunity to interact with presenters in an intimate environment, by exploring their keynote concepts in a virtual interactive and engaging format. This year's program focussed on engagement, how we engage students and how we engage with industry. Keynote presenter Costa Georgiadis from ABC TV show Gardening Australia spoke on Nurturing Vocational Pathways during times of Turbulence and Uncertainty, finding and building narratives of hope and opportunity.

VDC WORLD TEACHERS DAY

Following the success of the inaugural VDC World Teachers Day luncheon in 2019 at the RACV City Club, Melbourne, the 2020 function was transformed to a virtual celebration due to COVID-19 restrictions in Victoria.

VDC invited teachers, trainers and practitioners to its 2020 World Teachers' Day Celebration, a free online event that acknowledged the outstanding achievements of educators and trainers in the VET sector on Friday 30 October 2020. The 2020 World Teachers' Day celebrated teachers with the theme "Teachers: Leading in crisis, reimagining the future". Interest and representation nationally for this event was strong with 332 registrations, a record for a VDC Free event.

VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 66th Annual Victorian Training Awards. In response to the COVID-19 restrictions in Victoria judging was conducted virtually and the awards were presented as a series of videos announcing the winners via social media in the week beginning 2 November 2020. It was the fourth 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.

Kevin Nunn from TAFE Gippsland was the successful finalist.

VDC VET CHAT

In response to the COVID-19 workplace restrictions in place in Victoria during 2020, VDC introduced a new online professional learning series in May. VDC VET Chat started as a daily zoom meeting at morning tea that invited attendees to meet via video conferencing with a VET industry expert to discuss a topic. The daily series proved so popular it now continues as a mid-weekly event. VDC engages a range of VET industry experts to facilitate each weekly 30-minute VET Chat.

VDC THOUGHT LEADERS SEMINARS

The VDC Thought Leadership Series presents an opportunity for VET professionals (including executives, managers, coordinators and practitioners) to engage with industry consultants, education experts and academic researchers about VET sector's cutting-edge topics and beyond. The Series showcases the latest in academic research paired with industry and practical advice from the VET Sector and beyond. All VDC Thought Leadership Seminars are free and are followed by an opportunity to network at morning tea for face-to-face events. Due to COVID-19 workplace restrictions, no face-to-face events could be held in 2020.

A National Webinar was held in March 2020 titled Gender Equity and VET Practice. It was presented by Debra Parker who drew on her experience in leading the current Gender Equity Project for Women's Health Victoria to develop the accredited Course in Gender Equity. This webinar examined the emerging landscape of workplaces and how VET leaders can tap into this change. The event was highly successful with 247 registrations. Further free professional learning webinars were held or hosted by VDC during 2020, which are highlighted in the 'In Kind Support' section of this report.

OTHER SPONSORSHIP

The VDC assisted a number of departmental, community-based and not for profit organisations through the provision of in-kind services in 2020. Over 2,700 registrations were received for the sessions. Participants benefited from VDC contributing free professional learning sessions for the VET Sector as well as webinar hosting / registration services for stakeholders such as deafConnectEd, the ACFE Board of Victoria, The Department of Education and Training Victoria, consultations for the Macklin Review (Skills for Victoria's Growing Economy), International Specialised Skills institute.

In addition, 8 percent of total room bookings were scheduled to be provided to a wide range of community and peak organisations free of charge including the QulET (Quality in Education and Training) Network Meetings, ACEVic and Domestic Violence Resources Centre Victoria before COVID-19 restrictions ceased room hire in March 2020.

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 2020. Two fire wardens have been appointed and trained and the company has three qualified First Aid Officers.

MERIT AND EQUITY POLICY

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

STAFF OF THE COMPANY

As at 31 December 2020, the company employed 10 staff by contract (2019: 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 2020 under the Freedom of Information Act 1982.

