



*Chisholm*

**ANNUAL  
REPORT  
2019**

TAFE VICTORIA



1300 244 746 [chisholm.edu.au](http://chisholm.edu.au)

# Our vision

Leading the way in education and training to inspire success and transform lives.

# Our purpose

Chisholm Institute excels in education and training and is respected and valued for enhancing the social and economic futures of individuals, industry and communities.

# Our values

Our drive for commercial success is underpinned by our core values:

- > Opportunity
- > Integrity
- > Collaboration
- > Achievement.

## WOMIN DJEKA, WELCOME TO CHISHOLM

Chisholm respectfully acknowledges the Traditional Custodians of this land. We pay respect to Elders past, present and future for they hold the memories, the traditions, the culture and hopes of our nation's First Peoples.

Chisholm is committed to supporting and empowering our Aboriginal and Torres Strait Islander staff, students and their communities by providing quality teaching and learning opportunities.





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# About This Report

The Chisholm Institute 2019 Annual Report is a report to the Parliament of Victoria required under Section 45 of the *Financial Management Act 1994*.

This document reports on the 2019 operations of Chisholm Institute, TAFE Online (trading as Chisholm Online) and the Caroline Chisholm Education Foundation.

It provides a consolidated financial statement, performance statement and other information required under the Standing Directions 2019 under the Financial Management Act.

It is based on the model Annual Report issued with the guidelines, in accordance with the Financial Management Act, Australian Accounting Standards, Statement of Accounting Concepts, authoritative

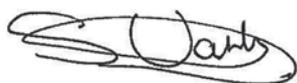
pronouncements of the Australian Accounting Standards Board and other legislative requirements.

All financial information presented in this report is consistent with the consolidated financial report for Chisholm Institute.

Enquiries about this report can be addressed to:

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E: **CorporateCommunications@chisholm.edu.au**

More information about Chisholm is available at **chisholm.edu.au**.



**STEPHEN VARTY**

**Chief Executive Officer**

Date: 26 February 2020

Place: Dandenong



**TONIANN STITZ**

**Chief Finance Officer**

Date: 26 February 2020

Place: Dandenong



# About Chisholm

Chisholm was established in the south east region of Melbourne to deliver engaging education that makes a real and lasting difference to our diverse local, national and international communities and markets.

As a leading TAFE provider we have a significant role to play in supporting our diverse student groups and industry clients and partners, to meet their current needs and adapt to the rapid changes taking place globally. By doing this, we contribute to an inclusive, diverse and successful Australia.

We are a Victorian Government owned technical and further education (TAFE) provider established under the *Education and Training Reform Act 2006*. The responsible minister is The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

We provide contemporary, accessible and relevant education and training that keeps pace with the needs of students and businesses. We are committed to supporting and enhancing the culture and diversity of our communities.

In 2019, our institute enrolled 41,233 students a 13 percent increase on the previous year and delivered a total of 384 courses. Fifty-seven per cent of our enrolments were delivered at three of our campuses: Dandenong (25 per cent), Frankston (20 per cent), and Berwick (12 per cent). An additional 13 per cent of enrolments received their training offshore and 10 per cent in the workplace.

Our institute has built a solid and reputation over many years. We are well placed to take a leadership role in redefining what an education and training provider could and should be, and we do that through the collective effort of our skilled and passionate staff and industry experts.

We will achieve our goals by living our values every day, by *working collaboratively* and with *integrity*, by seizing the *opportunities* before us and by always striving to *achieve* the highest standards for ourselves and for our students.



# Board Chair's Message



It is with pleasure that I present the Institute's Annual Report for 2019. During the year we realised the completion of a number of major infrastructure projects, signalling the start of a new era in education, technology and engagement.

This year marked the penultimate year of Chisholm's 2017–2020 strategic plan. Our Board remained focused on achieving the strategic goals for Chisholm to be an institute, partner and workplace of choice.

I would like to give particular mention to the Board's leadership of the major infrastructure projects including the Berwick Centre for Health and the Frankston Learning and Innovation Precinct at our Frankston campus. Successful completion of these projects provided immense pride and satisfaction.

First envisaged over five years ago, stage one of the Frankston campus redevelopment was completed at a cost of \$85 million, which included a significant contribution from our Institute.

The technologically advanced, state of the art training facilities are testament to the Victorian Government's record investment in TAFE. This new skills and training precinct will benefit communities in Frankston and beyond, setting a new benchmark for the delivery of TAFE courses in Australia.

The new \$15 million Berwick Centre for Health at our Berwick campus opened in March and supports the growth of health and community industries, particularly across the south east of Melbourne. The facility of 30 beds throughout four model health wards, a simulated apartment, counselling suites and two separate laboratories that connect to observation rooms, all designed to replicate the modern workplace.

We also welcomed the announcement of Free TAFE courses and the removal of a financial barrier for those courses leading to jobs in demand. Our Institute proved itself as a statewide leader in the delivery of Free TAFE courses to support the local community. We are proud of our ability to recruit and engage prospective students. This reinforces our purpose, which is to welcome students throughout the south east region of Melbourne and beyond.

On behalf of the Board, I would like to acknowledge the dedication of the Institute's staff, in particular the Executive Leadership Team for their tireless work as we strengthen our position across the sector.

To my fellow Board members, thank you for your steady guidance, support and commitment as we worked towards achieving our goals for 2019, which has strengthened the position of our Institute to pursue further opportunities in 2020.

I look forward to further growth and consolidation of our achievements in the year ahead.

A handwritten signature in black ink that reads "Stephen G. Marks". The signature is written in a cursive, flowing style.

**STEPHEN G. MARKS**

Date: 26 February 2020

# CEO's Message



There was much to be proud of in 2019 with our Institute solidifying strong foundations on which to build our education and training provision capabilities into the future.

For many years, we have led the way in providing opportunities and access to education in Melbourne's south east. We now embark on a new stage of this journey, advancing our capability to deliver world-class training and education that meets the needs of a rapidly changing economy.

The commitment to our students was highlighted by a new executive position created in 2019 that focuses on student success and support. This will be underpinned by a Student Experience Plan, which will put the student at the centre of all that we do. We also invested in new learning facilities at both Frankston and Berwick campuses. These facilities support our commitment to prepare students for their future careers, giving them the skills they need to hit the ground running from their first day on the job.

It was a proud day for our community when we opened the doors to new facilities that will create relevant, responsive, agile and positive experiences, and lifelong connections for our students, staff and the community. Tens of thousands of health, early childhood, building and construction students from across south east of Melbourne will walk through these doors in the years to come.

The realignment of our strategic focus in 2020 will benefit from development of key strategic pillars in the form of five activation plans, which were introduced or developed throughout 2019. Our People Plan is a result of interviews and workshops conducted with many staff over a six-month period. The result is a comprehensive plan for the development, engagement and wellbeing of our staff into the future. It focuses on the importance of customer-first service-delivery, professional excellence and a supportive culture. We also provided greater security of employment by reducing the casualisation of our teaching staff.

Our Education Plan was implemented during the year, with a focus on technology-enabled learning and education delivery. It is proactive in its approach to ensure an engaged, relevant and positive experience for students and staff, one that will result in higher retention rates, positive outcomes and flexibility in delivery. Together with improved technology foundations, the Education Plan also introduced new study environments that encourage collaboration and interaction.

Our Chisholm story also came to life during 2019 as we delivered on a narrative that explains our history and

foundations, connectedness with the south east region of Melbourne and Victoria, and our purpose for our future.

Our Information Technology Services Plan has a focus on students and staff and is our roadmap, to increased technological capability both in the classroom and workplace. The activities embedded within the plan will lift our potential for collaboration across campuses and with industry. We enhanced our course delivery with digital technologies at our Frankston and Berwick campuses and we are well positioned to extend the roll-out.

In 2020 we will be busy planning the next chapter in Chisholm's history, developing our new Strategic Plan. This brings great opportunity to look towards new horizons and strengthen our values of opportunity, integrity, collaboration and achievement, with a focus on quality programs. We will also focus on an excellent student experience that is relevant and responsive to the needs of our community and industry.

I would like to thank Stephen Marks and the Board members for their strong support and guidance throughout the year. It is with great pride that I acknowledge the passion, commitment and tireless effort throughout 2019 of the Executive team and wider Chisholm community, to ensure our Institute remains a great, high performing and progressive education and training organisation.

A handwritten signature in black ink, appearing to read 'S Varty', enclosed within a circular scribble.

**STEPHEN VARTY**

Date: 26 February 2020

# Awards and Achievements



## EDUCATION AWARDS RECOGNISE EXCELLENCE

More than 220 guests including government representatives, local council, industry, schools, students, families and staff attended the annual Chisholm Education Awards Gala Dinner. A total of 31 students were recognised as finalists and winners in six categories. The winner of the Chisholm Teacher/ Trainer of the Year was Karen Clarke (Health, Regional Education).

Industry was also recognised on the night with four partnerships awarded for excellence, support and collaboration: Apprenticeship Traineeship Employment Partners, BlueScope Steel, Australian Paper and Serco.

## CHASING OUR NATIONAL CALLING...

Our marketing team reached the National Finals of the Australian Marketing Institute Awards for Marketing Excellence. And our Chase Your Calling campaign was shortlisted in the Customer Acquisition Marketing category.

## DANDENONG CHAMBER OF COMMERCE AWARDS

For Zoe Atterbury, completion of the Certificate IV in Disability Services was the next milestone in a personal journey to help others. Zoe was recognised with the 2019 Dandenong Chamber of Commerce Award for her dedication and commitment to her studies and the disability sector, and professionalism in her work placement.

## PENINSULA VCAL AWARDS

We sponsored the Frankston and Mornington Peninsula Local Learning and Employment Network VCAL Awards, which attracted 240 attendees including 52 students, school principals, VCAL coordinators, federal and local government representatives, and industry guests. The regional awards provide encouragement and recognise the excellence of VCAL students throughout the south east.



## NATIONAL TRAINEE AWARD RECOGNISES EXCELLENCE

Former Chisholm student Emily Brown was awarded Trainee of the Year at the annual National Electrical and Communications Association Education and Careers Awards. Emily completed her Certificate IV in Business and Diploma in Business.



## MELBOURNE INTERNATIONAL FLOWER AND GARDEN SHOW

At the Melbourne International Flower and Garden Show, two Chisholm gardens were designed, planned and delivered by the third year landscaping apprentices and third year parks and gardens apprentices. Both gardens received category recognition from the judges.



## BUILDING ON SUCCESS

Master Builders Association of Victoria State Apprentice of the Year awards were held at Marvel Stadium, Docklands, and our building and construction team received 14 nominations for Certificate of Merit. Within the Apprentice of the Year categories, four Chisholm students were nominated, with Taylah-Anne Kane claiming the State Joinery Apprentice of Year award.



## HBIA AWARDS AND CHAMPIONSHIPS

The Hairdressing and Beauty Industry Association (HBIA) Championships recognised two Chisholm apprentices and a graduate with three first places at the annual industry event, held in Sydney. The success at the Championships was followed in November with 10 HBIA awards at the gala event. Hair, beauty and wellness educator Lucia Poretti was awarded Educator of the Year, while nine students were recognised for their outstanding work.



# Awards and Achievements

## WORLDSKILLED IN SUCCESS

Our students achieved great success at the WorldSkills East Region winning two gold, a silver and two bronze medals. Gold was awarded in plumbing, silver in VET Delivered to Secondary Students carpentry and both bronze medals were achieved in carpentry. Three students are eligible for the national competition in Western Australia in 2020.



