



2021
**ANNUAL
REPORT**

VET DEVELOPMENT CENTRE LIMITED



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ABN 15 113 721 770

Level 8, 379 Collins Street,
Melbourne VIC 3000

Phone 1300 917 150

Email info@vdc.edu.au

Web www.vdc.edu.au



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



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ABOUT VDC

In May 2021, the Victorian Government announced the establishment of the Victorian Skills Authority, a new entity separate from the Department of Education and Training. The new Authority will work with industry – including employers and unions – as well as providers and other stakeholders to provide an integrated approach to the quality of teaching and training and better plan for the future training needs of Victoria's economy. The new Authority has been established in response to the recommendations from the Skills for Victoria's Growing Economy review.

The VET Development Centre's critical work on professional development will continue under the new Authority, which was formally established in the second half of 2021. We look forward to working with the Authority to refine the VDC's strategic direction for 2022 and beyond.

WHAT WE DO

The VET Development Centre (VDC) was established in 2005 by the Victorian Government. Its purpose is 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. In addition to 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.

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 dedicated efforts to understand the specific needs of our community and to be a partner in their success.

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

OUR 2022 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 for making this vision a reality in 2022:

OUR GOALS

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

OUR SUCCESS INDICATORS

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
<p>Major provider of professional learning & thought leadership for VET teachers, administrative & specialist staff.</p> <p>Raising the status and recognition of VET practitioner career development.</p> <p>Evidenced by:</p> <ul style="list-style-type: none"> // Positive engagement from participants and clients // Broader range of programs to a wider audience // Research based policy advice & activities 	<p>Programs, activities, and advice to support and strengthen initiatives.</p> <p>Evidenced by:</p> <ul style="list-style-type: none"> // Positive Ministerial, Victorian Skills Authority and Departmental feedback // Positive Independent evaluations 	<p>Flexible and responsive professional learning programs and activities.</p> <p>Adoption of a CPD recognition system.</p> <p>Establish active professional networks for VET practitioners and other staff.</p> <p>Continued high satisfaction ratings from participants and clients.</p>	<p>Diversified funding across Victorian Government and fee for service revenue sources.</p> <p>Strong brand recognition that is highly regarded throughout VET sector.</p> <p>Investment in best practice organisational enablers.*</p>

* ORGANISATIONAL ENABLERS are the skills and knowledge, the tools and resources, and the culture of the organisation that will enable it to achieve strategy.

To reach these goals, we develop an annual set of priorities which, for the 2021 calendar year, were as follows:

OUR 2021 PRIORITIES

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
<ul style="list-style-type: none"> // Evaluate all programs and conduct targeted market research surveys. // Introduce intermediate and advanced professional learning programs, as well as refresher courses. // Introduce self-paced learning modules and blended online learning. // Diversify leadership development programs. // Explore scholarship and induction programs for VET Practitioners & specialist staff. // Explore the VDC's role as a knowledge leader & seek strategic collaborations. // Research and analyse innovative breakthroughs in VET workforce development. 	<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 delivery of the Education State & Skills First initiatives and the establishment of the Victorian Skills Authority. // Fulfil the appropriate workforce development initiatives resulting from reforms outlined in the VET Review 'Skills for Victoria's Growing Economy' (Macklin Review). 	<ul style="list-style-type: none"> // Facilitators that provide best practice intermediate and advanced professional learning. // Introduce communities of practice, and peer to peer networking sessions. 	<ul style="list-style-type: none"> // Refine a market development plan to deliver growth in priority markets, distinguishing Victorian from nationally focused programs. // Maintain strong corporate governance & fiscal responsibility for the entity. // Review and investigate new CRM and Event Management systems. // Review website, social media and marketing resources and implement new strategy. // Seek new markets in Victoria and across Australia.

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) 2021 Annual Report.

The immense impact of the COVID-19 pandemic on society and education since 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 over the past 2 years.

In response to the COVID-19 pandemic restrictions, the VDC was able to maintain complete functionality through its online training delivery capability and cloud-based office network. The organisation's business continuity and crisis management plans have been invaluable to ongoing operations 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 their 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.

The establishment of the Victorian Skills Authority announced by the Victorian Government in May 2021 provides exciting opportunities for the VDC to support the professional learning outcomes for the VET workforce. The new Authority has been created in response to the recommendations from the Skills for Victoria's Growing Economy review. The Authority will provide robust, evidence-informed advice to government including through the annual Victorian Skills Plan, to better guide training delivery where it's needed most. The Victorian Skills Authority will assume responsibility for VET quality improvement including funded professional development through contractual arrangements with the VDC.



Even under these trying times, the evidence of success whilst being restricted 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 interest in its programs and services with over 15,000 registrations for almost 400 government funded and fee for service events designed, delivered and/or hosted by the VDC in 2021.

The maintenance of this increased engagement and an accompanying overall satisfaction rating of 93% for VDC professional learning reflects the ability of the organisation to attract and service a larger cohort of participants. This engagement also reflects the adaptiveness and responsiveness to change demonstrated by the VET workforce in Victoria and across Australia.

I am confident 2022 will see the VDC continuing to thrive and enhance its professional learning programs, in partnership with the Victorian Skills Authority, to support TAFE, private provider, learn local organisations and VET in Schools teachers all participating collaboratively through diverse learning experiences.

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

Dr. Belinda McLennan
Chairperson

CEO REPORT - 2021 HIGHLIGHTS



2021 provided VDC with the challenge of keeping professional learning at the forefront of voluntary activities for VET professionals as another year of unprecedented disruption consumed our society.

It's worth remembering that Victoria underwent four lockdowns during 2021; February (5 days), May (14 days), July (12 days), and the infamous "2 week lockdown" from August to October (77 days). In addition, returning to office and adult learning environments was essentially restricted throughout the entire year. New South Wales also experienced unprecedented disruption and lockdown in 2021 and rest of the country shut its borders to its most populous states.

The fact that VDC was able to deliver almost 400 sessions is a testament to its resilience and the adaptability of its online training and business systems. More than 15,000 registrations were received for these services, a record surpassing the previous year's 14,500. The stop start nature of providing face to face or in person training saw VDC plan for the contingency of continual online training delivery, which became the reality for 2021 and continues for ongoing planning for 2022.

Taking the COVID-19 restrictions in our stride, we embraced World Teachers Day for the VET Sector through the free World Teachers' Day online seminar in place of a luncheon which accommodated over 400 participants from around Australia. VDC held its complimentary VET Thought Leadership Seminar series in Semester 2 providing national access to inspiring research from fellowship recipients from the International Specialist Skills Institute. The annual teaching and learning conference held on a virtual platform for the second consecutive year ensured the event continued into its 16th year.

VDC was able to continue to provide significant professional learning programs for the VET sector workforce focusing on practitioners of accredited training, masterclasses on Family Violence intervention, leadership programs for Learn Local providers, Gender Equity training, Professional Learning and Industry Engagement for VET in Secondary Schools teachers, as well as supporting DET to inform the broader public sector and Skills First providers on COVID 19 restriction updates as part of our in kind services.

The Australian Council for Educational Research conducted an independent evaluation for the fourth 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 2021 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 2021 speak for themselves in terms of the continuing growth of the VDC as a leading professional learning provider. Even under the continuing restrictions of online and blended learning satisfaction ratings averaged over 93 percent for the professional development events delivered by the VDC in 2021.

I would like to congratulate the VDC team for their dedication and adaptability during 2021 and the Board for its guidance and oversight. Our working relationship with the Australian Centre for Careers Education also warrants highlighting to acknowledge their ongoing moderation assistance which enables VDC to deliver a vast range for online training at a consistently high standard for facilitators and the attendees.

The following report provides a snapshot of the programs and events undertaken in 2021.

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

Martin Powell
Chief Executive Officer

2021 HIGHLIGHTS

93%

average satisfaction rating for attendees surveyed at VDC programs

9,953

attendees at VDC programs, events and services in 2021

15,400

registrations for all VDC services in 2021 (a record)

74%

increase in services utilisation over past five years

397

events hosted by VDC

1,100

registrations for in-kind events and services for the VET Sector

5,000

registrations for 230 Victorian Government funded PD sessions in 2021 (a record)

30%

increase in registrations in 2021 for the VDC Victorian Government funded Professional Learning

\$4 million

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



PROFESSIONAL LEARNING

Teachers engage in professional learning to:

- // Stimulate their thinking.
- // Grow their professional knowledge.
- // And to ensure that their practice is both 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 VDC provides continuous professional learning (non-accredited training) for the VET workforce through an extensive range of webinars, half and full day workshops and special events such as Thought Leader seminars, conferences and other functions.

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

The level descriptions are described as:

▲ **Introductory** (New to the topic)

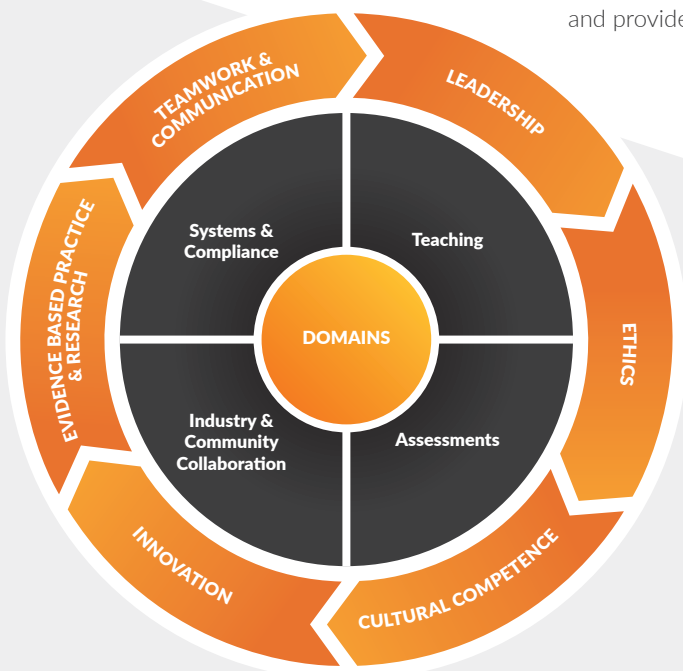
These sessions are aimed at practitioners that have a broad theoretical knowledge and practical experience of training and assessment. They operate independently and seek guidance when necessary.