MEETINGS OF DIRECTORS

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

	Board Meetings		Audit & Risk Committee		Executive & Governance	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Michael Brown	4	4	-	-	3	3
Sue Christophers	4	3	5	5	-	-
Clive Driscoll	4	4	5	5	-	-
Brian Henderson	4	4	-	-	3	3
Lisa Line	4	4	-	-	-	-
Belinda McLennan	4	4	-	-	3	3
Shirley Southgate	4	3	-	-	-	-
David Williams	4	3	5	5	-	-
David Windridge	4	4	5	5	-	-

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2020 has been received and is provided on page 47.

Dated at Melbourne the 26th day of March 2021

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, VET Development Centre Limited

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 VET Development Centre Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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



Charlotte Jeffries

as delegate for the Auditor-General of Victoria

MELBOURNE
14 April 2021

FINANCIAL REPORT

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
INCOME FROM TRANSACTIONS			
Government grants	2.1.1	-	1,315,000
Sales from contracts with customers	2.1.2	1,378,776	1,693,721
Interest income	2.1.3	32,970	47,944
Other income	2.1.4	-	36,402
Total income from transactions		1,411,746	3,093,067
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.1.1	1,402,930	1,150,332
Depreciation and amortisation	4.1.1	431,188	499,646
Project costs	3.2	869,903	963,264
Other operating expenses	3.3	327,604	245,464
Finance costs		22,291	51,219
Total expenses from transactions		3,053,916	2,909,925
Net result from transactions		(1,642,170)	183,142
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets ^(a)	8.2	56	59,240
Other gains/(losses) from other economic flows	8.2	4,916	(2,038)
Net result from continuing operations		(1,637,198)	240,344
Net result		(1,637,198)	240,344
Comprehensive result		(1,637,198)	240,344

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.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6.1	3,251,395	2,721,265
Receivables	5.1	10,956	65,296
Investments and other financial assets	4.4	179,974	1,529,974
Total financial assets		3,442,325	4,316,535
NON-FINANCIAL ASSETS			
Property, plant and equipment	4.1	289,052	403,818
Right-of-use assets	4.2	1,966,423	2,237,547
Intangible assets	4.3	-	4,634
Other non-financial assets	5.3	48,436	86,959
Total non-financial assets		2,303,911	2,732,958
Total assets		5,746,236	7,049,493
LIABILITIES			
Payables	5.2	214,750	297,106
Contract liabilities	2.1.2	1,388,348	850,583
Lease liabilities	3.4	2,051,024	2,248,573
Employee related provisions	3.1.2	227,598	151,517
Total liabilities		3,881,720	3,547,779
Net assets		1,864,516	3,501,714
EQUITY			
Accumulated surplus/(deficit)		1,864,516	3,501,714
Net worth		1,864,516	3,501,714

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 2020

	Accumulated Surplus/ (Deficit) \$	Total \$
Balance at 31 December 2018	3,906,370	3,906,370
Adjustment from the adoption of AASB 15 at 1/1/2019	(645,000)	(645,000)
Net result for the year	240,344	240,344
Balance at 31 December 2019	3,501,714	3,501,714
Net result for the year	(1,637,198)	(1,637,198)
Balance at 31 December 2020	1,864,516	1,864,516

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 2020

	Notes	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government grants received		-	3,475,000
Receipts from customers		1,970,964	2,202,903
Interest received		32,886	49,671
Total receipts		2,003,850	5,727,574
Payments			
Payments to suppliers and employees		(2,355,154)	(2,484,031)
Goods and services tax paid to the ATO ^(a)		(208,118)	(175,095)
Interest paid - lease liability		(22,291)	(51,219)
Total payments		(2,585,563)	(2,710,345)
Net cash flows from/(used in) operating activities	6.1	(581,713)	3,017,229
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		-	(650,000)
Proceeds from sale of investments		1,350,000	-
Purchase of non-financial assets		(41,017)	-
Proceeds from sale of non-financial assets		409	2,773
Net cash flows from/(used in) investing activities		(1,309,392)	(647,227)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(197,549)	(233,554)
Net cash flows from/(used in) financing activities		(197,549)	(233,554)
Net increase / (decrease) in cash and cash equivalents		530,130	2,136,448
Cash and cash equivalents at the beginning of the financial year		2,721,265	584,817
Cash and cash equivalents at the end of the reporting period	6.1	3,251,395	2,721,265

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

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

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

This financial report has been prepared during a year in which the COVID-19 pandemic has impacted many public sector entities and the State of Victoria as a whole. COVID-19 has not materially impacted the Company's operations for the year ended 31 December 2020.