## OUR INTERNATIONAL (WORLD) SKILLS

Do Thi Hoai Thuong, who is studying our Advanced Diploma of Hospitality Management, from Vung Tau Tourism College excelled in the Australian Skills Week organised by the Australian Embassy in Vietnam.

## WORLDSKILLS DELEGATE

Senior Educator and Manager Adam Laxton was selected as one of two WorldSkills competitor mentors/trainers from Victoria to attend the 2019 WorldSkills Competition in Kazan, Russia in August. Experience gained through the opportunity will assist in the training and mentoring of Victorian competitors to the highest level of the competitions. This builds on Victoria's rise to the top within the WorldSkills Australia community.

## GRADUATIONS

More than 400 graduates celebrated their success and achievement at one of our two graduation ceremonies held in 2019. The 1200 families, friends and dignitaries who supported the graduands at each of the ceremonies enjoyed an evening of formalities at either Bunjil Place or the Frankston Arts Centre. The locations proved to be highly successful as we maintain the south east connection from enrolment to alumni.

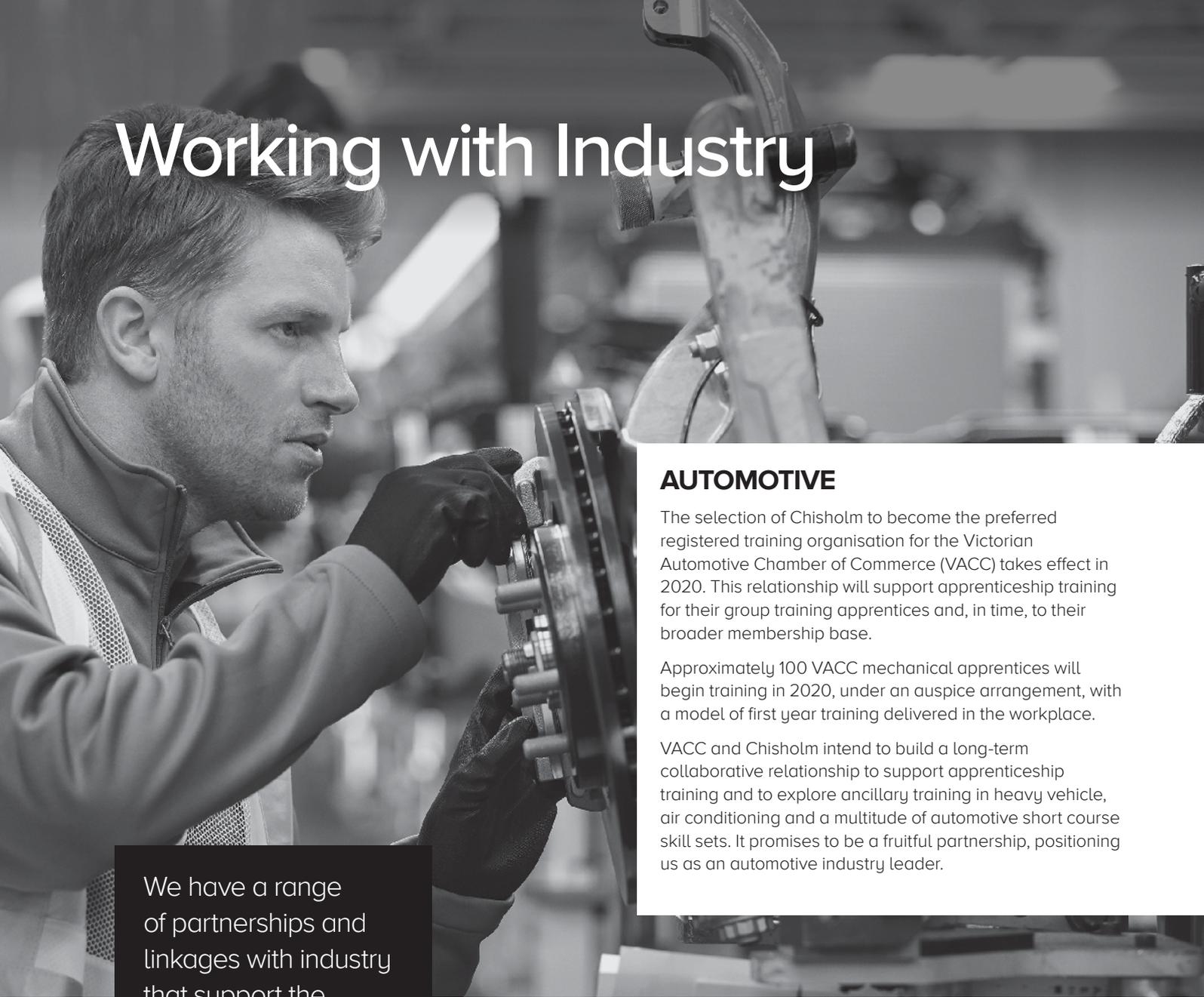
## CAREER PRACTITIONERS

In 2018 the Victorian Government launched the Parliamentary Inquiry into Career Advice Activities in Victorian Schools. One of the findings was that both schools and industry would welcome the opportunity to meet and share knowledge around occupational trends, industry needs and pathways to employment for senior secondary students. To support this, we organised a series of industry information nights for career practitioners. The two events, reached 23 schools in the south east region with more than 50 registrations.

## TAFE TEACHER RECRUITMENT CAMPAIGN – JAY POLANDAYA

Jay Polandaya joined the statewide TAFE teacher campaign promoting talented educators. Jay was selected by the Department of Education and Training, as one of only seven Victorian TAFE teachers to take part in their upcoming campaign. Jay joined Chisholm as a sessional teacher five years ago, with the last two as a permanent staff member. Over the last five years, Jay upgraded his Certificate IV in Training and Assessment, to add to a Diploma of Vocational Education, Diploma of Training, Design and Development, and finally a Graduate Certificate of Teaching and Learning in Higher Education. Advertising will run across a variety of channels including radio, print, digital, social media and outdoor, including billboards and bus shelters. The campaign aims to increase awareness of job availability across the TAFE Victoria network and drive traffic to the jobs board ([jobs.tafe.vic.gov.au](http://jobs.tafe.vic.gov.au)). The government has been keen to reach as many skilled people as possible who may be interested in becoming TAFE teachers.

# Working with Industry



We have a range of partnerships and linkages with industry that support the delivery of relevant training aligned with current and emerging skill requirements to support workforce needs.

A commitment to enduring relationships and long-term collaborative arrangements was demonstrated by agreements reached with four key sectors: automotive, aged care, disability and defence.

## **AUTOMOTIVE**

The selection of Chisholm to become the preferred registered training organisation for the Victorian Automotive Chamber of Commerce (VACC) takes effect in 2020. This relationship will support apprenticeship training for their group training apprentices and, in time, to their broader membership base.

Approximately 100 VACC mechanical apprentices will begin training in 2020, under an auspice arrangement, with a model of first year training delivered in the workplace.

VACC and Chisholm intend to build a long-term collaborative relationship to support apprenticeship training and to explore ancillary training in heavy vehicle, air conditioning and a multitude of automotive short course skill sets. It promises to be a fruitful partnership, positioning us as an automotive industry leader.

## **TOYOTA MATERIAL HANDLING AUSTRALIA**

During 2019 we commenced an industry partnership with Toyota Material Handling Australia (TMHA). The collaboration initially aims to work with TMHA nationally to develop a customised assessment tool for technical industry and company-specific skills and knowledge gaps, with a potential to develop learning and development programs. There is also potential to partner with TMHA on a national apprenticeship program in 2020 and beyond. The partnership presents an excellent opportunity for our Institute to deepen integration with industry and drive new standards in training outcomes across the VET sector.

## **AGED CARE**

Opal Aged Care, which owns and operates 38 residential aged care facilities, commenced a formal agreement with our Institute in 2019.

The services agreement outlines Chisholm as preferred provider for all accredited and non-accredited training statewide, to upskill existing staff through skill sets including commercial cookery, health and ageing support programs.

# Working with the Australian Defence Force



Our strong relationship with Defence, including Navy and Army, was consolidated in 2019. The following projects and activities contributed to a deeper engagement with Defence and further diversification of our revenue base.

## NAVAL SHIP BUILDING COLLEGE AND AUSTRALIAN INDUSTRY GROUP

The Naval Shipbuilding College is an Australian Government initiative that is supporting major naval shipbuilding projects, including the Attack class submarines, Hunter class frigates and Arafura class offshore patrol vessels.

It has partnered with government at federal, state and territory levels, major naval shipbuilding prime contractors, small-to-medium enterprises and Australia's leading education and training providers to ensure that the naval shipbuilding workforce is established at the required time, with the required numbers and with the required skills for the Naval Shipbuilding Plan to be a success.

It continues to establish industry workforce requirements, build capacity and increase annual attendance at Australia's leading education and training providers.

We have been selected as a preferred training provider because of our tailored training solutions that will help the future workforce develop the skills required to secure exciting jobs ranging from electricians, carpenters, welders, boilermakers and steelworkers, to advanced manufacturing, complex integration and professional management personnel.

These cutting-edge naval programs will offer exciting careers over the next 50 years.

## ARMY TECHNICAL TRADE TRAINING FOR THE ARMY

Collaboration continued with Wodonga TAFE and Box Hill Institute, to deliver outcomes for the Army School of Electrical and Mechanical Engineering for the Technical Trade Training Contract. In 2019, we met the following requirements:

- > ongoing leadership and delivery of technical trade-based training in the following qualifications:
  - Army Technical and Trades – Plumber (ATTP)\_Certificate III in Plumbing (CPC32413)
  - Army Technical and Trades – Vehicle Mechanic (ATTVM) and RAAF Ground Support Equipment Fitter\_Certificate III in Heavy Commercial Vehicle Mechanical Technology and Certificate II in Automotive Mechanical – Air Conditioning
- > design, development and implementation of bespoke recognition of prior learning (RPL) kits for designated trades – mechanical and plumbing. More than 110 students participated in the program
- > development and implementation of new units of competency for the vehicle mechanic training package.

## TECHNICAL TRAINING SUPPORT SERVICES CONTRACT

Ongoing collaboration continued with the prime Contract Manager SMA and the customer the Royal Australian Navy, to deliver outcomes for Technical Training Support Services.

In 2019 Chisholm commenced 18 course groups, with over 280 Navy students participating. They undertook either a full qualification or a skill set within the following three vocational streams:

- > Electrical Fitter/Electrical Maintainer – UEE training package
- > Diesel Fitter/ Propulsion Maintainer – MEM training package
- > Fabrication/ Hull Maintainer – MEM training package.

Throughout 2019, there was significant requirement to increase support to meet the Navy's needs, with Chisholm offering dedicated project and account management to ensure delivery was in line with Navy requirements.

## CERTIFICATE IV – ALCOHOL AND OTHER DRUGS PROGRAM ADVISORS COURSE

We responded to, and were successful in, an approach to market for the delivery of the Certificate IV – Alcohol and Other Drugs program. The scope of this contract will be to deliver on base and through a blended learning regime at a minimum four courses per year, for a contract period of five years.

# Local Communities



## TECH GAMES FEST

Tech Games Fest attracts secondary school students, their parents and members of the general public who are interested in gaming and technology to learn and network with other like-minded people and industry representatives. More than 1200 people attended the event in 2019.