● **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)

*The General Teaching Council for Scotland www.gtcs.org.uk/professional-update/professional-learning

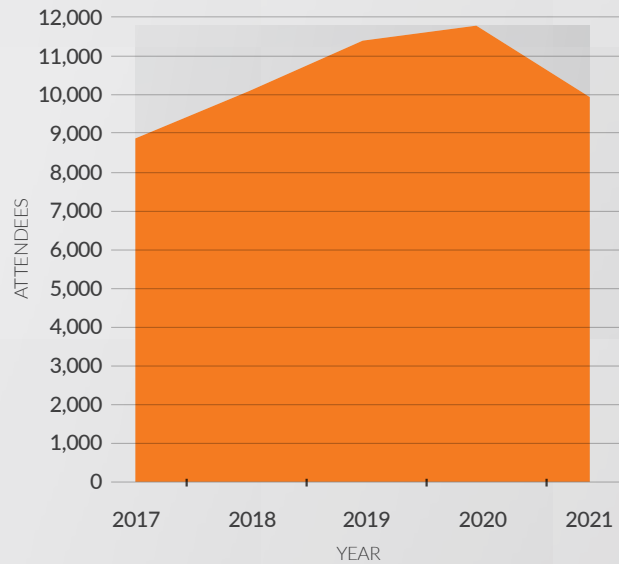
Over 15,400 registrations were processed for VDC services in 2021 exceeding the record 14,500 registrations in 2020. This is unprecedented for our organisation and reflects the extraordinary impact of home learning enforced during the COVID-19 pandemic for 397 online virtual activities.

Total engagement with the VDC programs, events, and services in 2021 achieved attendance of 9,953 participants. Further participation for registrants occurred through online access to recordings of sessions and self paced professional learning activities. VDC will introduce a new learning management system in 2022 to measure this engagement.

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; and attendance at major VDC events.

This was a significant achievement in a second year transformed by COVID-19 pandemic restrictions, which hit particularly hard in Victoria. This sustained high level of 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 in 2021, VDC was still able to maintain engagement through an extensive range of webinars, as well as converting existing workshops to interactive online sessions. This enabled the continuation of the VDC professional learning programs, and major government funded workshop programs for TAFE, Learn Locals and Skills First providers.

ATTENDEES AT VDC ACTIVITIES



CASE STUDY

Megan, Regional TAFE

What did you want to get out of the VDC PD experience?

Megan is based in New South Wales but delivers online as a member of her TAFE's TAE delivery team.

'In order to be on the top of your game you have to keep up to date with what is going on in the field, luckily I really like learning so I am always looking for opportunities to engage in PD. Besides, it is a requirement of our work that we do PD and validate our knowledge through engagement with our peers.'

'Assessment these days is a fascinating area because in these COVID times the role of the assessor becomes really interesting – I know of one case where general construction apprentices were being assessed through cameras attached to their helmets with the assessor in a remote location!'

Unfortunately, due to a teaching clash, Megan was unable to attend the collaboration session but felt she got value from the sessions anyway.

Did you get what you wanted?

'I go to the sessions to get all my tricky questions answered and, in these sessions, there are a variety of ways that happens – you can log questions in 'the chat' that Chèmene might pick up on and answer directly, or you can raise them with other practitioners in the breakout rooms.'

'After attending Chèmene's sessions I used some of her techniques in my own online delivery – the one I took away this time was the importance of a review of the previous session to introduce and link sessions of learning- that sort of continuity is really important for reinforcing the learning.'

What did you think about the presenter?

'I first came across Chèmene Sinson when she was doing sessions with Anne Lecke. Chèmene is one of the highest quality teachers and facilitators I have seen. She is really one of the reasons that I signed up. I use her Blackwater resources all of the time in my teaching.'

What did you think about the quality of the online PD? /How would you rate the VDC PD experience against other PD you have done?

'PD can be so hit and miss- sometimes I find myself bored and start checking emails. But with the VDC PD you feel like you are part of a group and you never get bored. It is well paced and you are always being challenged. Honestly, it's a ten out of ten. The promotion of the PD is very clear – our manager sends out the program and we can just enrol.'

"I used some of her techniques in my own online delivery – the one I took away this time was the importance of a review of the previous session to introduce and link sessions of learning – that sort of continuity is really important for reinforcing the learning."

CASE STUDY

Emma, Metropolitan TAFE

Learners and how they learn

What did you want to get out of the VDC PD experience?

Emma teaches Cert II in Horticulture in a Corrections setting. There is one class a week for 2.5 hours. There are no computers or access to the internet allowed and limited resources to take into the prison to use with the learners. Due to the varied length of a prisoner's sentence they may join the sequence of lessons late or leave the course early so in her time delivering this qualification there have been only a few completions of the 15 modules in the course. Nevertheless the course is popular as it is practical and hands on and offers pathways to further study and opportunities for work in the landscaping and gardening field.

Emma attends PD to fulfil her requirements of registering her professional learning in her TPDR matrix. But she also really appreciates the practical ideas that she can use in her delivery

Did you get what you wanted?

'I realised that I had done a session very like this about 2 years ago but it didn't matter because things have changed in that time. I really like a refresher and under the circumstances we will have to get a lot better at producing resources that the students can do on their own as we cannot deliver online or attend the Corrections Centre during lockdown.

The information about how to engage learners through a range of activities and techniques was really useful. You need to change the learner's perspective on learning – make it interesting and varied. It is easy to get into one way of delivering and not see that that has become a bit boring. The session focused on that. I also thought through the literacy required of the resources in the course. The learners have to be able to read – that is a given - but it is important to keep things as simple as possible.'

What did you think about the presenter?/ What did you think about the quality of the online PD? /How would you rate the VDC PD experience against other PD you have done?

Emma had suffered a period of ill health after attending the PD and was not able to speak in detail about the presenter.

Emma attends sessions at Beyond Blue, Black Dog and other mental health type organisations as often her students are struggling with their own mental health and this impacts on their attitude to learning.

Her feelings on VDC were that the PD is far more interactive and rounded than other PD sessions that are pre-recorded and maybe a 'bit slicker' but lack that real sense of connection that you get from the VDC experience.

'The workbooks are a great resource. I like to print mine out and read through them in quiet periods when my own students are doing their work. I use a lot of the activities in my own teaching.'

Emma would like a future PD with just people from Horticulture rather than a mixed group. She heard one was planned but there were not enough people - but she really would like it if possible!

"The workbooks are a great resource. I like to print mine out and read through them in quiet periods when my own students are doing their work. I use a lot of the activities in my own teaching."

VDC Professional Learning Program

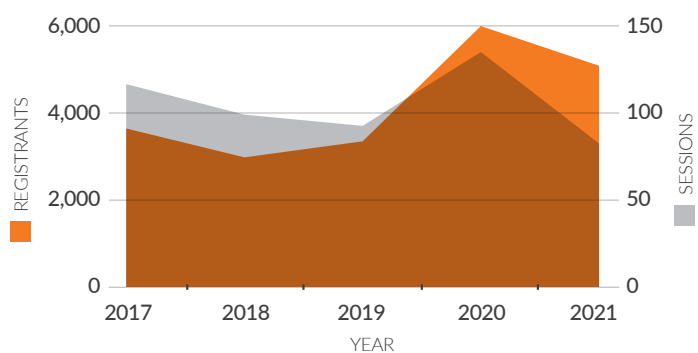
The VDC Professional Learning Program in 2021 consisted of virtual workshops, national webinars, seminars, and a virtual conference to the sector around the following key themes:

Participants from across Australia pay a registration fee per session to access this program which provided 81 virtual learning sessions in 2021. This compared to 138 sessions that were scheduled to meet online demand in 2022, but more in line with the 92 sessions of 2019.

There was significant interest in VDC sponsored thought leader seminars and the World Teachers Day event with over 2100 registrations for these events.

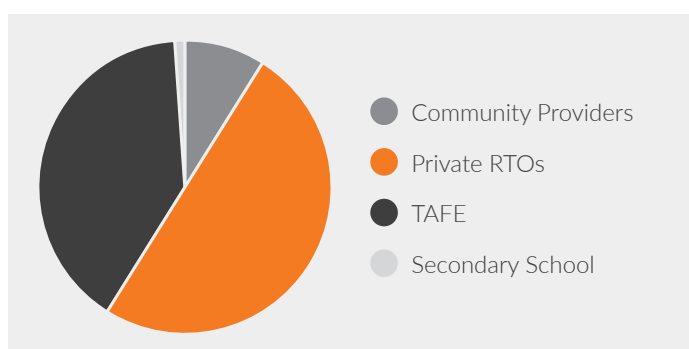
This large increase in attendance at these free events, without the restriction of capacity caps in Zoom, assisted the program to achieve 5,139 registrations in 2021 from 81 learning sessions. This compares well to the record 5,828 registrants achieved for the 138 sessions in 2020.

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



TAFE attendees have consistently maintained a one third share of attendees since 2016. The VDC experienced a 140% increase in engagement from TAFE employees from 2019 to 2020 at its Professional Learning Program. TAFE represented 43%, private providers 41% and Community Providers 14% of registrations in 2020. In 2021, Private RTO participation increased significantly to comprise 50% of all registrations, with TAFE participation remaining consistent at 40%, and Learn Local participation decreasing to 9%. Specific Learn Local programs and other government funded training initiatives discussed further in this report demonstrate the increase in participation by TAFE and Learn Local in these settings.