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 2020. 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. All amounts in the financial statements have been rounded to the nearest dollar unless otherwise stated.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 and Note 8.10.

These annual financial statements were authorised for issue by the Board of Directors on 26 March 2021.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	2020 \$	2019 \$
Government grants	2.1.1	-	1,315,000
Sales from contracts with customers	2.1.2	1,378,776	1,693,721
Interest income	2.1.3	32,970	47,944
Other income	2.1.4	-	36,402
Total income from transactions		1,411,746	3,093,067

Revenue

The company has applied AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of not-for-profit entities.

The company conducts an annual review of its contracts with customers. The majority of the company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

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 2020

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Government Grants

The company had 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 provided for annual funding amounts made up of Core funding and Strategic Program funding. This agreement provided for the Core funding to be receivable in December of the year 'prior' to which the funding relates. As a result, there was no Core funding receivable in 2020 as all funding was receivable in each month of December in 2017, 2018 and 2019. 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 Company has signed a new 3 year Common Funding Agreement covering the period 1 January 2021 to 31 December 2023. This agreement provides for annual funding amounts to be receivable in the year goods and services are to be delivered. 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, where the income is recognised on receipt.

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 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
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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. The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. 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 balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.1 Government grants

	2020 \$	2019 \$
Government grants		
Department of Education and Training (DET)	-	1,315,000
Total Government grants	-	1,315,000

The 2018-2020 Common Funding Agreement provided for annual funding amounts made up of a Core funding and Strategic Program funding. This agreement provided for the Core funding to be receivable in December of the year 'prior' to which the funding relates. As a result, there was no Core funding receivable in 2020 as all funding was receivable in each month of December in 2017, 2018 and 2019. These amounts relate to goods and services to be delivered in the following year.

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.

The Company has signed a new 3 year Common Funding Agreement covering the period 1 January 2021 to 31 December 2023. This agreement provides for annual funding amounts to be receivable in the year goods and services are to be delivered.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.2 Sales from contracts with customers

	2020 \$	2019 \$
Sales from contracts with customers		
Fee for service - DET Program funding and variations	1,009,561	1,183,176
Fee for service - Customised professional development	21,614	145,330
Fee for service - Professional learning and development	335,474	287,048
Fee for service - Room hire	12,127	78,167
Total sales from contracts with customers	1,378,776	1,693,721

Revenue by timing of revenue recognition

	2020 \$	2019 \$
Revenue recognised over time	-	-
Revenue recognised at a point in time	1,378,776	1,693,721
Total revenue	1,378,776	1,693,721

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.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020

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 balance sheet. 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 balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

During 2020, the company received \$1,384,825 under contract from DET as part of the Industry Placement Program. In accordance with AASB15, the company is required to record and recognise this income in the year it transfers control of the program deliverables. Although the funding milestones are over a three year period July 2020 to June 2023, and significant amount of work has been performed in the planning, development of material and resources, marketing and liaison with key stakeholders, the deliverables pertaining to industry forums, conference, and industry placements will be largely performed during the period 2021-2023. As a result, the company is required defer this income to a future period as well as recognise an equivalent contract liability. Due to this timing in recognition requirement the company has reported a deficit result in 2020 which will be offset in future accounting periods. This treatment does not have any negative impact on the future going concern of the company.