Beyond, a follow-up to the Tech Games Fest, also provided more than 100 students with the opportunity to participate in future-focused gaming activities.

## NATIONAL DISABILITY SERVICES

The sector is growing at an extraordinary rate and it is expected that by 2020, more than 18,000 new full time disability workers will be required in Victoria.

In conjunction with National Disability Services (NDS) and the Department of Health, we hosted in July the National Disability Services Jobs Fair. Over 55 exhibitors and almost 500 visitors attended. It was the largest of the NDS Job Fairs held in Victoria. Exhibitions included interactive sessions on first aid in the disability sector, working in the simulated disability apartment, experiencing the nursing lab and learning about the services that are available in the community.

The jobs fair was a way of connecting job seekers with employers. It enabled us to identify gaps in the skills base and potentially fill those through course offerings.

## TRADING HOPE

Throughout 2019, we partnered with Hope Assistance Local Tradies (HALT) to deliver mental health talks and breakfasts to tradies at the Frankston, Dandenong and Rosebud campuses.

We hosted the first HALT Save Your Bacon free breakfast. The event was a gateway to conversation about mental health for apprentices, staff and the community, and the services they can access to help themselves and their peers through difficult times. Our personal counsellors and local GPs were invited by the South Eastern Melbourne Primary Health Network in a show of whole-of-community support.

HALT is a \$1 million government commitment over four years for suicide prevention specifically aimed at tradies in the Mornington Peninsula region. The program provides important access for students, as the trade and apprentice suicide rates in the region are well above Victorian averages.

## COMMUNITY OPEN DAY

In October, the launch of the Frankston Learning and Innovation Precinct provided an opportunity for us to reconnect with the local community and to showcase our new \$85 million facilities.

The Precinct Community Open Day included building tours, demonstrations, hair and beauty make-overs and many family-oriented activities. The day was also an opportunity for the community to talk about engagement with the facilities and to plan for the future integration of local exhibitions and industry displays.

The event provided the opportunity to showcase our significant role in the re-imagining of Frankston's health and education precincts. The new on-campus development is home to an entire level of hospital and allied health care training for a range of courses, and is also equipped with 12 model health wards, dental and pathology laboratories and an allied health services apartment that provides student training in disability, mental health, and aged care support.

# Free TAFE

In late 2018, we began a marketing campaign to attract and encourage students throughout the south east catchment to take up the Victorian Government's opportunity to study under the Free TAFE initiative.



The marketing campaign, combined with the heightened public awareness of the initiative, saw enquiries for our courses increase in a matter of weeks. This increase converted to enrolments and maintained.

Free TAFE made up almost half of government-funded delivery in 2019 landing 260 per cent higher than 2018 or up by 4841 enrolments. The top five Free TAFE priority courses made up 41 per cent of enrolments: Certificate IV in Accounting and Bookkeeping at 19 per cent (1307 enrolments), Certificate IV in Education Support at 7 per cent (481 enrolments), Certificate II

in Electrotechnology (Career Start) at 5 per cent (377 enrolments), Certificate III in Individual Support at 5 per cent (373 enrolments) and Certificate IV in Building and Construction at 5 per cent (356 enrolments).

The increase in student numbers was also realised at our regional campuses, and a visit to the Bass Coast campus by The Hon. Gayle Tierney MP, Minister for Training and Skill and Minister for Higher Education, was recognition of this.

Of the students who enrolled in courses at Bass Coast in the first half of 2019, more than half had selected

a course from the Free TAFE list. The most popular Free TAFE course at the regional campus was the Certificate III in Individual Support, while the Certificate IV in Bookkeeping and Accounting also attracted interest.

We commenced preparation for the introduction of the additional Free TAFE courses Certificate III and Diploma of Early Childhood Education and Care towards the end of 2019. Our Certificate III in Early Childhood Education will begin on 24 February 2020 and the diploma on 25 February 2020.

## CASE STUDY

A mother of two, Emma Whitmore decided that her return to work would also signal a new career. The opportunity created by Free TAFE meant that 34 year old Emma could pursue her ambition to work in dentistry. Emma completed her Certificate III in Dental Assisting, which included a work placement at a dental surgery. Within weeks of finalising her course, the surgery contacted Emma to offer her a position and the start of a new career.

Our Institute was named as one of two Victorian training providers to pilot a project that provides additional support to students who selected to study a course listed under the Victorian Government's Free TAFE initiative.

The \$500,000 project funded extra resources for Chisholm and SuniTAFE via a partnership with the Adult Community and Further Education (ACFE) Board.

The project strengthened Free TAFE students' capacity to manage their learning and get the support they needed to build their confidence, achieve a Free TAFE qualification and become job-ready.

The funding was announced by The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education and Member for Nepean Chris Brayne at our Mornington Peninsula campus.

The ACFE Board and Learn Local partners worked with us to develop educational products and resources so that Free TAFE students could access pre-accredited education support.

The funding further supported student retention by funding Learn Locals to offer these additional modules for students to build their literacy, numeracy, digital and employability skills.

# Higher Education Partnership

Our long term partnership with La Trobe University continued in 2019, providing us with the opportunity to broaden our delivery of university degrees to students within south east Melbourne. For over seven years, our vocational education students have been able to pathway into higher education, either to a La Trobe University degree delivered at Chisholm or directly into a Chisholm degree.

In 2019, over 400 students enrolled in higher education courses at Chisholm with 200 of those enrolled in a La Trobe partnership qualification. The La Trobe degrees at Chisholm include the Bachelor of Accounting, Bachelor of Information Technology, Bachelor of Community Services and Bachelor of Nursing (Enrolled Nurse). Students had the benefit of studying a La Trobe degree locally on a Chisholm campus.

The La Trobe partnership reached a milestone in December, with the first cohort of students completing the Bachelor of Nursing (Enrolled Nurse). Nearly 30 students completed the two-year course, with each of them gaining employment within the health sector prior to graduation.

The quality, passion and hard work of the Chisholm and La Trobe nursing teams has helped to ensure positive employment outcomes for the students.

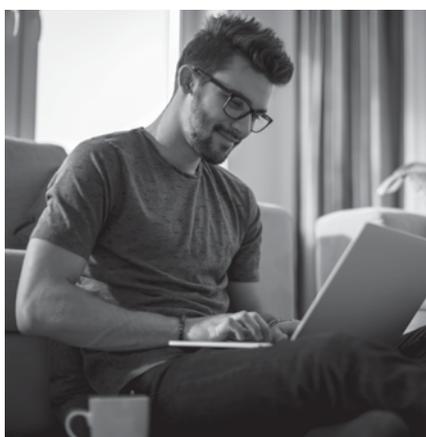


This achievement reinforces the importance of a career-ready program which develops the professional skills that employers require.

Alongside our own higher education courses in community mental health, alcohol and other drugs, engineering technology and family violence prevention, students gain access to higher learning within the dynamic context of industry-connected and practical vocational education learning environments.

Students can complete a higher education degree without an ATAR, and typically will enjoy small class sizes in tailored learning spaces with active academic support programs. Strong links with industry in all higher education courses provide students with valuable placement opportunities, with many students securing employment on completion.

## Chisholm Online



The introduction of Free TAFE in 2019 resulted in significant growth for Chisholm Online, providing students who require a more flexible training option access to education they might not otherwise receive. There were strong cohorts in a range of courses with the most popular being Certificate IV in Accounting and Bookkeeping, Certificate III in Education Support and Certificate IV in Disability.

More courses were added to Chisholm Online's offerings in response to the Victorian Government's Free TAFE

initiative, including Certificate III in Education Support, which was designed in collaboration with the Institute's Early Childhood Education business area. Certificate IV in Ageing Support, Certificate IV in Mental Health, and Certificate IV in TAE Upgrade, and Certificate IV in TAE were also added.

New projects in 2019 included the Certificate IV in TAE Upgrade (China), Certificate IV in TAE Upgrade (Qatar) and Skillset – CHCSS00070 to assist clients with self-delivery of medication.

# International Projects

Major offshore activities accounted for over \$7 million in revenue for our Institute in 2019 and included:

## VIETNAM TRIAL IMPLEMENTATION PROJECT

Funded by the Government of Vietnam and in partnership with AIC Vietnam, we monitored the delivery of 12 qualification streams (up to advanced diploma) across 25 colleges throughout Vietnam. In 2019, we undertook 70 weeks of mentoring support with 20 mentors, across the 12 sectors. With a high retention rate of 93 per cent on average across all partner colleges, we were proud to award 724 students with Australian qualifications.

## CHINA TRANSNATIONAL PARTNERSHIPS

We continued to partner with 13 colleges across China to deliver qualifications to over 3500 students. A total of 821 students graduated in 2019 with qualifications in engineering – mechatronics and electrical systems industry, accounting and individual support.

## KIRIBATI DEVELOPMENTAL RPL PROJECT

Our Institute was engaged to conduct RPL assessment at Kiribati Institute of Technology (KIT). The RPL assessments, along with other professional development services, led to the award of qualifications that meet Australian standards. We worked with the managing contractor, Scope Global, to implement the program for KIT. Customised RPL kits were developed to deliver RPL services to graduates of local programs in the following streams:

- > electrotechnology (Certificate II level)
- > plumbing (Certificate II level)
- > hospitality (Certificate II level)
- > Hardware Technician Skill Sets
- > account administration (Certificate III level)
- > accounting (Certificate IV level).

A total of 172 KIT students achieved either an Australian qualification or Statement of Attainment in 2019.

## QATAR TECHNICAL SCHOOL

We continued delivery of Certificate II in Engineering programs at Qatar Technical School. A total of 90 students graduated with the Australian qualification in 2019. In addition, 40 teachers undertook presentation skills training, of which 23 also completed the Certificate IV in TAE Upgrade through Chisholm Online.

## CONSULTING SERVICES

During the year, we provided consultancy services to various clients in Korea, Peru and Thailand.

Clients include Kenan Foundation in Thailand for the Chevron Enjoy Science Project, Eductrade for a project with the Ministry of Labour Peru and Gyeongbuk Provincial College, Korea.

## PERFORMANCE MEASURES AND TARGETS

Our offshore opportunities and contracted partnership projects are managed within a strict quality and project management environment. To promote optimum performance and outcomes, assessments and reviews are carried out at all stages of the project's lifecycle. This environment supports growth in international project operations and provides opportunities to strengthen partner relationships to build on existing international

activities. Detailed financial planning and management ensure that projects are commercially viable and managed to maximise commercial return and benefit:

- > all pipeline project activities are assessed to determine risk profile and commercial viability, and match to Institute capability and strategic purpose
- > before and during development, all contracts and agreements are reviewed to ensure they are fit for purpose with the scope of services
- > each individual activity is assessed for project performance against client requirements.

## STRATEGIES TO MANAGE RISKS

Our Risk Management Plan outlines specific strategies to mitigate risk in two categories:

- > **strategic risk** – any risks beyond the control of the Board and Executive must be responded to through changes in strategy direction to protect our business.
- > **operational risk** – the downstream risks that can be managed and mitigated, which may have strategic impact but can be addressed through operational management.

Our leadership and management carefully review and evaluate the mitigation measures for all risks so they can respond to the changing nature of international education and training. This includes Australian Skills Quality Authority requirements for offshore

delivery and the requirements of the *Education Services for Overseas Students Act 2000*.