ORGANISATION	2017	2018	2019	2020	2021
Community Providers	505	394	579	811	476
Private RTOs	1943	1760	1692	2483	2571
TAFE	1204	939	1091	2606	2005
Secondary School	130	64	67	98	87
TOTALS	3782	3157	3429	5998	5,139



CASE STUDY

John, Metropolitan TAFE

Micro-credentials & Digital Badging, VET
Chat - RPL Workforce Development

What did you want to get out of the VDC PD experience?

As a manager, John was interested in the RPL and micro credential sessions to assist him in developing course and RPL assessment kits for an AUSLAN and an interpreter program. John had read about the growing recognition of micro credentials in the Macklin report and wanted to learn more. He valued the opportunity to key into some expert external advice on both topics.

Did you get what you wanted?

The micro credentialing session was interesting because it got John thinking about the ways he might use it with his teachers – ‘a sort of skills passport idea’ to recognise their own professional learning. He felt the presenter was clear and engaging in their presentation style and obviously had expert knowledge about the topic.

The RPL session provided John with real value. There were hands on activities, some great ‘cheat sheet’ resources and an opportunity to explore all of the misunderstandings about RPL that exist in the sector. John left realising the value of the RPL process for the learner – that it really is a deeply reflective exercise and not merely a ‘tick and flick’ process. The PD gave him a strong foundation for moving forward with his own RPL assessment kit project.

What did you think about the presenter?

John felt the knowledge, experience and capacity of both presenters to offer quick insights based on attendees questions were excellent. These ‘in the moment responses’ to questions posed from participants gave the PD a ‘live feel’- “it’s a good format”.

What did you think about the quality of the online PD?

The sessions were well run- the whole process seamless. I like the booklets too. I liked the sense of a community of practice- linking people up in a safe and trusted environment to do things, solve problems and add value to one another. John would like more opportunities for discussion in a like-minded Community of Practice.

How would you rate the VDC PD experience against other PD you have done?

The cost is excellent. The 1 hour format works for busy people and is easy to do. I would rate them 4.5 out of 5!

“The sessions were well run- the whole process seamless. I like the booklets too. I liked the sense of a community of practice- linking people up in a safe and trusted environment to do things, solve problems and add value to one another.”

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. VDC was able to support 1,131 participants for 34 sessions.

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. VDC was able to support 1,131 participants for 34 sessions.

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 online training and hosting services dominated the professional learning solutions.

Major clients in 2021 included:

- // Department of Innovation and Skills, South Australia
- // The ACFE Board of Victoria
- // Victorian Regulation and Qualifications Authority
- // Australian Centre for Career Education
- // SuniTAFE, Victoria
- // North Metro TAFE, Western Australia
- // Bendigo Kangan TAFE, Victoria
- // Holmesglen Institute, Victoria
- // ACDEVEG Conference

VDC experienced an influx of requests for webinar recordings to supplement VET providers professional development offerings to their employees in 2021. A diverse range of organisations such as TAFENSW, TAFESA, the CFMEU, RAAF Base Wagga Wagga, Holmesglen Institute, GOTAFE, William Angliss Institute of TAFE, Victoria Police Academy secured large bundles of webinar recordings and transcripts to encourage self-paced learning.



CASE STUDY

Kate, Learn Local RTO

Sessions attended:

- // Teaching Practice Series- Assessing Learners Effectively
- // Creating effective learning experience
- // Creating supportive learning environment
- // Evaluating impact of teaching to improve learning outcomes

What did you want to get out of the VDC PD experience?

I work in Childcare and in Ed Support and these course are really impacted at the moment – no placements etc. Everyone has increased mental health stress and these opportunities are really important for practitioners working under stressful conditions. I wanted some validation that I'm on the right track. It is really important – especially during these periods of isolation – that I have a place where I can check what I know and what I don't know.

Did you get what you wanted out of the VDC PD experience?

I 100% got what I wanted. It 'hit the mark' and really was the best PD I have ever done. It was like a treat and I am very grateful. I got that feeling of interaction with others and the workbooks as a permanent takeaway. I feel like I have been gifted with something.

How have you applied what you learned?

I've used a number of the resources already. I really liked Karen Dymke's strategies for learners with learning disorders. The practical resources; PBIC; the BLOB tree for creating connections; the work of Carol Dweck and Angela Duckworth's – Growth Mindsets – all such positive and directly useable stuff. I also liked Chèmene's introduction to Feynman's 'reach one, teach one' technique.

What did you think about the presenter?

What I liked about the presenters is that they come from a very real place – they start with ' This is all messed up. Let's just admit we are not perfect and do the best we can.' The presenters were amazing and easy to listen to. The breakout rooms were really intimate. You felt as if you could say things. I felt as if I had everyone to myself!

What did you think about the quality of the online PD?

I love online learning. It's quite a comfortable place for me. The VDC experience is really seamless. Well timed, convenient- no tech hitches. The only thing I'd like is if the whole thing was recorded so you could go back in and re-watch things that were really memorable.

I'd also like the chance to just have a chat in a break out room with other practitioners. Observe your practice and then give it back - a sort of mentoring program.

How would you rate the VDC PD experience against other PD you have done?

This PD is \$500 worth or more - but it is free! That is just awesome. VDC PD is relatable and you feel well connected. In this series I really liked the challenge, the hard activities and the opportunity for follow up validation and moderation. I loved the practical activities – the invitation to create an action plan.

Other online PD can be annoyingly perfect but there is not much interaction. You just listen and learn and it's too slick. If it is pre-recorded it can come across as disingenuous.

"I got that feeling of interaction with others and the workbooks as a permanent takeaway. I feel like I have been gifted with something."

IN KIND SUPPORT

The VDC endeavours to assist and support a number of departmental, community-based and not for profit organisations through the provision of in-kind services. In 2021 over 2,600 registrations were received for the sessions. Participants benefited from VDC contributing professional learning sessions and webinar hosting / registration services. Stakeholders included deafConnectEd, the ACFE Board of Victoria, The Department of Education and Training Victoria, and International Specialised Skills institute.

Prior to the COVID-19 pandemic lockdowns of 2020 and 2021, room bookings were scheduled to be provided to a wide range of community and peak organisations free of charge. The nature of this support has pivoted to the online hosting services described in the following table.



ORGANISATION & TOPIC	DATE	TOTAL
QuiET Network	19/03/21	41
Respect and Equality in TAFE Info Sessions	22/03/21	10
Respect and Equality in TAFE Info Sessions	24/03/21	23
Respect and Equality in TAFE Info Sessions	29/03/21	23
Webinar: ACFE Additional Pre-accredited Delivery Hours	29/04/21	60
deafConnectEd	06/05/21	129
QuiET Network	21/05/21	38
QuiET Network	23/07/21	41
DET Info Session: Extension of lockdown & strengthening of restrictions (SF RTOs)	17/08/21	130
DET Info Session: Extension of lockdown & strengthening of restrictions (ACFE)	17/08/21	137
DET Info Session: Extension of lockdown & strengthening of restrictions (SF RTOs)	24/08/21	55
DET Info Session: Extension of lockdown & strengthening of restrictions (ACFE)	24/08/21	104
DET Webinar: ACFE Board 2022 Training Delivery EOI Information Session	09/09/21	97
DET Info Session	10/09/21	39
DET Info Session: Changes to Restrictions for Regional Victoria	13/09/21	37
DET Info Session: Changes to Restrictions for Regional Victoria	13/09/21	52
DET Webinar: ACFE Board 2022 Training Delivery EOI Info Session	14/09/21	101
DET Webinar: ACFE Board 2022 Training Delivery EOI Info Session	16/09/21	29
DET Info Session: Roadmap to deliver National Plan RTO	21/09/21	217
DET Info Session: Roadmap to deliver National Plan	21/09/21	132
HES/ISS Institute Illuminate Forum	23/09/21	112
DET Info Session: Updates following Premier's announcement 1/10/21 (RTO)	05/10/21	235
DET Info Session: Updates following Premier's announcement 1/10/21 (ACFE)	05/10/21	149
deafConnectEd Webinar	25/10/21	199
DET Info Session: COVID-19 Update for Skills First Providers	27/10/21	110
DET Info Session: COVID-19 Update for Learn Local Providers	27/10/21	91
QuiET Network	05/11/21	34
DET Info Session: COVID-19 Update for Skills First Providers	05/11/21	70
DET Info Session: COVID-19 Update for Learn Local Providers	05/11/21	15
DET Info Session: COVID-19 Update for Skills First & Learn Local Providers	25/11/21	60
DET Webinar: End of collection year presentation & guidelines	29/11/21	52
TOTALS		2,622

VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

In 2021 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).

Over 3,000 registrations were received for the Skills First Victorian Government funded programs and information sessions in 2021 for 120 sessions. When incorporating the additional Victorian Government Funded programs for VET in Schools and ACFE teachers and trainers, VDC achieved over 5000 registrations for 230 events.

The impact of COVID-19 and restricted workplace attendance resulted in continued 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. Satisfaction ratings for the programs within the Skills First Government Funded Programs are provided below.

SKILLS FIRST GOVERNMENT FUNDED PROGRAMS	SATISFACTION RATE
VET Teaching Series	98%
Skills First Series	96%
Learn Local Provider Series	98%
Gender Equity Series	96%

The 2021 programs built on the successes of 2020 and created a learning environment of blended, self-paced and self-guided learning, and reflection together with between 1½ to 3-hour online learning sessions and/or one-hour engaging webinar activities. VDC operates a two semester-based program delivery approach to facilitate greater accessibility, flexibility, and choice.

VDC programs are informed by the learning objectives and learning outcomes of the VET Practitioner Capability Framework (IBSA 2011), a framework that prescribes domains and related capabilities in the areas of: Teaching; Assessment; Systems and Compliance; and Industry, Community and Collaboration. All sessions were mapped and aligned to Teaching, Assessment, Systems

& Compliance, and Industry, Community & Collaboration domains and related capabilities as prescribed in the Framework; and categorised as either Introductory, Intermediate or Advanced to describe the level of content.

The Skills First government funded professional learning programs for 2021 commenced delivery on 22 March 2021 and concluded 24 November 2021. Despite the numerous lockdowns, and the apprehension from participants to register in advance, VDC successfully delivered 67 DET-funded sessions including follow up and blended delivery sessions.