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

	2020 \$	2019 \$
Accounts receivable	3,775	54,092
Contract assets	295	4,402
Total receivables and contract assets	4,070	58,494
Contract Liabilities - Fee for service - DET Program funding and variations	1,384,825	835,560
Contract Liabilities - Fee for service - Professional Learning and development	3,523	15,023
Total contract liabilities	1,388,348	850,583

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Fee for service - DET Program funding and variations	835,560	645,000
Fee for service - Professional learning and development	11,932	2,350
Fee for service - Room hire	-	2,000
Total	847,492	649,350

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.

	2021 \$	2022 \$
Revenue expected to be recognised	1,388,348	-
Total	1,388,348	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.3 Interest Income

	2020 \$	2019 \$
Interest from financial deposits not at fair value through profit and loss		
Interest on bank deposits	32,970	47,944
Total interest from financial deposits not at fair value through profit and loss	32,970	47,944

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

Note 2.1.4 Other income

	2020 \$	2019 \$
Rental income - sub lease - part Level 8, 379 Collins Street	-	32,086
Paid Parental Leave funds received	-	4,316
Total other income	-	36,402

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3: THE COST OF DELIVERING SERVICES

Note 3.1 Expenses incurred in delivery of services

	Notes	2020 \$	2019 \$
Employee benefit expenses	3.1.1	1,402,930	1,150,332
Project costs	3.2	869,903	963,264
Other operating expenses	3.3	327,603	245,464
Total expenses incurred in delivery of services		2,600,436	2,359,060

Note 3.1.1 Employee benefits in the comprehensive operating statement

	2020 \$	2019 \$
Salary & wages	1,111,914	916,687
Annual leave	101,387	91,487
Long service leave	43,525	15,745
Superannuation	107,816	93,767
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	19,035	28,345
Casual/temporary staff	19,253	4,301
Total employee expenses	1,402,930	1,150,332

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.1.2 Employee benefits in the balance sheet

A 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.

	2020 \$	2019 \$
Current provisions		
Annual Leave:		
Unconditional and expected to settle within 12 months	99,231	70,365
Unconditional and expected to settle after 12 months	-	-
Long service leave		
Unconditional and expected to settle within 12 months	-	-
Unconditional and expected to settle after 12 months	36,824	33,032
	136,055	103,397
Provisions for on-costs		
Unconditional and expected to settle within 12 months	32,734	24,129
Unconditional and expected to settle after 12 months	4,643	4,143
	37,377	28,272
Total current provisions for employee benefits	173,433	131,669
Non-current provisions		
Long service leave		
Conditional and expected to settle after 12 months	48,100	17,636
On-costs		
Conditional and expected to settle after 12 months	6,065	2,212
Total non-current provisions for employee benefits	54,165	19,848
Total provisions for employee benefits	227,598	151,517

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Reconciliation of movement in on-cost provision

	2020 \$	2019 \$
Opening balance	30,484	23,326
Additional provisions recognised	8,605	5,226
Reductions arising from payments/other sacrifices of future economic benefits	4,353	1,932
Closing balance	43,442	30,484
Current	37,377	28,272
Non-current	6,065	2,212

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 Comprehensive operating statement 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 2020

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	
	2020 \$	2019 \$	2020 \$	2019 \$
Defined contribution plans:				
VicSuper	53,444	46,391	7,318	5,509
Other	54,372	49,772	7,273	6,541
Total	107,816	96,163	14,591	12,050

Total superannuation contributions made by the company were \$107,816 (2019: \$96,163). \$14,591 of superannuation contributions were outstanding at 31 December 2020 (2019: \$12,050).