Management undertakes to:

- > implement activities to deliver on the approved Chisholm Commercial Plan
- > provide regular reports to the Board regarding offshore activities
- > undertake frequent consultation with senior management and relevant government departments on strategic direction with a view to minimising potential risk factors
- > build a short, medium, and long-term pipeline of activities to ensure ongoing international presence and business viability
- > develop business cases which outline new major international activities to the Executive Team (and the Board depending on

delegation) for consideration and approval before the activity commences

- > undertake continuous scanning of the business environment in each of the countries in which we operate to identify change to the risk situation.

Of note, in 2019 the Chisholm International Project Development unit focused on review and redevelopment of offshore delivery guidelines and improving transnational compliance requirements, which included the delivery of the Certificate IV in Training and Assessment (TAE) and TAE upgrade to over 280 offshore teachers and/or third-party approved trainers of Chisholm in China, Vietnam and Qatar. This was achieved through delivery in country, in Australia or via the Chisholm Online platform.

## ENGAGEMENT

In line with our Commercial Plan, we explored new opportunities in Vietnam, China, Thailand, Sri Lanka, Korea and Latin America.

Opportunities included:

- > transnational partnerships
- > delivery of in country programs and fellowships to Australia
- > consultancy services to government entities for delivery of technical and vocational education and training (TVET) reform
- > attendance at Victorian Government education missions to Japan, Korea, and Vietnam
- > Austrade missions to China for the aged care sector, and Thailand and Vietnam for the tourism and hospitality sector.

We accompanied the Victorian Government on official MP visits in Vietnam, by The Hon. Martin Pakula, Minister for Jobs, Innovation and Trade and Minister for Tourism, Sport and Major Events, and The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education in April and August respectively. During these visits, our delegates had the opportunity to visit partner colleges

in Hanoi and Ho Chi Minh City and be briefed on the TVET reform activities we are undertaking for the Government of Vietnam.

Our engagement extended to welcome events for 11 international delegations who visited our local campuses, including representation from:

- > Department of Labour, Invalids and Social Affairs, Vietnam
- > Botswana Examination Council
- > Chitakara University, India
- > Department of Health, Malaysia
- > Philippines Retirement Authority
- > Colombo Plan Staff College, Nepal.

The delegations aimed to strengthen and enhance current partnerships, support TAFE Victoria or Austrade in developing business opportunities for the sector or seek collaboration with our institute in the future.

### Onshore recruitment and enrolment

More than 500 onshore international students were enrolled for 2019. Top source of origin countries included:

- > India
- > Nepal
- > China
- > Pakistan

- > Sri Lanka
- > Vietnam.

International students undertook study in a range of vocational and higher education disciplines, including pathways from certificate to diploma and higher education Chisholm – La Trobe degrees.

In 2019, our most popular degree programs were in IT, accounting, engineering technology, and mental health, alcohol and other drugs.

International recruitment is maintained via a team of marketing personnel who make regular visits to agents, recruitment fairs and schools in our offshore markets. In 2019, numbers remained strong in our three major markets of India, Nepal and China as we continued to explore new sources of students in South East Asia, Latin America, Pakistan and Sri Lanka. Competition from the UK and Canada and visa restrictions in Australia put pressure on numbers in the second half of 2019 and this informed strategies for 2020.

International onshore students received support by way of orientation, student welfare, social activities, counselling and academic support to achieve successful outcomes.

# Strategic Direction

## OPERATIONAL PLANS

Our strategy for guiding Chisholm into the future as an Institute of Choice, a Partner of Choice, and a Workplace of Choice—is built on five operational plans.

The Education, Commercial, People, Student Experience and ITS Infrastructure Plans provide the roadmap that will support our intention to continue to be a high-performing institute. We defines high performance as exceeding the expectations of our stakeholders and evaluate our achievement using a set of student and employer satisfaction measures.

The evaluation of our contribution to Melbourne's south eastern communities, in particular, will be more fully identified and applied throughout 2020 as part of the process to redefine our vision and strategy into the next decade.

## EDUCATION PLAN

The Education Plan will provide the foundations to ensure that learning at Chisholm is:

- > industry-led to meet the requirements of industry now and into the future
- > student-focused, where students can seamlessly move between virtual, physical and workplace environment
- > technology-enabled with consistent standards and fit-for-purpose learning technologies
- > workforce-supported to guide our people in implementing interactive and engaging learning programs.

## PEOPLE PLAN

The People Plan will attract, develop and support our people by ensuring that operations at Chisholm are:

- > people-focused and values-driven, considering staff needs and concerns
- > environmentally and culturally aware, building a safe and respectful workplace of choice that attracts, retains and engages
- > growth-driven, developing and supporting our people to build their capacity and capability and expand their circle of influence
- > empowering, enabling our people to succeed in every way, both in and out of Chisholm.



## STUDENT EXPERIENCE PLAN

The Student Experience Plan will provide the guiding principles to ensure we strive for excellence in our service and experience to students which is:

- > student-centric and tailored to individual needs
- > supporting the student through each stage of their journey
- > helping students connect to the Chisholm community
- > outcomes-focused to support each student to achieve their goals
- > relevant and provides opportunities for students to develop technical and broader employability skills
- > streamlined and efficient, and adaptive to the changing world of education and work.



## COMMERCIAL PLAN

The Commercial Plan will ensure Chisholm's growth and sustainability by driving commercial activities and partnerships that are:

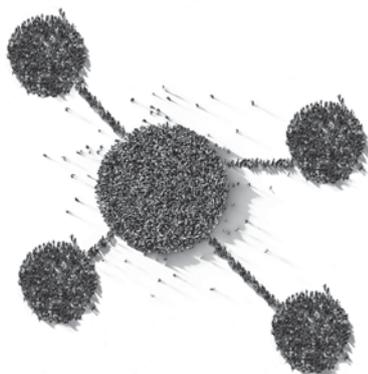
- > customer-centric, focused on providing a positive customer experience
- > engaged, with an educational offering that matches our partners' requirements
- > relationship-driven to ensure long-term, sustainable partnerships
- > relevant and responsive to customer and community needs
- > reputable, where we are recognised for quality and innovation
- > wide-reaching, owning the south east of Melbourne, and growing our footprint nationally and internationally.



## INFRASTRUCTURE AND INFORMATION TECHNOLOGY PLAN

The Infrastructure and Information Technology Plan will identify the Institute's infrastructure and technology requirements to ensure Chisholm has:

- > fit for purpose facilities
- > safe and inviting spaces for staff and students
- > campuses that connect with industry and community
- > an IT strategy to support strategic initiatives and business growth
- > connecting data and our core systems at the source enabling ease of access and ease of use
- > technology enabled learning solutions to enhance the staff and student experience.



# Mysa Salon and Spa at Chisholm



As the learning experience for students shifts to ensure that individual training aligns with workplace requirements, research highlights the need for more exceptional work experiences and improved training of transferrable skills.

And it is the education programs delivered from the public-facing Mysa

Salon and Spa that will change the game for the hair and beauty training and education sector.

The Mysa Salon and Spa was opened in October, and is a dedicated wellness space within the Frankston Learning and Innovation Precinct that mirrors industry settings and supports graduates of the future with the most modern equipment, and immersion in a salon and spa setting.

With a 20-metre frontage onto Fletcher Road, Mysa Salon and Spa will evolve to become an entirely public-facing business operation.

Offering a full suite of beauty, hair and wellness services, our students, apprentices and trainees will manage the day-to-day operations of the business. Through this experience, they will receive extensive training in an authentic workplace environment that involves business awareness, customer engagement, time management and peer-to-peer cooperation.

Research has shown that these transferrable enterprise skills are a powerful predictor of long-term job success. Together with the industry based skill requirements for the hair, beauty and wellness sector, our students will graduate with enterprise knowledge gained through experience in an industry environment. They will gain skills such as problem-solving, presentation, communication, critical thinking, digital literacy, creativity, teamwork and financial literacy. The focus will be to expand the delivery of training and education program to ensure that all student learners have the opportunity to engage and develop the generic and enterprise skills required by employers.

The engagement will be measured over time and may be provided as a co-credentialed on completion, giving learners not only their technical qualification but also evidence of their technical, generic and enterprise skills growth.



# Frankston Learning and Innovation Precinct



October 8 marked the official opening of the Frankston Learning and Innovation Precinct, an \$85 million redevelopment which transforms the delivery of TAFE courses in Melbourne's south east and beyond.

Officially opened by Premier Daniel Andrews, the Precinct was specifically designed to meet the changing training and education needs of the region, ensuring students have the skills they need to enter the workforce.

Consisting of two buildings, the Precinct has the capacity to train nearly 4000 students at one time.

Building A is dedicated to nursing and health, early childhood education, and hair, beauty and wellness. It includes model health wards and a fully-functional spa that replicates the modern workplace.

Building B recreates the real-world environment of technical trade sites for students enrolled in courses in building and construction, plumbing, electrical, engineering and electrotechnology.

Sustainability was also a key driver in the precinct's design. The buildings are fitted with EcoSoft carpets made from 400,000 recycled bottles that would have otherwise ended up in landfill.

Following on from the official opening, the community was invited to attend a dedicated Community Open Day event, which included guided tours of the Precinct.

Stage 2 of the Chisholm Frankston campus project will replace existing buildings C and E with a modern, cutting-edge, multi-level learning facility.



# Berwick Centre for Health



The \$15 million Berwick Centre for Health project was officially opened by The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education in March.

The purpose-built Centre for Health is a dedicated teaching and simulation facility for students in nursing, community services and allied health courses.

Incorporated into the Victorian Government's vision for the Berwick Health and Education Precinct, it complements the training partnership that our Institute has with the nearby St John of God Hospital, St John of God Specialist Centre and Casey Hospital.

Four replica hospital wards, each with six patient beds, create a true-to-life simulated environment. Thirteen specialised Laerdal simulation mannequins can be programmed to respond to treatment and medication, explain their symptoms and use AI technology to engage in a real-time conversation.

The facility has 30 beds throughout four model health wards, a simulated apartment, counselling suites and two separate laboratories that connect to observation rooms. Other areas include 12 collaborative classrooms, informal learning commons, group study pods and open plan staff workspaces.

The collaborative classrooms are furnished with fully flexible mobile furniture and mobile interactive audio visual screens, and are our first learning spaces to enable active and blended learning. The Berwick Centre for Health was the first of two developments redefining health delivery at Chisholm, with a second facility completed mid-year at Frankston campus as part of the Learning and Innovation Precinct.



# Casey Tech School



In its inaugural year of operations, Casey Tech School, located at the Berwick campus, realised significant success in the delivery and reach of its courses, classes and professional development offerings.

Casey Tech School was designed to inspire and to connect young people to the future world of study and work in Melbourne's south east. In its first full year of operations, the school's advanced science, technology, engineering, arts, and mathematics (STEAM) facilities and equipment were accessed by students from across the region. Learning programs were delivered to 5075 students aged 12–18 years, from 23 secondary schools in the Casey region.

Additionally, Casey Tech School delivered free professional development programs to over 300 primary, secondary and tertiary teachers. The school's value to the community was

also embedded as more than 180 hours of free learning programs were delivered to members of the public including children, teenagers, adults and elderly groups.

Casey Tech School's professional and teaching staff are very appreciative of the governance and support provided by our Institute and by the Victorian Government Department of Education and Training. Also recognised is the ongoing expertise of the many industry and community partners who assist with the development and authentic alignment of the school's curriculum programs to meet the demands of the existing and future worlds of work in the region.



# Apprenticeship Hub



The Apprenticeship Hub became fully operational in October following extensive research and planning.