Having now experienced both 2020 and 2021 VDC learning programs virtually, participants have expressed an interest in continuing some form of blended professional learning. This is also supported by practitioners in regional areas who emphasised the importance of reducing barriers to access.

Additional Victorian Government Funded Programs

In addition to the Skills First programs funded by Higher Education and Skills within DET, the Victorian Government engages the VDC via DET to provide professional learning to VET professionals in a range of settings. This enabled VDC to provide 110 additional sessions to cater for over 2000 registrations.

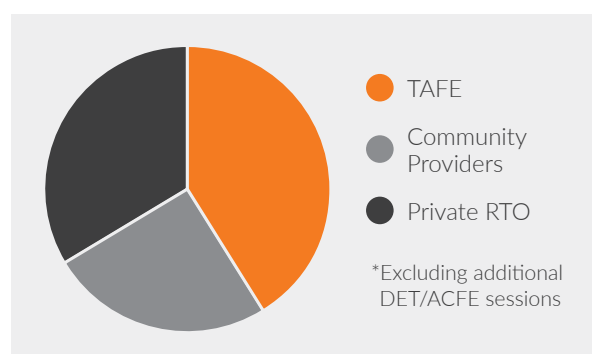
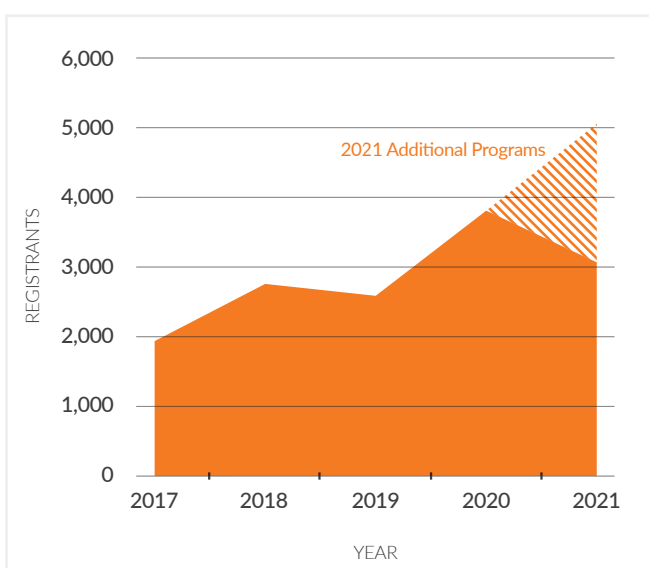
VDC was engaged by the Tertiary Education Policy and Performance branch within Higher Education and Skills (HESG), DET to provide a range of family violence programs and community of practices throughout 2021. As part of this contract, VDC also continued with its successful Family Violence Multi-Agency Risk Assessment and Management Framework (MARAM) Screening and Identification training. The workshops were delivered virtually from April to October.

The Senior Secondary Pathways Reform Taskforce within DET engaged VDC to deliver professional learning initiatives for VET teachers in Victorian Government Schools. The Industry Placement Program provides teachers with the opportunity to participate in activities specifically designed to enhance their industry skills, knowledge and networks. The VDC also provided a

professional learning program to expose VET trainers with the skills and knowledge required to adapt the principles of adult learning in vocational training to deliver successful outcomes for their students.

The Adult, Community and Further Education (ACFE) Board engaged the VDC to design and deliver a step-by-step entry level instruction program in online teaching and learning. This was to equip pre-accredited educators and managers who are novices in eLearning to be ready to implement a selected pre-accredited program in a 'blended' format or 'online only' format.

2021 Victorian Government Funded Programs	Sessions	Registrations
Skills First Contract Professional Learning Program - Teaching & Assessment Strategies / Suitable & Appropriate Training / Quality Assessment	19	813
Victorian VET Teacher Professional Learning Program - Teaching Practice / Teaching Theory / Gender Equity	30	849
Victorian Learn Local Professional Learning Program - Learner Journey to Success / Leadership Series	18	385
Family Violence Professional Learning Program	53	1,020
Additional DET funded programs and information sessions	11	922
TOTAL	120	3,067
Additional DET funded programs	70	1,305
Additional ACFE funded programs	40	724
	230	5,096



The participation by TAFE in the Skills First Government Funded Programs experienced significant growth in 2021. The TAFE workforce comprised over 40% of registrations, compared to 30% in 2020. Learn Local participation remained steady at 25% and while the Private RTO workforce represented over 33% of registrants.

CASE STUDY

Alex, Regional Learn Local RTO

What did you want to get out of the VDC PD experience?

Alex works in a regional Learn Local RTO as an industry engagement manager – trying to find practical placements for students in the Care sector. The pandemic has really disrupted practical placements and student completions but there is more demand than ever for people in the industry. It has been a very hard time.

Alex has noticed the scope creep of the job of carers – for example a Cert III in Individual Care does not require the independent dispensing of medications – but in reality, this is an expectation on the job. A micro credential is needed quickly to plug this gap. It is only through a robust dialogue with industry that you can feed this information back to qual developers and so we do the best thing by the students.

Did you get what you wanted out of the VDC PD experience?

Yes- the PD provided practical hints and tips and an opportunity to hear from others caught up in similar situations. I did the PD in May and throughout June I was back out on the road making contact with employers - that handbook we got at the PD became my little Bible!

How have you applied what you learned?

I picked up on some simple things such as the use of the Template for Evidence that was supplied and, on the need to ask our employers simple questions like, 'How can we improve the course?' You can provide them with the unit listing and then ask, 'Is there anything missing?' This way the system is industry led.

What did you think about the presenter?

The presenter knew about the topic and exactly what she was doing in terms of her presentation. Her use of the slide Pro and way she delivered was a seamless experience. The presenter used polls to ask us questions and then look at the answer trends and this then stimulated some dynamic conversations. I think there were about 30- 40 people there but it seemed as if you could get your individual questions answered so that was good.

What did you think about the quality of the online PD?

This was one of the best PD sessions I've ever been to.

How would you rate the VDC PD experience against other PD you have done?

The VDC website is easy to use- there is always lots of choice related to the real issues we are facing on the job. VDC is my go to place for professional knowledge.

"The presenter used polls to ask us questions and then look at the answer trends and this then stimulated some dynamic conversations."

INDEPENDENT EVALUATION

Building the capability of the 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 all VDC Professional Learning Programs, including the Skills First Professional Learning Program and the VDC's own fee for service (FFS) Professional Learning Program, and their impact on the individual, the organisation, and the learner.



The independent evaluation findings concluded that the VDC continues to make an important contribution to the continuing professional development of the VET workforce in Victoria.



Furthermore, ACER highlighted that attendance and satisfaction ratings in most series remain high at 90% and above. VDC participants report extremely high levels of satisfaction with the facilitators that VDC engages.

The report provided the following observations regarding the 2021 programs:

The unprecedented and ongoing disruption caused by COVID-19, particularly in Melbourne, has required a complete reframing of the format and structure of the VDC's offerings, initially into online facilitation in 2020 and then to include blended delivery models in 2021.

Working within this uncertain and challenging environment, the VDC and its facilitators have successfully adapted and contextualised the program in an extremely short period of time.

The format and structure of programs continue to evolve in order to adapt to the restrictions placed on mobility. With these changes, both the DET-funded

and VDC PL Programs continue to perform strongly on measures relating to attendance, satisfaction, application and impact.

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 online and blended models, has not diminished the positive experiences of participants.

Instead, it may have opened up new possibilities for innovative professional learning practices and enabled VET practitioners to connect with each other in ways not previously possible, including for those based in regional Victoria.

The challenge remains to continue building on this momentum to support practitioners as they return to a 'COVID normal' professional life in 2022.

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

- // The DET funded programs under a **Work Plan** covering content relevant to VET Teaching, Learn Local provision and Gender Equity;
- // 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.