Note 3.2 Project costs

	2020 \$	2019 \$
Core funded programs	300,505	194,545
Fee for service expense - customised programs and events	285,715	437,078
Fee for service expense - grants and tenders	283,683	331,641
Total project costs	869,903	963,264

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020	2019
	\$	\$
Board and Committee	25,134	14,488
Professional services (Consulting)	137,052	85,278
Information Technology	61,473	34,551
Marketing	24,467	47,601
Printing, stationery and office requisites	26,873	29,663
Accommodation occupancy costs	49,642	14,320
Training and development	2,759	2,506
Travel and related expenses	203	5,916
Recruitment and advertising	-	11,141
Total other operating expenses	327,603	245,464

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.4 Leases

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 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
FOR THE YEAR ENDED 31 DECEMBER 2020

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 application 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 application 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, and;
- 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 2020

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Right-of-use asset

	Plant & Equipment \$	Property \$	Total \$
2020 Balance at 1 January	2,962	2,234,585	2,237,547
Depreciation charge for the year	(2,962)	(268,162)	(271,124)
Balance at 31 December	-	1,966,423	1,966,423
2019 Balance at 1 January	8,887	2,909,373	2,918,260
Depreciation charge for the year	(5,925)	(329,893)	(335,818)
Impairment due to surrender	-	(344,895)	(344,895)
Balance at 31 December	2,962	2,234,585	2,237,547

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Lease liabilities

	Plant & Equipment \$	Property \$	Total \$
2020 Maturity analysis			
Less than one year	-	247,534	247,534
One to five years	-	1,715,630	1,715,630
More than five years	-	191,462	191,462
Total undiscounted lease liabilities	-	2,154,626	2,154,626
Effect of discounting lease liabilities	-	(103,602)	(103,602)
Lease liabilities included in the balance sheet at 31 December	-	2,051,024	2,051,024
Current	-	226,919	226,919
Non-current	-	1,824,105	1,824,105

	Plant & Equipment \$	Property \$	Total \$
2019 Maturity analysis			
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
Total undiscounted lease liabilities	3,240	2,370,204	2,373,444
Effect of discounting lease liabilities	(63)	(124,808)	(124,871)
Lease liabilities included in the balance sheet at 31 December	3,177	2,245,396	2,248,573
Current	3,177	211,583	214,760
Non-current	-	2,033,813	2,033,813

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Amounts recognised in profit and loss

	2020 \$	2019 \$
Interest on lease liabilities	22,291	51,219
Income from sub-leasing right-of use assets	-	32,086

Amounts recognised in statement of cash flows

	2020 \$	2019 \$
Total cash outflow for leases	197,549	233,554

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.

There were no short-term leases and leases of low-value for the year ended 31 December 2020 or the comparative period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Plant & Equipment		
At Fair Value	102,411	62,514
Less: Accumulated depreciation	(48,144)	(29,548)
	54,267	32,966
Leasehold Improvements		
At Fair Value	680,339	680,339
Less: Accumulated depreciation	(445,554)	(309,487)
	234,785	370,852
Total property, plant and equipment		
At Fair Value	782,750	742,853
Less: Accumulated depreciation	(493,698)	(339,035)
Net carrying amount	289,052	403,818

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 2020

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

Note 4.1.1 Depreciation and amortisation

Charge for the period

	2020 \$	2019 \$
Plant & Equipment	19,362	12,503
Leasehold Improvements	136,068	146,692
Right-Of-Use assets	271,124	335,818
Intangible assets (amortisation)	4,634	4,633
Total depreciation and amortisation	431,188	499,646

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'.

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 2020

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	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Opening balance	32,965	45,468	370,853	552,317	403,818	597,785
Additions	41,017	-	-	-	41,017	-
Disposals	(353)	-	-	(34,772)	(353)	(34,772)
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(19,362)	(12,503)	(136,068)	(146,692)	(155,430)	(159,195)
Closing balance	54,267	32,965	234,785	370,853	289,052	403,818

Note 4.2 Right of Use assets

	PLANT & EQUIPMENT		PROPERTY		TOTAL	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Opening balance	2,962	-	2,234,585	-	2,237,547	-
Additions	-	8,887	-	2,909,373	-	2,918,260
Disposals	-	-	-	(344,895)	-	(344,895)
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(2,962)	(5,925)	(268,162)	(329,893)	(271,124)	(335,818)
Closing balance	-	2,962	1,966,423	2,234,585	1,966,423	2,237,547

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Note 4.3 Intangible assets

	COMPUTER SOFTWARE		COMPUTER SOFTWARE (WORKS IN PROGRESS)		TOTAL	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Opening balance	4,634	9,267	-	-	4,634	9,267
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers in/out of software under development	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-
Amortisation expense	(4,634)	(4,633)	-	-	(4,634)	(4,633)
Closing balance	-	4,634	-	-	-	4,634

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. 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
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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 reduced to zero. It was fully amortised in 2020.