The Hub was designed to streamline the process for all stakeholders throughout the apprenticeship journey, with the creation of a single point of contact for apprentices and employers resulting in an improved customer experience.

An investment of more than \$1 million included new IT infrastructure and software. The Hub is staffed by a specialist team of Enrolment and Compliance Officers and Employer and Industry Liaison Officers who provide account management that reinforces trust, confidence, consistency and delivery of useful and timely communications.

The Hub also processes first year apprentice enrolments, handles all apprenticeship and employer enquiries, and liaises with the Australian Apprenticeship Support Network where required.

As an effective one-stop-shop for enquiries, DELTA applications and processes, and implementation of training plans, it will become the gateway for apprentices to access the wide range of information and services they have available to them throughout their training.

The Hub works closely with delivery areas to ensure they are able to focus on quality training. Departmental



benefits include improved compliance, improved student experience, less administrative burden and more time for departments to focus on core business and delivery.

More than 200 apprentice enrolments were processed October to December.

# Chisholm Skills and Jobs Centre

The fourth year of operations for the Chisholm Skills and Jobs Centre (CSJC) was an outstanding success for our Institute and the wider south east Melbourne community.

During 2019 the CSJC supported more than 6000 individuals in job readiness and career planning, and connected more than 500 job opportunities created by business with local job seekers.

The CSJC also provides support for our students seeking employment or wanting to maximise their job options after course completion. Beyond the connection with job seekers and employers the CSJC engages with organisations throughout the Greater Dandenong area to integrate and support new arrivals and ESL job seekers, as well as providing on-site training for employees of local businesses.

In 2019 CSJC created partnerships that incorporated vocational training in welding and civil construction complemented by the delivery of job readiness coaching with organisations such as the Department of Justice and the Civil Contractors Federation.

An Introduction to Trades Day, was also piloted with Mission Australia to support young former offenders, who participated in a pre-apprenticeship class across the automotive, carpentry and plumbing trades.

In 2020, this program will be part of the Mission Australia program for former offenders.

Groomed to Go, a registered not-for-profit and volunteer-based organisation that financially relies on fundraising events, community support, personal and corporate donations and grants, opened a pop up store at the CSJC.

Partnerships in 2019 include:

- > Career Counselling Australia
- > Victorian Government, Justice and Community Safety
- > Helping Young People Achieve
- > Job Prospects
- > Mission Australia
- > Civil Contractors Federation
- > Groomed to Go Inc.

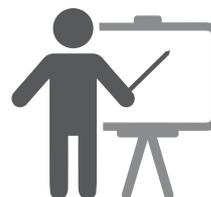
## In 2019, the CSJC achieved the following:



Generated more than \$100K revenue for Chisholm



Recruited 43 employees for Serco



Coached more than 1000 Chisholm students in job readiness



Engaged with 6370 clients – an increase of 17% on previous year



Presented more than 605 hours of job-ready workshops – an increase of 15% on 2018

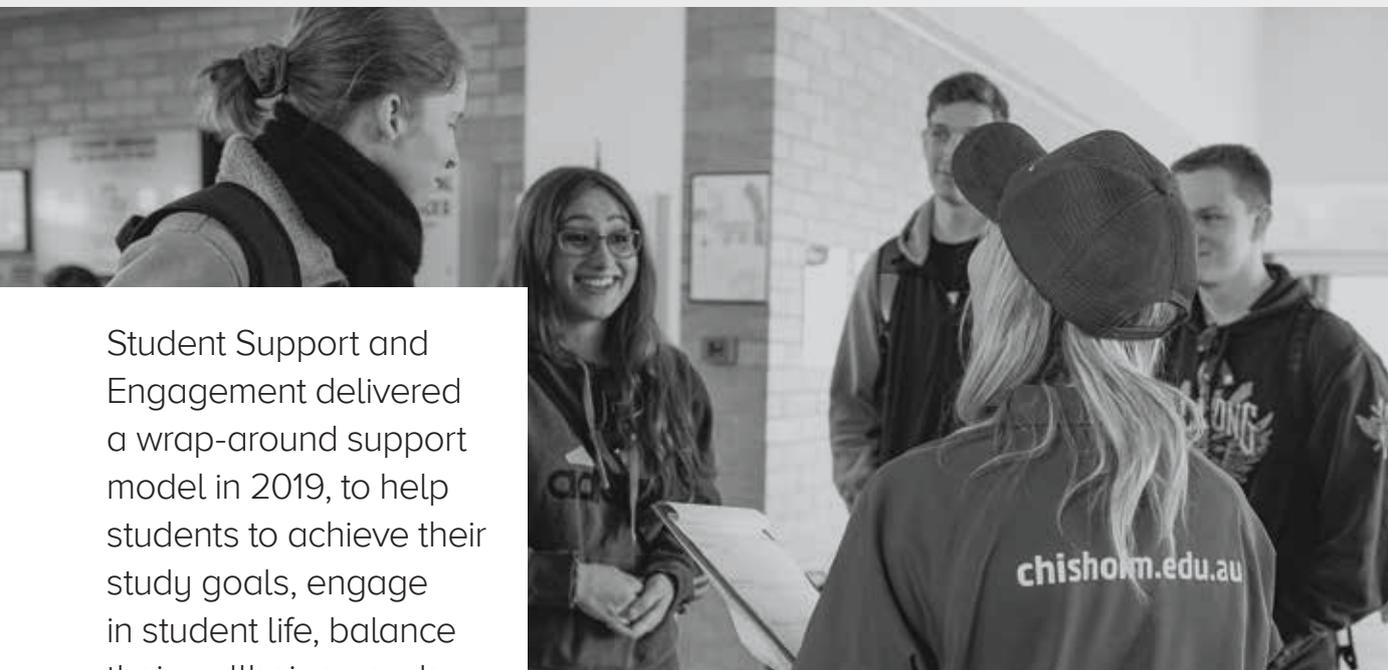


Delivered 1340 hours of individual career counselling support



Facilitated 41 employer briefing sessions – an increase of 109% on 2018

# Student Support and Engagement



Student Support and Engagement delivered a wrap-around support model in 2019, to help students to achieve their study goals, engage in student life, balance their wellbeing needs, and enhance their employability and career readiness.

Service offerings were diverse to meet the breadth of student needs, encourage awareness of the various supports available, and create frequent, easy-to-access opportunities for engagement.

Social connectedness is a crucial driver of student engagement and retention, and is at the centre of everything we do as part of our Student Life activity. More than 9000 students participated in 125 events and activities throughout the year, including Orientation Week, R U OK Day, Harmony Week and Check-In events. We expanded social club offerings following the successful pilot in 2018. We launched a Trips and Tours initiative, providing students with the opportunity to attend off-campus activities at a reduced cost. As part of the focus on social connectedness, we introduced peer-to-peer engagement activity through the Student Ambassador program, running fun and engaging pop-ups to raise awareness

of support networks and services, and encouraged students to connect.

Workshops and in-class sessions were extended in 2019, taking a holistic approach to offerings that focused on all aspects of student life. During the year 263 workshops were delivered, reaching over 4881 students. Themes included the delivery of the three-step career program, budget management, Aboriginal and Torres Strait Islander cultural safety, academic support through information literacy sessions, stress and time management, resilience and mindfulness. The careers team also delivered a live Q&A session to offshore students in Vietnam, providing pathways and career readiness information.

The introduction of Free TAFE in 2019 saw a significant increase in student numbers that lifted the demand on services, creating an unexpected and dramatic increase in the numbers of students needing support. Personal counselling services were in high demand, with a 189 per cent increase in comparison to 2018. There was also a significant increase in students presenting in crisis, eg suicidal ideation, homelessness and severe financial

hardship. Response to demand was swift with the creation of a dedicated Emergency Relief initiative. The initiative's focus was on students in crisis and the immediate supply of resources to help for 24 hours while external agencies could be engaged. Instant support included vouchers for food, personal hygiene items and transport.

Individual support remains a central component of our service model, providing one-on-one individual support to students through a range of services including careers and employability, equitable learning and disability support, indigenous engagement and personal counselling. The engagement portfolio provided 9179 individual support interactions in 2019, an increase of 129 per cent on 2018. This increase was also due to the launch of the Financial Capability service, providing education in budget management, debt, external assistance and general money management. This service was delivered across class workshops, individual support and lunchtime information sessions with more than 520 students engaged.

# Foundation College



## ACADEMIC LEARNING SKILLS UNIT

The Academic Learning Skills Unit supports all Chisholm students to develop key language, literacy and numeracy (LLN) skills. In 2019, LLN specialists worked across Dandenong, Frankston and Berwick campuses to support students in libraries through a drop-in service and via email, embedded LLN programs in vocational courses, support for students transitioning from EAL programs into vocational through the Basic Skills Key Builder preparation program and development of LLN resources that are accessed through the Chisholm website and aimed at providing a revision of key skills.

The academic skills support in libraries is a service staffed by qualified teachers experienced in providing LLN skills support to students. It operates at Berwick, Dandenong and Frankston

campuses for approximately three hours per day, five days a week per campus. More than 1000 students accessed this support in 2019.

The embedded program brings an LLN teacher into vocational classrooms to support students in a co-delivery model. This model is based on educational principles aimed at supporting students, as well as ongoing development of all staff in supporting LLN needs. In 2019 co-delivery models operated across areas such as plumbing, early childhood education, community services, hair and beauty, cyber security and education support.

The co-delivery model enhances student support and inclusive practices in many ways, including provision of a specialist literacy/numeracy teacher in a timely manner, opportunities to address whole class and individual needs and contextualisation of the LLN delivery.

## COMMUNITY COLLABORATION

We collaborate with Learn Locals, Community and Neighbourhood Houses, culturally and linguistically diverse communities and agencies, youth, health, education, multicultural, settlement, employment and other community services and organisations. Examples include Monash Multicultural & Settlement Services Network, SER Settlement Planning Committee, Employment Network meetings across the south east and Mornington Peninsula, Greater Dandenong Youth Network, South East CALD Network, South East Flexible Learning Network and Mornington Peninsula Flexible Learning Network. This activity supports understanding around the barriers to education and employment access, as well as the dynamic support needs of those engaging.

## YOUTH CONNECTIONS

Reconnect networks also continue to build relationships with youth, justice and community networks across the south east and Mornington Peninsula. Through the Reconnect program, high needs learners are supported to engage with and stay in education. As well as help with LLN and study skills, the program provides specialist support services in health, personal relationships, mentoring and accommodation, connecting with external services and programs, such as Centre for Multicultural youth, Southern Migrant and Refugee Centre and Mission Australia. All clients are exited through referral to the CJSC.

## BEYOND THE CLASSROOM

During 2019, we partnered with the South East Local Learning and Employment Network to host the Fabulous Futures Careers Event. The event was hosted to support students studying at our Foundation College. It provided them with information on industry trends and employment opportunities in the south east, and connected them to one of the 61 agencies that support individuals with finding employment.

More than 250 students participated in the seminar from across all campuses and there was an opportunity for students to talk to Chisholm delivery areas about further study.

In March, a new fire safety program was launched for our culturally diverse student cohort as part of our commitment to serve the growing south east communities of Melbourne. The Fired Up! English program, a partnership with the Country Fire Authority, was inaugurated at the Dandenong campus in an activity day for over 600 students from our campuses across the region.

The Fired Up! English program supports English as Additional Language (EAL) students and participants in the Adult Migrant English Program (AMEP). Many of the students are new arrivals to Australia, and the program has been designed to introduce them to fire safety protocols and raise awareness about its importance to the community.