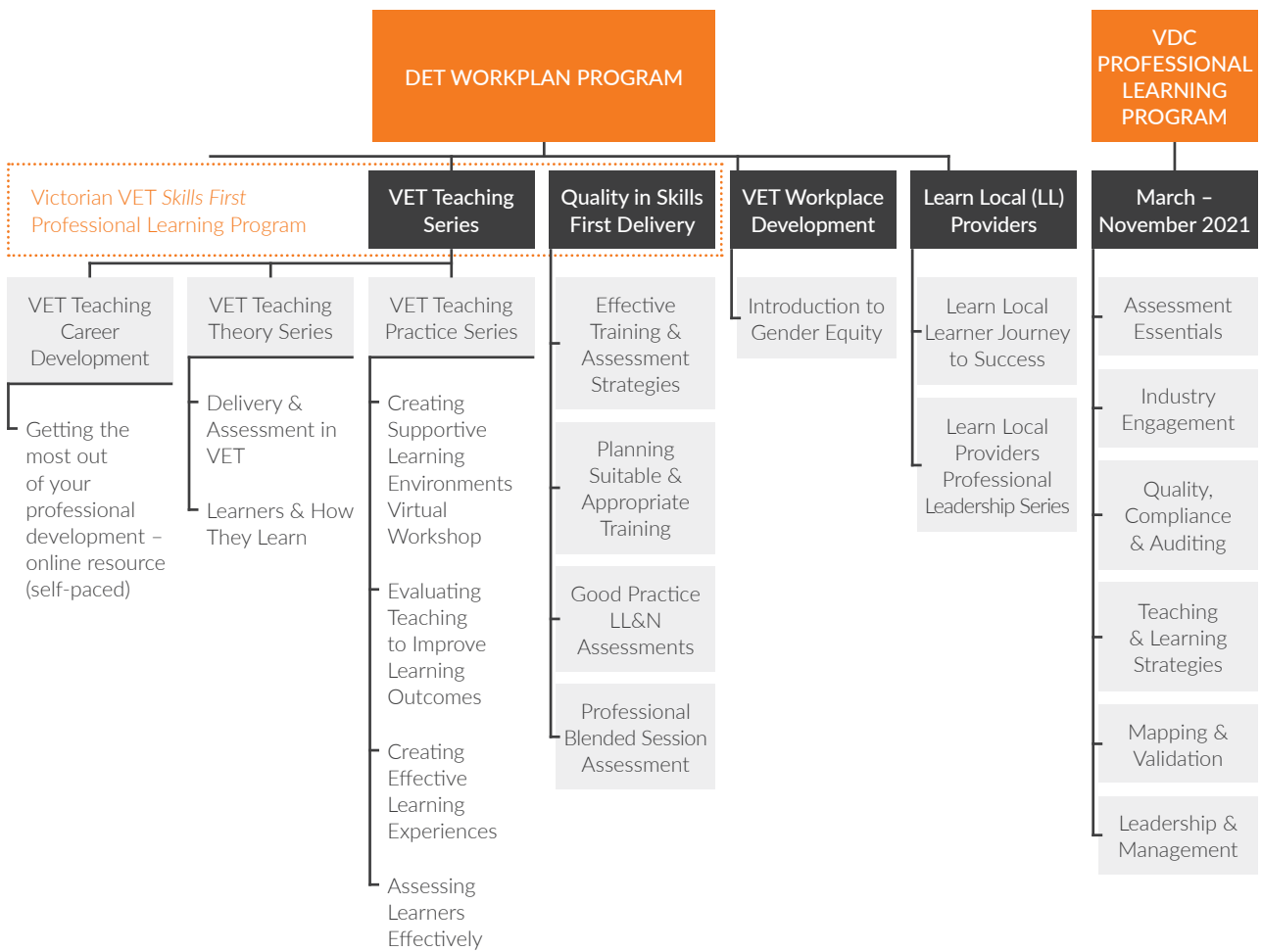


Figure 1: VET Programs within scope of the independent evaluation

EVENTS

VDC VIRTUAL TEACHING & LEARNING CONFERENCE



VDC continued the 15-year tradition of providing one of Australia's leading Teaching and Learning Conferences for VET practitioners from public, private and community providers.

Due to the impact that COVID-19 has had on people working in the events industries, in lieu of a gift for each speaker at its 2021 virtual Conference, the VDC made a donation to Support Act. Support Act is Australia's only charity delivering crisis relief services to artists, artist managers, crew and music workers as a result of ill health, injury, a mental health problem, or some other crisis that impacts on their ability to work in music.

Running for two days, over the 18th and 19th of November, the theme for this year's VDC conference spotlighted 'Creativity, Connectivity, Productivity'.

In addition to the opening presentation by The Hon. Gayle Tierney, Minister for Training & Skills in Victoria, one of several high-profile keynote speakers, Dr Sean Gallagher, Director of the Centre for the New Workforce at Swinburne University of Technology presented with a focus on innovation.

Further sessions concentrated on professional learning and teaching practices. These included one by Andrew Douch looking at 'Teaching Outside the Box' and another by Lena Cirillo, entitled 'Embedding Creativity in Teaching Practice'.

There were other interactive virtual learning sessions too, along with a panel discussion, titled 'Connecting and Collaborating with Industry'.

Finally, there was a presentation by the Victorian Skills Authority CEO, Craig Robertson. His talk, entitled VET teacher practice for future skills, focused on a wide range of issues, including literacy and numeracy as a foundational skill along with the new kid on the block: digital skills and finally what we used to call employability skills – but now often referred to as 21st century skills

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 and 2021 functions have been transformed into a virtual celebration due to COVID-19 restrictions.

VDC invited teachers, trainers and practitioners to its 2021 World Teachers' Day Celebration, a free online event that acknowledged the outstanding achievements of educators and trainers in the VET sector on Friday 29 October 2021. Interest and representation nationally for this event was strong with over 400 registrations.

This year's complimentary program featured an international guest speaker, Colin Falconer, Director of Inspirechilli, an innovation consultancy that specialises in asset-based approaches for organisations working with young people from across the UK to Australia. Falconer has led various education, health and quality assurance programmes, including 14 years as Director of Innovation at UK youth charity The Foyer Federation where he first introduced the concept of 'Advantaged Thinking' in the youth sector. He presented an engaging presentation interspersed with his TED talk videos and documentary footage of participants in his innovative programs. This was followed by a live question and answer session.

Falconer's presentation was followed by a Panel Discussion "Inspiring Teaching, Engaging Minds" consisting of a range of VET educators from different backgrounds from across Australia.

Keynote Speaker:
Colin Falconer
Director of Inspirechilli UK



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, the series was held online as lunchtime 90 minute seminars in Semester 2 2021. Each seminar featured International Specialist Skills Institute Fellowship recipients.

The first seminar "Empowering New Teachers" was held on 2 September and presented Kay Schlesinger who shared the outcomes of the Community of Support for new teachers at Melbourne Polytechnic Kay implemented in 2020. Over 85 new teachers have joined the program which has resulted in teacher retention, increased teacher capability and increased student engagement.

On 7 October Melanie Kyle discussed research that focused on how to improve engagement, participation, and completion rates for vulnerable learners with blended and online delivery. Melanie's aim is to use this research to quantify and create a replicable model of best practice online teaching that can be shared and implemented across the sector. The "Strategies for Best Practice Online and Blended Learning" attracted over 400 participants, highlighting the interest in this topic.

Rajesh Iyer led the final session on 4 November that focused on Industry Collaboration in VET Assessments. In 2020, Rajesh was awarded a Fellowship by the Department of Education and ISS Institute to undertake further research on his topic of Involving industry in the co-creation of VET assessments. Rajesh discussed how to involve industry in the co-creation of VET assessments. This collaboration can serve to make the entire assessment process meaningful and relevant to the potential employee (learner), the potential employer (industry) and the industry expert (assessor). This addresses the perception that the methods of assessments chosen to determine the competency in vocational education does not relate to the way a competent performance would be determined in the workplace

VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 67th Annual Victorian Training Awards. In response to the COVID-19 restrictions in Victoria judging was conducted virtually and on Saturday 16 October, winners of the 2021 Victorian Training Awards were announced in a virtual gala, celebrating the Vocational Education and Training sector's ongoing commitment, resilience and innovation in a year of challenges due to the COVID-19 pandemic.

VDC CEO Martin Powell presented Julie Kramer Bendigo TAFE with the 2021 award. Julie tested the waters of teaching in 2011 by providing classroom support to students in a Certificate III for Aged Care qualification. After receiving brilliant feedback from the trainers in that course, Julie pursued a Certificate IV in Training and Assessment and pursued an ongoing role as a teacher and trainer. Julie has a passion for learning styles and developing distinct teaching approaches for the different needs of the many students in her courses. VDC also extends its congratulations to the finalists Scott Hopkins, SuniTAFE and Michelle McNab, GOTAFE.

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 an ongoing event. VDC engages a range of VET industry experts to facilitate each bi-monthly 30-minute VET Chat.



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2021

**DIRECTORS'
REPORT**

DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2021.

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) MAICD
Reappointed: 7 June 2020

Belinda McLennan retired as the Chief Operating Officer of AMES Australia in November 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, M Ed, 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 of 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
Cessation: 17 October 2021

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 Manager Human Resources.

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

Lisa was appointed as the inaugural Chair of the Victorian Skills Authority Advisory Board in October 2021.



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

Appointed: 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.

A large, abstract graphic on the right side of the page. It features a grid of squares in various shades of orange, yellow, and grey. The text "Board Room" is written in a large, grey, sans-serif font across the middle of the grid. The background also shows a blurred office interior with a light fixture.

COMPANY MEMBER

The Company member as at 31 December 2021 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, RISK AND FINANCE COMMITTEE

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

The objective of the Audit, Risk and Finance 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 2021

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

// **Susan Christophers**, 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.
- Ensure the health and wellbeing of staff is maintained through the adherence to the VDC Values.
- 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.
- Oversee the appointment, rotation and replacement of directors.
- Monitor the progress of the Strategic Plan and its annual priorities.

Membership as at 31 December 2021

// **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) MAICD

PRINCIPAL ACTIVITIES

The principal activities of the company during 2021 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 2021-2022:

- // 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

Overview of Financial Performance

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 2021 was a surplus of \$887,138.

Financial Position - Operating statement

Total income from transactions was \$4,280,994, representing a \$2,869,248 increase from the previous year. The increase is primarily due to the 2018-2020 Common Funding Agreement with DET that provided for annual funding amounts made up of Core funding and Strategic Program funding. This agreement provided for the Core funding (\$1,315,000) 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. The 2021-2023 Common Funding Agreement has re-aligned for this funding to be

received in the year to which it relates. In addition, the company received income for 2 other programs VET/VCAL Industry Placement Program (running from 2020-2023) and VET Trainers Program (running from 2021-2023).

Total expenses from transactions were \$3,394,240, representing a \$340,424 increase from the previous year. The increase is primarily attributable to the VET/VCAL Industry Placement Program (running from 2020-2023) and VET Trainers Program (running from 2021-2023).

Financial Position - Balance Sheet

Total assets increased by \$375,578 and total liabilities decreased by \$511,560 compared to the previous financial year. The movement in assets includes an increase in cash on hand and investments and receivables associated with the VET/VCAL Industry Placement Program and VET Trainers Program. The decrease in total liabilities is driven mainly by the reduction of lease liabilities associated with the accommodation lease.

Cash Flows

The net cash inflow from operating activities of \$821,335 is the result of the receivables for the Core Funding for 2021 from DET, the VET/VCAL Industry Placement Program and VET Trainers Program, offset by payments associated with the VET/VCAL Industry Placement Program and VET Trainers Program.