Note 4.4 Investments and other financial assets

	2020 \$	2019 \$
Current investments and other financial assets		
Term deposits ^(a)	-	1,350,000
Term deposit - bank guarantee ^(b)	179,974	179,974
	179,974	1,529,974

(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 2020

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
	\$	\$	\$	\$	\$	\$
2020						
Term Deposits	179,974	179,974	-	-	-	-
	179,974	179,974	-	-	-	-
2019						
Term Deposits	1,529,974	1,529,974	-	-	-	-
	1,529,974	1,529,974	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5: OTHER ASSETS AND LIABILITIES

Note 5.1 Receivables

	2020 \$	2019 \$
Contractual		
Sale of goods and services	3,775	54,092
Contract assets	295	4,402
Other debtors	6,886	6,802
	10,956	65,296
Total receivables	10,956	65,296
Represented by:		
Current receivables	10,956	65,296
Non-current receivables	-	-

Receivables consist of:

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

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'.

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.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020

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
	\$	\$	\$	\$	\$	\$
2020						
Sale of goods and services	10,661	-	3,780	4,819	2,062	-
Contract assets	295	-	295	-	-	-
	10,956	-	4,075	4,819	2,062	-
2019						
Sale of goods and services	60,894	-	56,693	4,201	-	-
Contract assets	4,402	-	4,402	-	-	-
	65,296	-	61,095	4,201	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Note 5.2 Payables	2020	2019
	\$	\$
Contractual		
Creditors	91,580	46,670
Superannuation payables	14,591	12,051
Other payables and accruals	17,102	27,693
	123,273	86,414
Statutory		
PAYG withholding	54,617	37,177
GST Payable	36,860	173,515
	91,477	210,692
Total payables	214,750	297,106
Represented by:		
Current payables	214,750	297,106
Non-current payables	-	-

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 2020

NOTE 5: PAYABLES AND OTHER LIABILITIES (CONTINUED)

Maturity analysis of contractual payables^(a)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2020						
Payables	123,273	123,273	123,273	-	-	-
	123,273	123,273	123,273	-	-	-
2019						
Payables	86,414	86,414	86,414	-	-	-
	86,414	86,414	86,414	-	-	-

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

Note 5.3 Other non-financial assets

	2020 \$	2019 \$
Current		
Prepayments	48,436	86,959
Total other non-financial assets	48,436	86,959

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

	2020 \$	2019 \$
Total cash and deposits disclosed in the balance sheet	3,215,395	2,721,265
Balance as per cash flow statement	3,215,395	2,721,265

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

	2020 \$	2019 \$
Net result for the period	(1,637,198)	240,344
Non cash movements:		
(Gain)/loss on disposal of non-current assets	(56)	(59,240)
Depreciation and amortisation of non-current assets	431,188	499,646
Other non-cash movements	(4,916)	2,038
Adjustment from the adoption of AASB 15	-	(645,000)
Movements in assets and liabilities:		
(Increase) / decrease in receivables	58,447	2,451,425
(Increase) / decrease in contract assets	(4,107)	(4,402)
(Increase) / decrease in prepayments	38,523	(36,571)
Increase / (decrease) in payables	(82,356)	(317,860)
Increase / (decrease) in contract liabilities	537,765	850,583
Increase / (decrease) in provisions	80,997	36,266
Net cash flows from/(used in) operating activities	(581,713)	3,017,229

NOTES TO THE FINANCIAL STATEMENTS
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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

Introduction

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

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

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 cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company recognises the following financial assets in this category:

- cash and deposits
- receivables (excluding statutory payables); and
- investments and other financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
- lease liabilities

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.