## ADULT MIGRANT ENGLISH PROGRAM

In 2019, new relationships developed through the AMEP continued to grow to support new arrivals. These included asylum seeker and settlement support agencies such as the Asylum Seeker Resource Centre, Southern Migrant and Refugee Centre and Humanitarian Settlement Program providers.

In partnership with Learn Locals, we deliver AMEP offsite at various locations. As the sole provider of the AMEP in Melbourne's south east and Mornington Peninsula region, we delivered AMEP classes at 10 locations and saw 5507 enrolments in our EAL courses under the AMEP funding stream.

This supports an initial transition from pre-accredited to accredited training. Once students have addressed primary settlement needs they can then pathway to our campuses for the AMEP and foundation skills

building programs including those focusing on social and employment development. In 2019 CALD AMEP graduates who could afford to pay the concession rates sought pathway services and access to Skills First delivery. Others unable to participate in vocational pathways are referred to conversational English classes and pre-accredited training offered by Learn Local and community organisations.

Dandenong Neighbourhood House currently delivers pre-accredited training at Dandenong campus. Access to this service is for potential Skills First students transitioning from AMEP who need to accrue savings to pay for their student loan or Skills First concession fees, as well as potential AMEP students awaiting eligibility. This program bridges the gap between funding streams, allowing uninterrupted LLN progress.

# Caroline Chisholm Education Foundation

## OVERVIEW

The mission of the Caroline Chisholm Education Foundation is to help students in financial hardship receive a high quality vocational educational qualification.

The scholarships enable students who are experiencing personal hardship in their life to obtain a rewarding outcome, which is one step closer to making positive changes for their future education or employment opportunities. Students are able to build their self-esteem and self-worth, providing meaningful role models for family and community.

The Foundation was established in 2007 and is an independent charitable entity. It is a registered charity with the Australian Charities and Not-for-profits Commission, and is a deductible gift recipient.

Our Institute funds the administrative costs of the Foundation which allows 100 per cent of donations to be allocated to student scholarships. Since the establishment of the Foundation over 2,000 scholarships have been granted at a cost of over \$2 million.

Over \$100,000 was raised through grant submissions and another \$67,000 from the annual charity golf day. Individual and company donations also helped the Foundation exceed the budgeted revenue for 2019.

## GOVERNANCE

Members of the Board of Trustees are all volunteers, with many members previously or presently holding positions in companies at senior management, CEO and board level.

In 2019, the Foundation's Board of Trustees included:

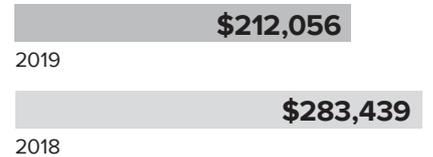
- > David Willersdorf (Chair)
- > David Mann AM (Chisholm Board)
- > Aleksandar Vasiljevic OAM
- > Robert Hill APM
- > Ian Predl AM
- > Billie Stapleton (from 1 October 2019)
- > Madonna Walters (from 1 October 2019 to 13 December 2019)
- > Stephen Varty (CEO of Chisholm, from 18 November 2019)
- > Jane McLennan (from 1 March 2019)
- > Trish Wilson (from 1 March 2019).

## ACHIEVEMENTS FOR 2019

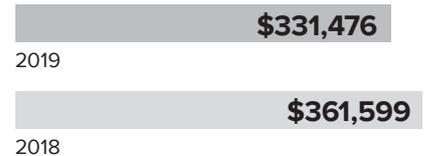
Number of scholarships awarded



Funding provided to scholarship recipients



Donations and fundraising



## FROM DREAM TO REALITY...

Sinead Boss was awarded a Caroline Chisholm Education Foundation Scholarship in June 2018 to support her studies in the Diploma of Screen and Media.

In Sinead's own words, the course was her dream and her passion but she was unable to afford the \$2000 cost of the materials and tools. Sinead's application for a Foundation Scholarship was successful and in June 2019, she was selected as Chisholm's Vocational Student of the Year.

In accepting her award, Sinead expressed her sincere thanks to the Caroline Chisholm Education Foundation and its donors.

# Work Health, Safety and Wellbeing



As a Workplace of Choice, we are dedicated to providing a healthy and safe environment for staff, students, visitors and contractors.

We consider workplace injuries to be preventable and strive to ensure that best practice workplace health, safety and wellbeing (HSW) systems that focus on wellbeing and people capability are integrated into business area operations.

HSW is a key priority and this commitment is demonstrated through training, targeted initiatives and programs as outlined in the 'Safe and Well' theme of our People Plan 2019–2021.

In 2019 we continued our strong emphasis on staff and student wellbeing with many programs and initiatives successfully delivered throughout the year in line with the People Plan, including but not limited to:

- > development and implementation of an Executive Safety Walks program to improve HSW culture through facilitated discussion and visible leadership, and to build shared ownership of HSW outcomes
- > implementation of a Student Laceration Risk Reduction Project with multilayered risk controls, which resulted in a 59 per cent reduction in student laceration incidents in 2019 compared to the previous calendar year
- > implementation of an integrated online incident reporting system and a case management system for WorkCover and personal injuries cases to enable early engagement and proactive case management for improved outcomes
- > successful delivery of a broad range of HSW training programs through our Wellbeing Hub encompassing active threat, child safe, chemical management, emergency warden, first aid (mental and physical), incident reporting & risk management, induction and mental health and wellbeing, occupational violence
- > significant investment in campus facilities safety upgrades to improve engineering risk controls for dangerous goods storage and handling practices, and traffic management (forklift, pedestrian and vehicle interactions)
- > refinement and implementation of HSW business area plans to focus on three key areas (systems, people, and culture) to ensure implementation of effective systems that focus on the wellbeing and capability of staff to create an organisational culture that promotes accountability and values the wellbeing of our people
- > a well attended and proactive HSW Committee that facilitates consultation and engagement between health and safety representatives and management representatives to continuously improve HSW outcomes.

## INCIDENTS

Hazard and incident reports for full time employees (FTE) between 1 January 2019 and 31 December 2019.

	2019	2018	2017
Total hazard and incident reports*	287	312	306
Total 'lost time' standard WorkCover claims	5	7	8
Total cost of all 'lost time' WorkCover claims**	\$173,843	\$401,005	\$171,392
Per 100 FTE staff (annual average)***	11.16	9.92	8.96
Number of hazard and incident reports****	25.72	31.45	34.15
Number of 'lost time' standard WorkCover claims*****	0.45	0.71	0.89
Accepted WorkCover claims	9	8	8
Accepted and rejected WorkCover claims	11	9	13
Total cost of WorkCover claims*****	\$1,517,774	\$968,718	\$1,309,198
Average cost per WorkCover claim	\$16,888	\$44,556	\$14,964

Notes:

\* All Chisholm related incidents for employees, students, contractors and visitors

\*\* Lost time claims only

\*\*\* Total annualised FTE divided by 100

\*\*\*\* Number of hazard and incident reports per 100 FTE (annualised)

\*\*\*\*\* Number of lost time standard WorkCover claims per 100 FTE (annualised)

\*\*\*\*\* All premium sensitive claims

## WORKCOVER/RETURN TO WORK

Of the nine accepted claims in 2019, only one claimant has not returned to full hours or duties and continues to receive active claims and injury management support.

Despite only nine accepted WorkCover claims in 2019, WorkCover premium for 2019–2020 responded to the higher claim costs of historical claims and increase in staffing numbers.

Ongoing focus on early and proactive engagement in injury management (including personal injury) will assist in continued improvement in WorkCover performance for 2020–21.

### 2019

Number of new claims for WorkCover	11
Accepted claims	9
Rejected claims	2
Pending WorkCover decisions	0
Conciliation after rejection of claim	0

On a rolling average, the number of premium sensitive claims at the end of 2019 was 28.

	2016	2017	2018	2019
No. of accepted claims	3	8	8	9

# Workforce Data Equivalent Full Time (FTE) Staff

## Performance and Accountability Framework FTE Table (January 2018 – December 2019)

All employees have been correctly classified in the workforce data collections.

Dec 2019	Full time		Part time		Teacher	Casual Other	Total
	Ongoing	Fixed term	Ongoing	Fixed term			
PACCT staff	164.5	170.2	40.4	22.6	NA	25.8	423.4
Executive	-	10.1	-	0.2	NA	-	10.3
Other	-	-	-	-	NA	-	0.0
Teacher	222.8	115.1	66.3	11.4	266.5	NA	682.1
<b>Total</b>	<b>387.2</b>	<b>295.4</b>	<b>106.7</b>	<b>34.2</b>	<b>266.5</b>	<b>25.8</b>	<b>1115.8</b>

## Dec 2018

PACCT staff	87.0	240.0	27.6	34.3	NA	11.7	400.5
Executive	-	9.0	-	-	NA	-	9.0
Other	-	-	-	-	NA	-	0.0
Teacher	69.0	179.0	19.0	17.9	293.1	NA	578.0
<b>Total</b>	<b>156.0</b>	<b>428.0</b>	<b>46.6</b>	<b>52.2</b>	<b>293.1</b>	<b>11.7</b>	<b>987.5</b>

## Workforce Disclosures (December 2018 – December 2019)

Dec 2019	All employees				Ongoing	Fixed term and casual	
	Number (headcount)	FTE	Full time (headcount)	Part time (headcount)	FTE	Number (headcount)	FTE
<b>Gender</b>							
Women executives	10	6.0	-	-	-	10	6.0
Women (total staff)	1065	630.0	226	145	287.9	694	342.1
Men executives	7	5.0	-	-	-	7	5.0
Men (total staff)	745	474.7	217	34	206.0	494	268.7
Self-described	-	-	-	-	-	-	-
<b>Age</b>							
15–24	55	19.2	4	2	2.8	49	16.4
25–34	261	144.4	45	18	44.9	198	99.5
35–44	419	258.1	106	36	113.3	277	144.7
45–54	522	337.6	134	47	150.0	341	187.5
55–64	437	287.7	129	58	151.8	250	135.9
Over 64	133	68.9	25	18	31.2	90	37.7
<b>Total employees</b>	<b>1827</b>	<b>1115.8</b>	<b>443</b>	<b>179</b>	<b>493.9</b>	<b>1205</b>	<b>621.9</b>

## Workforce Disclosures (December 2018 – December 2019) (CONTINUED)

Dec 2018	All employees				Ongoing	Fixed term and casual	
	Number (headcount)	FTE	Full time (headcount)	Part time (headcount)	FTE	Number (headcount)	FTE
<b>Gender</b>							
Women executives	4	4.0	-	-	-	4	4.0
Women (total staff)	850	562.9	72	56	109.4	722	453.5
Men executives	5	5.0	-	-	-	5	5.0
Men (total staff)	595	415.6	84	14	93.2	497	322.4
Self-described	-	-	-	-	-	-	-
<b>Age</b>							
15–24	40	20.6	2	1	2.5	37	18.1
25–34	195	129.5	4	4	5.9	187	123.6
35–44	350	231.1	18	9	24.9	323	206.2
45–54	393	280.4	53	23	68.4	317	212.0
55–64	361	264.2	67	24	83.2	270	181.0
Over 64	115	61.7	12	9	17.7	94	44.0
<b>Total employees</b>	<b>1,454</b>	<b>987.5</b>	<b>156</b>	<b>70</b>	<b>202.6</b>	<b>1,228</b>	<b>784.9</b>

Note: The 2018 figure reported in the 2018 annual report differs due to :

- > An adjustment to the approach for reporting FTEs occurred during 2019, with annualised numbers reported (2018 FTEs were based on data as at 31 December 2018).
- > The Free TAFE initiative impacted on the number of teaching staff in the Institute, an increase in FTE in 2019 compared to 2018.
- > With a commitment to secure employment, ongoing employment for both Teaching and PACCT staff increased during 2019.