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Income from transactions	4,280,994	1,411,746	3,093,067	4,365,819	5,574,318
Expenses from transactions	3,394,240	3,053,916	2,909,925	3,018,149	4,096,688
Net result from transactions	886,754	(1,642,170)	183,142	1,347,670	1,477,630
Net result from continuing operations	887,138	(1,637,198)	240,344	1,347,030	1,472,411
Net cash flows from operating activities	821,335	(581,713)	3,017,229	(858,656)	1,851,644
Total Assets	6,121,814	5,746,236	7,049,493	4,634,550	3,486,660
Total Liabilities	3,370,160	3,881,720	3,547,779	728,180	927,320
Net assets (Net worth)	2,751,654	1,864,516	3,501,714	3,906,370	2,559,340

Achievement against objectives and strategies

The VDC delivered the following programs and services in 2021 to meet the stated objectives and strategies.

TRAINING FACILITIES

VDC undertakes 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.

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 Cloud based platforms, virtual training 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 and 2021.

PROFESSIONAL DEVELOPMENT

In 2021 the VDC designed, organised and hosted a record breaking 397 professional development activities servicing over 15,400 registrants. Activities included open access Professional Development programs, government funded programs, customised training programs, external webinars, major corporate events, and the Annual Teaching and Learning conference (held online on a virtual platform due to COVID-19 restrictions).

The VDC Professional Learning Program attracted over 5,000 registrations in 2021 through the provision of 81 sessions consisting of virtual workshops, national webinars, seminars and a virtual conference to the sector around the following key themes:

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

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). Activities included 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 3,000 registrations were received for the Skills First Victorian Government funded programs and information sessions in 2021 for 120 sessions. When incorporating the additional Victorian Government Funded programs for VET in Schools and ACFE teachers and trainers, VDC achieved over 5000 registrations for 230 events.

The impact of COVID-19 and restricted workplace attendance resulted in continued 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. 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.

The Skills First government funded professional learning programs for 2021 commenced delivery on 22 March 2021 and concluded 24 November 2021. It is significant to note, that Victoria underwent four lockdowns during 2021; February (5 days), May (14 days), July (12 days), August to October (77 days); and although there was apprehension from participants to register in advance, VDC successfully delivered 67 DET-funded sessions including follow up and blended delivery sessions.

2021 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
- // Gender Equity Series
- // Introduction to the Victorian Family Violence Multiagency Risk Assessment and Risk Management Framework (MARAM)
- // VET in Schools Industry Placement Program
- // Professional Learning for VET Trainers delivering in Schools
- // ACFE Learn Local Mentoring Online program

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 2021 were:

VDC VIRTUAL TEACHING & LEARNING CONFERENCE

The 16th annual VDC Teaching and Learning Conference was held online on a virtual platform for the second year running, responding to COVID-19 restrictions in Australia. The 2021 VDC Virtual Teaching & Learning Conference was held on 18 and 19 November 2021, the theme for this year's VDC conference spotlighted 'Creativity, Connectivity, Productivity'.

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.

Acknowledging the impact the COVID-19 pandemic has had on people working in the events industries, the VDC made a donation to Support Act in lieu of a gift for each speaker at the Conference. Support Act is Australia's only charity delivering crisis relief services to artists, artist managers, crew and music workers.

In addition to the opening presentation by The Hon. Gayle Tierney, Minister for Training & Skills in Victoria, one of several high-profile keynote speakers, Dr Sean Gallagher, Director of the Centre for the New Workforce at Swinburne University of Technology presented with a focus on innovation.

Further sessions concentrated on professional learning and teaching practices. These included one by Andrew Douch looking at Teaching Outside the Box and another by Lena Cirillo, entitled Embedding Creativity in Teaching Practice. There were other interactive virtual learning sessions too, along with a panel discussion, titled 'Connecting and Collaborating with Industry'.

VDC WORLD TEACHERS DAY

VDC invited teachers, trainers and practitioners to its 2021 World Teachers' Day Celebration, a free online event that acknowledged the outstanding achievements of educators and trainers in the VET sector, on Friday 29 October 2021. Interest and representation nationally for this event was strong with 400 registrations.

This year's complimentary program featured an international guest speaker, Colin Falconer, Director of Inspirechilli; an innovation consultancy that specialises in asset-based approaches for organisations working with young people from across the UK to Australia. Colin's presentation was followed by a Panel Discussion "Inspiring Teaching, Engaging Minds" consisting of a range of VET educators from different backgrounds from across Australia.

VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 67th Annual Victorian Training Awards. In response to the COVID-19 restrictions in Victoria judging was conducted virtually and on Saturday 16 October, winners of the 2021 Victorian Training Awards were announced in a virtual gala. The event celebrates the Vocational Education and Training sector's ongoing commitment, resilience and innovation in a year of challenges due to the COVID-19 pandemic.

It was the fifth 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. Julie Kramer Bendigo TAFE was this year's award winner.

VDC THOUGHT LEADERSHIP 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 the 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, the event was held online as a series of lunchtime 90 minute seminars in Semester 2 2021. Each seminar featured International Specialist Skills Institute Fellowship recipients.

The first seminar "Empowering New Teachers" held on 2 September presented Kay Schlesinger who shared the outcomes of the Community of Support for new teachers at Melbourne Polytechnic. On 7 October Melanie Kyle discussed research that focused on how to improve engagement, participation, and completion rates for vulnerable learners with blended and online delivery. Rajesh Iyer led the final session on 4 November that focused on Industry Collaboration in VET Assessments. In 2020, Iyer was awarded a Fellowship by the Department of Education and ISS Institute to undertake further research on his topic of Involving industry in the co-creation of VET assessments.

OTHER SPONSORSHIP

The VDC endeavours to assist, and support a number of departmental, community-based and not for profit organisations through the provision of in-kind services. In 2021 over 2,600 registrations were received for the sessions. VDC provided 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, and International Specialised Skills institute.

Prior to the COVID-19 pandemic lockdowns of 2020 and 2021, room bookings were scheduled for wide range of community and peak organisations free of charge. The nature of this support has pivoted to the online hosting services.

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 & victimisation.

STAFF OF THE COMPANY

As at 31 December 2021, the company employed 10 staff by contract (2020: 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 2021 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 2021 has been received and is provided on page 45.

Dated at Melbourne the 25th day of March 2022

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 2021, 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
1 April 2022

FINANCIAL REPORT

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
REVENUE AND INCOME FROM TRANSACTIONS			
Government grants	2.1.1	1,315,000	-
Sales from contracts with customers	2.1.2	2,955,194	1,378,776
Interest income	2.1.3	10,800	32,970
Total revenue and income from transactions		4,280,994	1,411,746
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.1.1	1,421,583	1,402,930
Depreciation and amortisation	4.1.1	428,799	431,188
Project costs	3.2	1,168,424	869,903
Other operating expenses	3.3	355,113	327,604
Finance costs		20,321	22,291
Total expenses from transactions		3,394,240	3,053,916
Net result from transactions		886,754	(1,642,170)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets ^(a)	8.2	-	56
Other gains/(losses) from other economic flows	8.2	384	4,916
Net result from continuing operations		887,138	(1,637,198)
Net result		887,138	(1,637,198)
Comprehensive result		887,138	(1,637,198)

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 2021

	Notes	2021 \$	2020 \$
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6.1	676,206	3,251,395
Receivables	5.1	616,196	10,661
Contract assets	5.1	909	295
Investments and other financial assets	4.4	3,279,974	179,974
Total financial assets		4,573,285	3,442,325
NON-FINANCIAL ASSETS			
Property, plant and equipment	4.1	146,903	289,052
Right-of-use assets	4.2	1,340,357	1,966,423
Intangible assets	4.3	10,773	-
Other non-financial assets	5.3	50,496	48,436
Total non-financial assets		1,548,529	2,303,911
Total assets		6,121,814	5,746,236
LIABILITIES			
Payables	5.2	127,994	214,750
Contract liabilities	2.1.2	1,568,820	1,388,348
Lease liabilities	3.4	1,425,857	2,051,024
Employee related provisions	3.1.2	247,489	227,598
Total liabilities		3,370,160	3,881,720
Net assets		2,751,654	1,864,516
EQUITY			
Accumulated surplus/(deficit)		2,751,654	1,864,516
Net worth		2,751,654	1,864,516

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 2021

	Accumulated Surplus/ (Deficit) \$	Total \$
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
Net result for the year	887,138	887,138
Balance at 31 December 2021	2,751,654	2,751,654

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 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government grants received		1,315,000	-
Receipts from customers		2,544,434	1,970,964
Interest received		16,991	32,886
Total receipts		3,876,425	2,003,850
Payments			
Payments to suppliers and employees		(2,699,574)	(2,355,154)
Goods and services tax paid to the ATO ^(a)		(335,195)	(208,118)
Interest paid - lease liability		(20,321)	(22,291)
Total payments		(3,055,090)	(2,585,563)
Net cash flows from/(used in) operating activities	6.1	821,335	(581,713)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(3,100,000)	-
Proceeds from sale of investments		-	1,350,000
Purchase of non-financial assets		(29,258)	(41,017)
Proceeds from sale of non-financial assets		-	409
Net cash flows from/(used in) investing activities		(3,129,258)	1,309,392
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(267,266)	(197,549)
Net cash flows from/(used in) financing activities		(267,266)	(197,549)
Net increase / (decrease) in cash and cash equivalents		(2,575,189)	530,130
Cash and cash equivalents at the beginning of the financial year		3,251,395	2,721,265
Cash and cash equivalents at the end of the reporting period	6.1	676,206	3,251,395

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 2021

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 continues to impact 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 2021.

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 2021. 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 2021

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 25 March 2022.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 revenue and income that funds the delivery of our services

	Notes	2021 \$	2020 \$
Government grants	2.1.1	1,315,000	-
Sales from contracts with customers	2.1.2	2,955,194	1,378,776
Interest income	2.1.3	10,800	32,970
Total revenue and income from transactions		4,280,994	1,411,746

Revenue and income

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

Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.1 Government grants

	2021 \$	2020 \$
Government grants		
Department of Education and Training (DET)	1,315,000	-
Total Government grants	1,315,000	-

In January 2021, the company signed a 3 year Common Funding Agreement (CFA) with the Department of Education and Training (DET) covering the period 1 January 2021 to 31 December 2023. During the first quarter of 2022, this agreement was novated to the newly created Victorian Skills Authority. The agreement provides for annual funding amounts made up of Core funding and Strategic Program funding.