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

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Note 7.1.1 Financial instruments: Categorisation

	Contractual financial assets at amortised cost \$	Contractual financial liabilities at amortised cost \$	Total \$
2020			
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	3,251,395	-	3,251,395
Receivables ^(a)	3,775	-	3,775
Contract assets	295	-	295
Investments and other financial assets	179,974	-	179,974
Total contractual financial assets	3,435,439	-	3,435,439
Contractual financial liabilities			
Payables ^(b)	-	123,273	123,273
Lease liabilities	-	2,051,024	2,051,024
Total contractual financial liabilities	-	2,174,297	2,174,297
2019			
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	2,721,265	-	2,721,265
Receivables ^(a)	54,092	-	54,092
Contract assets	4,402	-	4,402
Investments and other financial assets	1,529,974	-	1,529,974
Total contractual financial assets	4,309,733	-	4,309,733
Contractual financial liabilities			
Payables ^(b)	-	86,413	86,413
Lease liabilities	-	2,248,573	2,248,573
Total contractual financial liabilities	-	2,334,986	2,334,986

(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)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 \$
2020			
Contractual financial assets			
Cash and deposits	3,151,395	100,000	3,251,395
Receivables ^(a)	-	3,775	3,775
Contract assets	-	295	295
Investments and other financial assets	179,974	-	179,974
Total contractual financial assets	3,331,369	104,070	3,435,439
2019			
Contractual financial assets			
Cash and deposits	2,621,265	100,000	2,721,265
Receivables ^(a)	-	54,092	54,092
Contract assets	-	4,402	4,402
Investments and other financial assets	1,529,974	-	1,529,974
Total contractual financial assets	4,151,239	158,494	4,309,733

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 \$
2020					
Financial assets					
Cash and deposits	0.18	3,251,395	2,300,000	950,818	577
Receivables ^(a)		3,775	-	-	3,775
Contract assets		295	-	-	295
Investments and other financial assets	1.70	179,974	179,974	-	-
Total financial assets		3,435,439	2,479,974	950,818	4,647
Financial liabilities					
Payables		123,273	-	-	123,273
Lease liabilities		2,051,024	-	-	2,051,024
Total financial liabilities		2,174,297	-	-	2,174,297
2019					
Financial assets					
Cash and deposits	0.58	2,721,265	400,000	2,320,665	600
Receivables ^(a)		54,092	-	-	54,092
Contract assets		4,402	-	-	4,402
Investments and other financial assets	1.88	1,529,974	1,529,974	-	-
Total financial assets		4,309,733	1,929,974	2,320,665	59,094
Financial liabilities					
Payables		86,413	-	-	86,413
Lease liabilities		2,248,573	-	-	2,248,573
Total financial liabilities		2,334,986	-	-	2,334,986

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

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 +/- \$9,508 (2019: \$23,206) on net result and equity.

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 2020 the company had no contingent assets (nil at 31 December 2019).

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 2020 the company had one contingent liability \$91,950 (31 December 2019: \$90,180).

	2020 \$	2019 \$
Contingent liabilities		
Make Good	91,950	90,180
Total contingent liabilities	91,950	90,180

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	54,267	-	-	54,267
Leasehold Improvements at fair value	234,785	-	-	234,785
Total	289,052			289,052

	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
Total	403,818			403,818

There have been no transfers between levels during the period.

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 2020.

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 2019.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8: OTHER DISCLOSURES

Note 8.1 Ex-gratia expenses ^(a)

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.