## GENERAL STATEMENT ON INDUSTRIAL RELATIONS

We continue to regularly consult with the Australian Education Union and the National Tertiary Education Union through consultative committees and more generally on matters affecting employees.

In 2019 the Chisholm Professional Staff Agreement 2018 came into operation and was successfully implemented. We also use the dispute resolution procedures in our Industrial Agreements so that issues that arise are addressed appropriately and in a timely manner.

## PUBLIC SECTOR EMPLOYMENT AND CONDUCT PRINCIPLES

Our employment policies and processes are based on the principle of merit, relevant awards, enterprise agreements, statutory requirements and best practice public sector approaches. The Staff Code of Conduct is provided to new starters in their induction and guides all staff on expected behaviour and professional conduct. The Code is based on our values, the Victorian Public Sector Code of Conduct and other good practice examples. We are committed to equal opportunity and fair and transparent processes in all people, culture and safety policies and procedures.

# Statistical Overview

## CHISHOLM CONSOLIDATED (INCLUDES CHISHOLM ONLINE)

Student numbers	2019	2018
Government funded accredited programs	19,707	15,673
Fee for service programs	22,974	22,536
(Less) student enrolments in both government accredited programs and fee for service programs	-1,448	-1,639
<b>Total net student numbers</b>	<b>41,233</b>	<b>36,570</b>

Student contact hour delivery	2019	2018
Government funded accredited programs	7,624,209	6,394,419
Fee for service programs	5,966,277	6,279,835
<b>Total student contact hour delivery</b>	<b>13,590,486</b>	<b>12,674,254</b>

Student numbers by age	2019		2018	
	Student enrolments	Per cent	Student enrolments	Per cent
Under 15	193	0.5%	168	0.5%
15–19	12,300	29.8%	12,255	33.5%
20–24	9,643	23.4%	8,340	22.8%
25–39	10,754	26.1%	8,577	23.5%
40–64	7,980	19.4%	6,953	19.0%
Over 65	360	0.9%	273	0.7%
Not stated	3	0.0%	4	0.0%
<b>Total</b>	<b>41,233</b>	<b>100.0%</b>	<b>36,570</b>	<b>100.0%</b>

Student numbers by gender	2019		2018	
	Student enrolments	Per cent	Student enrolments	Per cent
Female	17,590	42.7%	14,631	40.0%
Male	23,479	56.9%	21,895	59.9%
X Indeterminate/Intersex/Unspecified	164	0.4%	44	0.1%
<b>Total</b>	<b>41,233</b>	<b>100.0%</b>	<b>36,570</b>	<b>100.0%</b>

## Course enrolment and student contact hours by campus

Campus	2019				2018			
	Course enrolments*	Per cent	Student contact hours	Per cent	Course enrolments*	Per cent	Student contact hours	Per cent
Dandenong	11,835	23.7%	2,693,031	19.8%	11,001	24.3%	2,619,934	20.7%
Frankston	9,493	19.0%	2,664,102	19.6%	7,982	17.6%	2,267,158	17.9%
Offshore Delivery	7,730	15.5%	3,381,889	24.9%	7,759	17.1%	3,416,545	27.0%
Berwick	4,750	9.5%	1,466,531	10.8%	4,959	10.9%	1,695,933	13.4%
Workplace	4,720	9.5%	833,770	6.1%	6,412	14.1%	1,112,570	8.8%
Chisholm Online	2,776	5.6%	576,783	4.2%	1,202	2.7%	266,469	2.1%
Cranbourne	2,536	5.1%	460,360	3.4%	2,178	4.8%	394,176	3.1%
Springvale	1,029	2.1%	129,574	-	-	-	-	-
Mornington Peninsula	942	1.9%	194,543	1.4%	828	1.8%	150,520	1.2%
Adult Migrant English Program (AMEP) campuses	865	1.7%	98,572	0.7%	1,312	2.9%	314,391	2.5%
Berwick TEC	804	1.6%	356,815	-	-	-	-	-
Auspiced Schools	681	1.4%	135,210	1.0%	1,003	2.2%	217,153	1.7%
3rd Party	676	1.4%	280,390	-	-	-	-	-
Berwick TEC	644	1.3%	178,848	-	-	-	-	-
Bass Coast	239	0.5%	99,865	0.7%	259	0.6%	75,944	0.6%
City Campus – Lonsdale Street	73	0.1%	11,758	0.1%	140	0.3%	35,608	0.3%
Chisholm @ 311	63	0.1%	14,477	0.1%	167	0.4%	63,920	0.5%
Geelong	62	0.1%	13,968	-	-	-	-	-
City Campus – Flinders Lane	-	0.0%	-	0.0%	118	0.3%	43,933	0.3%
<b>Total</b>	<b>49,918</b>	<b>100.0%</b>	<b>13,590,486</b>	<b>100.0%</b>	<b>45,320</b>	<b>100.0%</b>	<b>12,674,254</b>	<b>100.0%</b>

\*individual students can choose to enrol at multiple campuses.

# Financial Performance Summary

Chisholm Consolidated, comprising Chisholm Institute, Caroline Chisholm Foundation and Chisholm Online recorded a net surplus of \$0.9 million (2018: \$25.5 million surplus) compared to a Board approved budget net deficit of \$2.1 million, largely as a result of higher government revenues driven by Free TAFE and government capital contributions for campus infrastructure redevelopment.

Growth through the introduction of Free TAFE has resulted in higher teaching salaries, however this has been offset by controlling operational spend. Redevelopment of the Frankston, Berwick and Casey Tech School campuses and continued investment in IT was forefront throughout the year.

Chisholm Consolidated is focused on its strategic priorities of quality training and education, revenue growth and diversification, its people and student experience, while continuing to improve efficiency and productivity, and continuing investment in capital initiatives where viable.

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>					
Summary of financial results					
Total income from transactions	174,449	175,735	165,564	141,123	125,453
Total expenses from transactions	173,607	150,205	132,216	121,724	119,284
<b>Net result from transactions (Net operating balance)</b>	<b>842</b>	<b>25,530</b>	<b>33,348</b>	<b>19,399</b>	<b>6,169</b>
Other economic flows included in net result	58	(23)	(156)	(5,954)	(91)
<b>Net result</b>	<b>900</b>	<b>25,507</b>	<b>33,192</b>	<b>13,445</b>	<b>6,078</b>
Other economic flows – other comprehensive income	-	-	18,325	9,804	-
<b>Comprehensive result</b>	<b>900</b>	<b>25,507</b>	<b>51,517</b>	<b>23,249</b>	<b>6,078</b>

At 31 December 2019, Chisholm Institute's consolidated net assets were \$401 million (2018: \$400.1 million):

- > increase in assets is due to the redevelopment projects in Frankston, Berwick and Casey Tech School campuses as well as continued investment in IT projects
- > increase in liabilities is primarily due to an increase in one off grant funds received but held as prepayments.

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>					
Summary of financial position					
Total assets	442,380	431,765	397,017	344,822	319,549
Total liabilities	41,367	31,652	22,411	21,732	19,707
<b>Net assets</b>	<b>401,013</b>	<b>400,113</b>	<b>374,606</b>	<b>323,090</b>	<b>299,842</b>

At the time of finalising the financial statements in this Annual Report and receiving the audit opinion from the Victorian Auditor-General's Office, the potential impact of COVID-19 on subsequent reporting periods was not known. Chisholm Group has since introduced measures to assist those affected, including ongoing advice and support, as the situation continues to evolve. Chisholm Group continues to monitor the non-financial and financial impacts of COVID-19 on its operations and cash flow however, due to the significant amount of material uncertainty, it is not possible to quantify the full economic outflow at present. To mitigate this risk, the Department of Education and Training has provided a letter of comfort to Chisholm Group to provide a level of assurance that financial assistance will be made available for Chisholm Group to continue as a going concern. Chisholm Group is working closely with the Department of Education and Training to ensure that an appropriate funding model is developed to minimise the loss in training revenue in the event that this should occur.

# Board and Committees

Chisholm is Victoria's premier public VET provider, prominently located across Melbourne's south east industrial heartland and residential growth corridors.

The Institute is structured to encourage innovative and responsive leadership from within and across all levels. Teaching and professional business areas are organised in business groups under the responsibility of directors.

## 2019 BOARD MEMBERS

Full name	Category	Term
Stephen Marks	Ministerial Appointed Director, Elected Board Chair	Full year
Dr Rick Ede	Director and Chief Executive Officer	Up to 8/4/19
Stephen Varty	Director and Chief Executive Officer	From 18/11/19
John Bennie	Ministerial Appointed Director	Full year
Dr Anne Jones	Ministerial Appointed Director	Full year
Dr Mei Ling Doery	Ministerial Appointed Director	Full year
Prue Digby	Ministerial Appointed Director	Full year
Peter Malone	Staff Elected Director	Full year
Lisa Norman	Board Co-opted Director	Full year
Sandra Andersen	Board Co-opted Director	Up to 31/7/19
David Mann	Board Co-opted Director	Full year
Geoffrey Cullen	Board Co-opted Director	From 12/11/19



### STEPHEN G. MARKS

#### Ministerial Appointed Director, Elected Board Chair

Stephen is a Fellow of the Institute of Chartered Accountants in Australia with over 40 years' experience. He was formerly National Chairman of Sothertons Chartered Accountants. He has also acted as a probity auditor and advisor to various state and federal governments. Stephen is now a professional director, having been a director of numerous companies and organisations throughout his career. He currently acts as a board member of St. Vincent's Institute and The Production Company.



### STEPHEN VARTY MAICD

#### Director and Chief Executive Officer

Stephen was appointed to the position of Director and Chief Executive Officer (CEO) from 18 November 2019, having held the position of interim CEO since April 2019. Previous to this he held the position of Chief of Education, having joined Chisholm in 2015 from Victoria University where he was the Director of Innovation and Engagement. Stephen has held a number of senior managerial leadership positions across the VET and Higher Education sectors both in the UK and Australia. Stephen holds a Bachelor of Education – VET (Charles Sturt University), a Graduate Certificate in Educational Leadership (Victoria University) and a Master of Education (Victoria University).



## **PRUE DIGBY**

### **Ministerial Appointed Director**

Prue has had over 30 years' experience working in senior executive roles providing community and publicly related services to Melbourne and regional Victoria in the state, local and non-government sectors. Prue is the former CEO of the Victorian Building Authority, Deputy Secretary of Planning and Local Government in Victoria, and CEO of the City of Yarra. Prue currently serves on a number of statutory and charitable boards.



## **JOHN BENNIE PSM**

### **Ministerial Appointed Director**

John has been CEO of Greater Dandenong City Council since 2006. He is a former director of the South East Melbourne Manufacturers' Alliance, immediate past Chair of the Southern Melbourne Regional Development Australia Committee and National President of Local Government Managers Australia. He was previously CEO of Manningham City Council and a board member of South East Development (Melbourne) Area Consultative Committee.