The Core funding is provided 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.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.2 Sales from contracts with customers

	2021 \$	2020 \$
Sales from contracts with customers		
Fee for service - DET Program funding and variations	2,689,010	1,009,561
Fee for service - Customised professional development	74,227	21,614
Fee for service - Professional learning and development	189,480	335,474
Fee for service - Room hire	2,477	12,127
Total sales from contracts with customers	2,955,194	1,378,776

Revenue by timing of revenue recognition

	2021 \$	2020 \$
Revenue recognised over time	-	-
Revenue recognised at a point in time	2,955,194	1,378,776
Total revenue	2,955,194	1,378,776

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 2021

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Sales from Contract 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 areas 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 to 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. The contractual funding agreement established with DET to provide this funding has been novated to the Victorian Skills Authority (VSA) commencing in 2022.

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.

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.

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

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.

	2021 \$	2020 \$
Accounts receivable	594,393	3,775
Contract assets	909	295
Total receivables and contract assets	595,302	4,070
Contract Liabilities - Fee for service - DET Program funding and variations	1,566,827	1,384,825
Contract Liabilities - Fee for service - Professional Learning and development	1,993	3,523
Total contract liabilities	1,568,820	1,388,348

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 \$	2020 \$
Fee for service - DET Program funding and variations	297,588	835,560
Fee for service - Professional learning and development	1,530	11,932
Fee for service - Room hire	-	-
Total	299,118	847,492

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.

	2022 \$	2023 \$
Revenue expected to be recognised	170,582	1,398,238
Total	170,582	1,398,238

Note 2.1.3 Interest Income

	2021 \$	2020 \$
Interest from financial deposits not at fair value through profit and loss		
Interest on bank deposits	10,800	32,970
Total interest from financial deposits not at fair value through profit and loss	10,800	32,970

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

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 3: THE COST OF DELIVERING SERVICES

Note 3.1 Expenses incurred in delivery of services

	Notes	2021 \$	2020 \$
Employee benefit expenses	3.1.1	1,421,583	1,402,930
Project costs	3.2	1,168,424	869,903
Other operating expenses	3.3	355,113	327,603
Total expenses incurred in delivery of services		2,945,120	2,600,436

Note 3.1.1 Employee benefits in the comprehensive operating statement

	2021 \$	2020 \$
Salary & wages	1,137,748	1,111,914
Annual leave	110,374	101,387
Long service leave	9,793	43,525
Superannuation	117,685	107,816
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	19,929	19,035
Casual/temporary staff	26,054	19,253
Total employee benefit expenses	1,421,583	1,402,930

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 2021

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.

	2021 \$	2020 \$
Current provisions		
Annual Leave:		
Unconditional and expected to settle within 12 months	105,708	99,231
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	40,288	36,824
	145,996	136,044
Provisions for on-costs		
Unconditional and expected to settle within 12 months	36,740	32,734
Unconditional and expected to settle after 12 months	5,492	4,643
	42,232	37,377
Total current provisions for employee benefits	188,228	173,433
Non-current provisions		
Long service leave		
Conditional and expected to settle after 12 months	52,152	48,100
On-costs		
Conditional and expected to settle after 12 months	7,109	6,065
Total non-current provisions for employee benefits	59,261	54,165
Total provisions for employee benefits	247,489	227,598

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Reconciliation of movement in on-cost provision

	2021 \$	2020 \$
Opening balance	43,442	30,484
Additional provisions recognised	4,006	8,605
Reductions arising from payments/other sacrifices of future economic benefits	1,893	4,353
Closing balance	49,341	43,442
Current	42,232	37,377
Non-current	7,109	6,065

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 2021

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	
	2021 \$	2020 \$	2021 \$	2020 \$
Defined contribution plans:				
VicSuper	74,010	53,444	8,531	7,318
Other	41,663	54,372	6,733	7,273
Total	115,673	107,816	15,264	14,591

Total superannuation contributions made by the company were \$115,673 (2020: \$107,816). \$15,264 of superannuation contributions were outstanding at 31 December 2021 (2020: \$14,591).

Note 3.2 Project costs

	2021 \$	2020 \$
Core funded programs	202,725	344,591
Customised programs and professional development events	230,609	285,715
Other third party contracted programs	735,090	239,597
Total project costs	1,168,424	869,903

Project costs are those costs directly associated with the delivery of the company's core objectives and are recognised in the reporting period to which they are paid or payable. Project costs include presenter fees, program development and delivery costs, venue hire etc.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.3 Other operating expenses

	2021	2020
	\$	\$
Board and Committee	27,025	25,134
Professional services (Consulting)	182,598	137,052
Information Technology	78,959	61,473
Marketing	46,310	24,467
Printing, stationery and office requisites	31,977	26,873
Accommodation occupancy costs	(45,039)	49,642
Training and development	21,948	2,759
Travel and related expenses	142	203
Recruitment and advertising	11,193	-
Total other operating expenses	355,113	327,603

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

Accommodation occupancy costs includes a credit adjustment related to the landlord's financial period 1 July 2020 to 30 June 2021 for the outgoing and cleaning component related to the accommodation lease. The adjustment is based on a reconciliation undertaken by the landlord of their actual costs for the period against the estimated costs which is usually advised to the company at the start of the year and factored within the lease schedule. This is an annual exercise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Recognition and measurement of leases as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which is an equal amount to the lease liability adjusted for any amount prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of application.

The right-of-use asset is subsequently measured at fair value less accumulated depreciation and impairment. They are 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, plant 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;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Right-of-use asset

	Plant & Equipment \$	Property \$	Total \$
2021			
Balance at 1 January	-	1,966,423	1,966,423
Additions	19,908	-	19,908
Depreciation charge for the year	-	(268,165)	(268,165)
Adjustment on remeasurements of the lease liability	-	(377,809)	(377,809)
Balance at 31 December	19,908	1,320,449	1,340,357
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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Lease liabilities

	Plant & Equipment \$	Property \$	Total \$
2021 Maturity analysis			
Less than one year	3,918	247,479	251,397
One to five years	15,990	1,238,802	1,254,792
More than five years	-	-	-
Total undiscounted lease liabilities	19,908	1,486,281	1,506,189
Effect of discounting lease liabilities	-	(80,332)	(80,332)
Lease liabilities included in the balance sheet at 31 December	19,908	1,405,949	1,425,857
Current	3,918	224,731	228,649
Non-current	15,990	1,181,218	1,197,208

	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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Amounts recognised in profit and loss

	2021 \$	2020 \$
Interest on lease liabilities	20,321	22,291

Amounts recognised in statement of cash flows

	2021 \$	2020 \$
Total cash outflow for leases	267,266	197,549

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 2021 or the comparative period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 \$	2020 \$
Plant & Equipment		
At Fair Value	118,720	102,411
Less: Accumulated depreciation	(70,534)	(48,144)
	48,186	54,267
Leasehold Improvements		
At Fair Value	680,339	680,339
Less: Accumulated depreciation	(581,622)	(445,554)
	98,717	234,785
Total property, plant and equipment		
At Fair Value	799,059	782,750
Less: Accumulated depreciation	(652,156)	(493,698)
Net carrying amount	146,903	289,052

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 current replacement cost. The existing depreciated historical cost of the plant and equipment is generally a reasonable proxy for current replacement cost because of the short lives of the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Note 4.1.1 Depreciation and amortisation

Charge for the period

	2021 \$	2020 \$
Plant & Equipment	22,389	19,362
Leasehold Improvements	136,068	136,068
Right-Of-Use assets	268,165	271,124
Intangible assets (amortisation)	2,177	4,634
Total depreciation and amortisation	428,799	431,188

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	2021 Depreciation rate	2020 Depreciation rate
Plant & Equipment	5%-25%	5%-25%
Leasehold Improvements	20%	20%
Right-Of-Use assets	20%	12%
Intangible assets	33%	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 current 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 2021

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	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Opening balance	54,267	32,965	234,785	370,853	289,052	403,818
Additions	16,308	41,017	-	-	16,308	41,017
Disposals	-	(353)	-	-	-	(353)
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(22,389)	(19,362)	(136,068)	(136,068)	(158,457)	(155,430)
Closing balance	48,186	54,267	98,717	234,785	146,903	289,052

Note 4.2 Right of Use assets

	PLANT & EQUIPMENT		PROPERTY		TOTAL	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Opening balance	-	2,962	1,966,423	2,234,585	1,966,423	2,237,547
Additions	19,908	-	-	-	19,908	-
Disposals	-	-	-	-	-	-
Impairment of assets	-	-	(377,809)	-	(377,809)	-
Depreciation expense	-	(2,962)	(268,165)	(268,162)	(268,165)	(271,124)
Closing balance	19,908	-	1,320,449	1,966,423	1,340,357	1,966,423

Impairment on assets is due to the adjustment on remeasurements of the lease liability for the accommodation lease, upon the Company taking on the option to renew the lease for a further 5 year period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Note 4.3 Intangible assets

	COMPUTER SOFTWARE		COMPUTER SOFTWARE (WORKS IN PROGRESS)		TOTAL	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Opening balance	-	4,634	-	-	-	4,634
Additions	12,950	-	-	-	12,950	-
Disposals	-	-	-	-	-	-
Transfers in/out of software under development	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-
Amortisation expense	(2,177)	(4,634)	-	-	(2,177)	(4,634)
Closing balance	10,773	-	-	-	10,773	-

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
FOR THE YEAR ENDED 31 DECEMBER 2021

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 company paid the supplier of the configuration and customisation services for the training management system before receiving those services, and as such has recognised the payment as an asset in accordance with paragraph 70 of IAS 38. The carrying amount of the capitalised software development is expected to be fully amortised by 30 June 2024.