	2020 \$	2019 \$
Compensation of economic loss ^(b)	14,840	-
Total ex-gratia expenses^(c)	14,840	-

Notes:

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

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

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

Note 8.2 Other economic flows included in net result

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:

	2020 \$	2019 \$
Net gain/(loss) on non-financial assets		
Impairment of property, plant and equipment	-	-
Net gain/(loss) on disposal of property, plant and equipment ^(a)	(353)	59,240
Total net gain/(loss) on non-financial assets	(353)	59,240
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability ^(b)	4,916	(2,038)
Total other gains/(losses) from other economic flows	4,916	(2,038)

(a) In 2019, the 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	
The Hon. Gayle Tierney, MP	1 January 2020 to 31 December 2020

Board Members	
Belinda McLennan	1 January 2020 to 31 December 2020
Brian Henderson	1 January 2020 to 31 December 2020
Clive Driscoll	1 January 2020 to 31 December 2020
David Williams	1 January 2020 to 31 December 2020
David Windridge	1 January 2020 to 31 December 2020
Lisa Line	1 January 2020 to 31 December 2020
Michael Brown	1 January 2020 to 31 December 2020
Shirley Southgate	1 January 2020 to 31 December 2020
Susan Christophers	1 January 2020 to 31 December 2020

Accountable Officer - Chief Executive Officer	
Mr Martin Powell	1 January 2020 to 31 December 2020

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2019).

Remuneration Band	2020 No.	2019 No.
\$0-\$9,999	9	10
	9	10
Total remuneration of Board Members (\$)	29,714	17,691

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 2019).

Remuneration Band	2020 No.	2019 No.
\$220,000-\$229,999	-	1
\$230,000-\$239,999	1	-
Total remuneration of Accountable Officer (\$)	235,753	228,555

Note 8.4 Remuneration of executives

Note 8.4.1 Remuneration of executives

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 \$1,561,825 (2019: \$2,445,785). The company made a payment to the Department as sponsorship towards the annual Victorian Training Awards of \$12,000 (2019: \$17,500).

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.

Compensation of KMP's	2020	2019
	\$	\$
Short-term employee benefits ^(a)	240,463	222,123
Post-employment benefits	20,021	19,421
Other long-term benefits	4,983	4,701
Termination benefits	-	-
Total	265,467	246,245

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.

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.

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8: OTHER DISCLOSURES (CONTINUED)

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

Outside of normal citizen type transactions with the company, there were no related party transactions that involved key management personnel, their close family members, and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Department's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

Note 8.6 Remuneration of auditors

Victorian Auditor-General's Office	2020	2019
	\$	\$
Audit of the financial statements	22,000	19,800

Note 8.7 Subsequent events

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

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2020, 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
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the balance sheet as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 Jan 2022	The standard is not expected to have a material impact on the public sector.
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	This standard amends AASB 101 to defer requirements for the presentation of liabilities in the balance as current or non-current that were added to AASB 101 in AASB 2020-1. The amendments will now apply to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 Jan 2023	The standard is not expected to have a material impact on the public sector.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8: OTHER DISCLOSURES (CONTINUED)

- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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

Financial liability

A financial liability is any liability that is:

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

Financial statements

A complete set of financial statements comprises:

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

Grant and other transfers

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

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the

VET DEVELOPMENT CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8: OTHER DISCLOSURES (CONTINUED)

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.

Payables

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8: OTHER DISCLOSURES (CONTINUED)

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 2019 20 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.

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LEGISLATION	REQUIREMENT	PAGE REF
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DIRECTORS AND ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of the company declare that:

- 1. The financial statements and notes, as set out on pages 48 to 103, are in accordance with the Corporations Act 2001 and:**
 - a. comply with the Australian Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date.
- 2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.**
- 3. The attached financial statements of the company have been prepared in accordance with applicable Australian Accounting Standards, applicable elements of the Financial Management Act 1994 and other mandatory professional reporting requirements.**
- 4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.**

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



(On behalf of the Board)
Chair
Dr. Belinda McLennan



(Accountable Officer)
Chief Executive Officer
Martin Powell

Dated: 26 March 2021

Dated: 26 March 2021

Independent Auditor's Report

To the Directors of VET Development Centre Limited

Opinion	<p>I have audited the financial report of VET Development Centre Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • directors and accountable officer's declaration. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 31 December 2020 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. 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 in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in 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>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

MELBOURNE
14 April 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria



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 VET Development Centre

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