Note 4.4 Investments and other financial assets

	2021 \$	2020 \$
Current investments and other financial assets		
Term deposits ^(a)	3,100,000	-
Term deposit - bank guarantee ^(b)	179,974	179,974
	3,279,974	179,974

(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 2021

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

Ageing analysis of investments and other financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2021						
Term Deposits	3,279,974	3,279,974	-	-	-	-
	3,279,974	3,279,974	-	-	-	-
2020						
Term Deposits	179,974	179,974	-	-	-	-
	179,974	179,974	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 5: OTHER ASSETS AND LIABILITIES

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

Note 5.1 Receivables and contract assets

	2021 \$	2020 \$
Contractual		
Sale of goods and services	594,393	3,775
Other debtors	694	6,886
	595,087	10,661
Statutory		
GST Input tax credits recoverable	21,109	-
	21,109	-
Total receivables and contract assets	616,196	10,661
Represented by:		
Current	616,196	10,661
Non-current	-	-

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.

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 2021

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Contract Assets

	2021 \$	2020 \$
Contract assets		
Contract assets	909	295
Total contract assets	909	295
Represented by:		
Current contract assets	909	295
Non-current contract assets	-	-

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2021						
Sale of goods and services	595,087	-	592,743	1,650	694	-
Contract assets	909	-	909	-	-	-
	595,996	-	593,652	1,650	694	-
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	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Note 5.2 Payables	2021 \$	2020 \$
Contractual		
Creditors	14,115	91,580
Superannuation payables	15,264	14,591
Other payables and accruals	55,355	17,102
	84,734	123,273
Statutory		
PAYG withholding	43,260	54,617
GST Payable	-	36,860
	43,260	91,477
Total payables	127,994	214,750
Represented by:		
Current payables	127,994	214,750
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 2021

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
	\$	\$	\$	\$	\$	\$
2021						
Payables	84,734	84,734	84,734	-	-	-
	84,734	84,734	84,734	-	-	-
2020						
Payables	123,273	123,273	123,273	-	-	-
	123,273	123,273	123,273	-	-	-

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

Note 5.3 Other non-financial assets

	2021 \$	2020 \$
Current		
Prepayments	50,496	48,436
Total other non-financial assets	50,496	48,436

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

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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 and other information related to financing activities of the Company.

This section includes disclosures of balances that are financial instruments (such as 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.

	2021 \$	2020 \$
Total cash and deposits disclosed in the balance sheet	676,206	3,215,395
Balance as per cash flow statement	676,206	3,215,395

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

	2021 \$	2020 \$
Net result for the period	887,138	(1,637,198)
Non cash movements:		
(Gain)/loss on disposal of non-current assets	-	(56)
Depreciation and amortisation of non-current assets	428,799	431,188
Other non-cash movements	(384)	(4,916)
Movements in assets and liabilities:		
(Increase) / decrease in receivables	(606,763)	58,447
(Increase) / decrease in contract assets	614	(4,107)
(Increase) / decrease in prepayments	(2,060)	38,523
Increase / (decrease) in payables	(86,756)	(82,356)
Increase / (decrease) in contract liabilities	180,472	537,765
Increase / (decrease) in provisions	20,275	80,997
Net cash flows from/(used in) operating activities	821,335	(581,713)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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

Note 7.1 Financial instruments specific disclosures

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

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

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

CATEGORIES OF FINANCIAL ASSETS

Financial assets measured at amortised cost

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

- it is held within a business model whose objective is to hold assets to collect contractual 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
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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)

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 2021

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 \$
2021			
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	676,206	-	676,206
Receivables ^(a)	594,393	-	594,393
Investments and other financial assets	3,279,974	-	3,279,974
Total contractual financial assets	4,550,573	-	4,550,573
Contractual financial liabilities			
Payables ^(b)	-	84,734	84,734
Total contractual financial liabilities	-	84,734	84,734
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
Investments and other financial assets	179,974	-	179,974
Total contractual financial assets	3,435,144	-	3,435,144
Contractual financial liabilities			
Payables ^(b)	-	123,273	123,273
Total contractual financial liabilities	-	123,273	123,273

(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
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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 2021

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 \$
2021			
Contractual financial assets			
Cash and deposits	526,206	150,000	676,206
Receivables ^(a)	-	594,393	594,393
Investments and other financial assets	3,279,974	-	3,279,974
Total contractual financial assets	3,806,180	744,393	4,550,573
2020			
Contractual financial assets			
Cash and deposits	3,151,395	100,000	3,251,395
Receivables ^(a)	-	3,775	3,775
Investments and other financial assets	179,974	-	179,974
Total contractual financial assets	3,331,369	103,775	3,435,144

(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 2021

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 \$
2021					
Financial assets					
Cash and deposits	0.02	676,206	150,000	525,630	576
Receivables ^(a)		594,393	-	-	594,393
Investments and other financial assets	0.30	3,279,974	3,279,974	-	-
Total financial assets		4,550,573	3,429,974	525,630	594,969
Financial liabilities					
Payables		84,734	-	-	84,734
Total financial liabilities		84,734	-	-	84,734
2020					
Financial assets					
Cash and deposits	0.18	3,251,395	2,300,000	950,818	577
Receivables ^(a)		3,775	-	-	3,775
Investments and other financial assets	1.70	179,974	179,974	-	-
Total financial assets		3,435,144	2,479,974	950,818	4,352
Financial liabilities					
Payables		123,273	-	-	123,273
Total financial liabilities		123,273	-	-	123,273

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

The only financial assets and/or financial liabilities that are affected by the interest movement are cash at bank. The impact of a possible 0.1% increase or decrease in interest rates would make a difference of +/- \$525 (2020: \$950) on net result and equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Note 7.2: Contingent assets and contingent liabilities

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

Contingent assets

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

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

At 31 December 2021 the company had no contingent assets (nil at 31 December 2020).

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 2021 the company had no contingent liabilities (31 December 2020: \$91,950).

	2021 \$	2020 \$
Contingent liabilities		
Make Good	-	91,950
Total contingent liabilities	-	91,950

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. In November 2021, the company exercised the option under the contract to sign for a further term, commencing 1 July 2022. By exercising the option, it removes the requirement for the company to be liable for any make good costs. The make good liability was contingent only upon the company vacating leased premises at the end of the initial term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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 2021 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	48,186	-	-	48,186
Leasehold Improvements at fair value	98,717	-	-	98,717
Right-of use assets	1,340,357	-	-	1,340,357
Total	1,487,260			1,487,260

	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
Right-of use assets	1,966,423	-	-	1,966,423
Total	2,255,475			2,255,475

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 current replacement cost method. There were no changes in valuation techniques throughout the period to 31 December 2021. 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
Right-of-use assets	Depreciated replacement cost	Cost per unit
		Useful life of right-of-use assets

Significant unobservable inputs have remained unchanged since December 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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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.

	2021 \$	2020 \$
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:

	2021 \$	2020 \$
Net gain/(loss) on non-financial assets		
Impairment of property, plant and equipment	-	-
Net gain/(loss) on disposal of property, plant and equipment	-	(353)
Total net gain/(loss) on non-financial assets	-	(353)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability ^(a)	384	4,916
Total other gains/(losses) from other economic flows	384	4,916

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 to 31 December 2021

Board Members	
Belinda McLennan	1 January 2021 to 31 December 2021
Brian Henderson	1 January 2021 to 31 December 2021
Clive Driscoll	1 January 2021 to 31 December 2021
David Williams	1 January 2021 to 31 December 2021
David Windridge	1 January 2021 to 31 December 2021
Lisa Line	1 January 2021 to 17 October 2021
Michael Brown	1 January 2021 to 31 December 2021
Shirley Southgate	1 January 2021 to 31 December 2021
Susan Christophers	1 January 2021 to 31 December 2021

Accountable Officer - Chief Executive Officer	
Mr Martin Powell	1 January 2021 to 31 December 2021

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

Remuneration

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

Remuneration received or receivable by the Board members was as follows:

Remuneration Band	2021 No.	2020 No.
\$0-\$9,999	9	9
	9	9
Total remuneration of Board Members (\$)	31,522	29,714

Remuneration received or receivable by the Accountable Officer in connection with the management of the company was as follows:

Remuneration Band	2021 No.	2020 No.
\$230,000-\$239,999	-	1
\$270,000-\$279,999	1	-
Total remuneration of Accountable Officer (\$)	273,854	235,753

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 2021

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 \$4,217,163 (2020: \$1,561,825). The company made a payment to the Department as sponsorship towards the annual Victorian Training Awards of \$17,500 (2020: \$12,000).

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

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 KMPs

	2021	2020
	\$	\$
Short-term employee benefits ^(a)	274,451	240,463
Post-employment benefits	23,795	20,021
Other long-term benefits	7,130	4,983
Termination benefits	-	-
Total	305,376	265,467

(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.

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

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NOTE 8: OTHER DISCLOSURES (CONTINUED)

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

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

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

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

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 company'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	2021	2020
	\$	\$
Audit of the financial statements	22,500	22,000

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 2021

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 2021 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2021, 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.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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

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FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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 to the nearest dollar. 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 2020 21 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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DIRECTORS AND ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of the company declare that:

1. **The financial statements and notes, as set out on pages 46 to 99, 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 2021 and of the performance for year ended on that date.
2. **In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.**
3. **The attached financial statements of the company have been prepared in accordance with applicable Australian Accounting Standards, applicable elements of the Financial Management Act 1994 and other mandatory professional reporting requirements.**
4. **We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.**

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



(On behalf of the Board)

Chairperson
Dr. Belinda McLennan



(Accountable Officer)
Chief Executive Officer
Martin Powell

Dated: 25 March 2022

Dated: 25 March 2022

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 2021 • 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 2021 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
1 April 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria



VET DEVELOPMENT CENTRE

Level 8, 379 Collins Street,
Melbourne VIC 3000

T 1300 917 150

E info@vdc.edu.au

W www.vdc.edu.au

 @VDCeduau

 VET Development Centre

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