## **DR ANNE JONES**

### **Ministerial Appointed Director**

Anne is a researcher and consultant in VET policy. She is a member of Tradeswomen Australia's Strategy Council and an Emeritus Professor at Victoria University. Her work has included 16 years in senior executive roles such as Deputy Vice Chancellor (Academic and Students), Deputy Vice Chancellor and Director TAFE at Victoria University and Executive Director Learning and Academic Affairs at Box Hill Institute. Anne has led a wide range of VET and higher educational programs.



## **DR MEI LING DOERY**

### **Ministerial Appointed Director**

Mei is a physician strategist and founder of MDMD, a boutique strategy and design practice that operates at the intersection of health and innovation. Mei has a particular interest in the emotional factors that impact decision-making relating to health and performance. Her mission is to better align capital with people and businesses that serve the creation of long-term human value. Mei's perspective on contemporary health challenges is informed by roles as medical advisor for the Department of Veteran Affairs and past roles with the Australian Defence Force, team doctor for an AFL football team, executive physician at BUPA Wellness, board member at the Victorian Health Promotion Foundation, and as independent advisor to several organisations including the Parliament of Victoria and CSIRO.



## **LISA NORMAN**

### **Board Co-opted Director**

Lisa is CEO of St John of God Berwick Hospital. Lisa has worked in the health industry for 30 years and in executive leadership roles for 17 years. Initially gaining qualifications as a registered nurse, she went on to gain qualifications in critical care nursing specialising in emergency and trauma nursing. She also has a Graduate Certificate in Catholic Leadership and Culture. Lisa has recently been appointed by the Department of Health and Human Services to the Victorian Clinical Council.



## **DAVID MANN AM, FAICD**

### **Board Co-opted Director**

David is Chair of Entertainment Assist, the Victoria Police Blue Ribbon Foundation, the Victoria Police Blue Ribbon Day Community Council and the Mount Macedon Memorial Cross Community Committee of Management. David is also a board member of The Production Company, Connected Communities Melbourne and Managing Director, Mann Promotions Pty Ltd, a company focused on promotions, marketing, public relations and crisis management.



## **GEOFFREY CULLEN**

### **Board Co-opted Director**

Geoff is a finance professional with over 40 years' experience in banking, finance and risk management. He has held senior executive positions in Australia, New Zealand, the UK and the USA. Geoff has worked in the not for profit sector in risk management, governance, compliance and finance, and is a member of the Finance, Risk and Governance Committee of Skyline Education Foundation, where he previously served as the director responsible for finance and risk. He currently chairs a risk committee in the private sector and serves as an independent member on the investment committees of two unlisted property finance funds.



## **PETER MALONE**

### **Staff Elected Director**

Peter has served as an officer in the Royal Australian Navy where he performed duties such as Formation Ground Safety Officer (RAAF Williams), Training Development Manager (HMAS Cerberus) and as an Indonesian linguist and interpreter in Australia, overseas and on foreign warships. Peter has a diverse background including research assistant at CSIRO, teaching English as another language (EAL Monash University), foreign language teaching (Indonesian Swinburne University), all the traditional sciences (pure and applied), manager of a multimedia development centre, curriculum developer and project manager for a number of major materials development projects. Peter has a Bachelor of Applied Science, Graduate Diploma in Education, Master of Education, Graduate Certificate in Computing, Graduate Diploma in TESOL and Graduate Certificate in Indonesian.

# Executive Directors Group

## Chief Executive Officer

**18 February 2019 – 8 April 2019:**  
Dr Rick Ede

**18 November 2019 – 31 December 2019:**  
Stephen Varty

The CEO is responsible for providing strategic and operational leadership to Chisholm and its entities. The position contributes to the achievement of our 2020 vision of leading the way in education and training. The CEO leads and drives the achievement of our Institute's strategic vision to be Institute, Partner and Workplace of Choice.

1 January 2019 – 17 February 2019:  
Stephen Varty (Interim)

9 April 2019 – 17 November 2019:  
Stephen Varty (Interim)

## Executive Director – People, Culture and Safety

**1 January 2019 – 31 December 2019:**  
Delia McIver

The Executive Director People, Culture and Safety leads the development and implementation of the People strategy for our workforce including organisational development, workforce planning, human resource management, employee relations and health, safety and wellbeing. The position is responsible for driving a high performing organisation and supporting cultural change. The role has a strong focus on our people and their capability profile, and is responsible for realising potential to achieve greater organisational effectiveness.

## Chief Operating Officer

**14 January 2019 – 31 December 2019:**  
David Colliver

The Chief Operating Officer develops and improves our Institute's core operating systems to enable the achievement of our Strategic Plan 2020 and Operational Plans. The role is responsible for ensuring we achieve our strategic directions by being a key driver of infrastructure for facilities and IT, as well as essential student functions including academic administration and the student on-boarding experience.

1 January 2019 – 13 January 2019:  
David Collier (Acting)

## Chief of Education

**18 February 2019 – 8 April 2019:**  
Stephen Varty

The Chief of Education leads the development and implementation of the educational strategy, aligned to our Institute's 2020 vision. The position provides strategic educational leadership and expertise across all aspects of educational delivery, planning and performance for students and partners, allowing the best in class outcomes for students. This includes all sectors of educational delivery – vocational, higher education and senior secondary both domestically and internationally. The Chief of Education also drives innovative educational initiatives to ensure that delivery remains at the forefront of current and future Institute needs.

1 January 2019 – 29 January 2019:  
Amanda Achterberg (Acting)

30 January 2019 – 17 February 2019:  
(Vacant)

6 May 2019 – 12 July 2019:  
Nita Schultz (Interim)

13 July 2019 – 31 December 2019:  
(Vacant)

## Chief of Staff

**1 January 2019 – 18 August 2019:**  
Jane McLennan

**11 November 2019 – 31 December 2019:**  
Caitlin Crosby

The Chief of Staff supports the Chief Executive's office and is a key point of contact for interaction with external stakeholders, particularly government relations. The position manages the Office of the CEO and is a key role supporting the functions of the Executive team and contributing strategic analysis of our Institute's program profile.

19 August 2019 – 10 November 2019:  
(Vacant)

## Chief Commercial Officer

**1 January 2019 – 31 December 2019:**  
Noel Lyons

The Chief Commercial Officer is accountable for providing strategic and operation leadership to our commercial functions, both domestically and internationally. The role identifies

business opportunities aligned to our Institute's 2020 vision to drive growth and deliver revenue targets. The role focuses on business development, operational delivery and management of projects, and plays a key role in supporting international students.

## Chief Financial Officer

**18 March 2019 – 31 December 2019:**  
Toniann Stitz

The Chief Financial Officer is responsible for providing leadership, strategic direction and advice on our Institute's financial plan and investments, as well as financial operations and activities. The role ensures that a financial governance framework is in place and that policies, accounting standards and sound financial management practices are adhered to.

1 January 2019 – 17 March 2019:  
Toniann Stitz (Interim)

## Executive Director – Teaching and Learning

The Executive Director Teaching and Learning role ensures that Chisholm provides the best possible education, training and learning experiences for all student groups and drives educational excellence across the Institute. The position is also responsible for ensuring that we provide high quality, innovative and responsive education and training that meets the needs of students, industry and other clients.

1 January 2019 – 13 January 2019:  
(Vacant)

14 January 2019 – 12 July 2019:  
Nita Schultz (Acting)

## Executive Director – Student Success & Support

**19 August 2019 – 31 December 2019:**  
Jane McLennan

The Executive Director Student Success and Support is a new portfolio and role created during 2019 with a focus on ensuring seamless and enriching end-to-end student service provision. The role drives revenue growth and student retention in an increasingly competitive national and international marketplace, with focus aligned to our 2020 vision.

# Corporate Governance

Chisholm Institute and the governing Board of Chisholm Institute are established by the *Education and Training Reform Act 2006 (Vic)*.

Chisholm is governed by a Board representative of government, industry and community. The Board's governance structure includes a number of committees which support the work of the Board in executing its governance responsibilities:

- > Audit and Risk Management Committee
- > Education Committee
- > Infrastructure, Systems and Planning Committee
- > Remuneration Committee
- > Membership Committee.

The Board is ultimately responsible to the Victorian Government for the governance and management of the Institute and is accountable to the relevant Victorian Minister with accountability for Higher Education and Skills.

## OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

The objectives of the Institute established by the Act and the Chisholm Institute Constitution are:

- > to perform its functions for the public benefit by operating its businesses, delivering educational services and utilising assets that it manages on the state's behalf as efficiently as possible and ensuring that it is sustainable in the medium to long term
- > ensuring that its procedures, policies and practices are consistent with prudent commercial practice and endeavoring to maximise its contribution to the economy and wellbeing of the communities and industries served by the Institute and the state as a whole

- > to facilitate student learning, knowledge acquisition, skills for employment and vocational education and training through excellent teaching, innovation and educational leadership that delivers quality outcomes
- > to collaborate as part of a strong public training provider network which is mutually and commercially beneficial to enable the Institute to offer or provide educational services that meet the needs of industry partners and communities, including persons and groups that have particular education needs
- > to facilitate higher education through excellent teaching, innovation and educational leadership that delivers quality outcomes
- > to facilitate increasing opportunities for apprenticeships and traineeships across the relevant Australian industry sectors.

The functions of Chisholm are:

- > to provide the communities and industries serviced by the Institute with efficient and effective technical and further education programs and services
- > to offer and conduct courses of study leading to the conferral of higher education awards
- > subject to the requirements of the Act, to operate as a group training organisation that employs apprentices and other trainees and places them with host employers.

The Institute has the power to do all things that are necessary or convenient to be done for or in connection with, or as incidental to, meeting its objectives or performing its functions. However, the powers of Chisholm are subject to, and must be exercised in accordance with the functions, duties and obligations conferred or imposed on the Institute by:

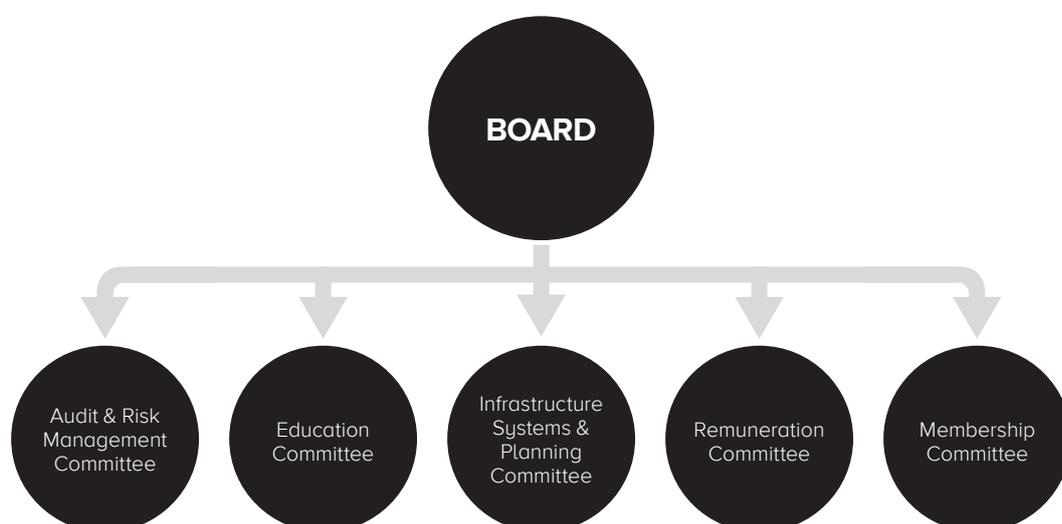
- > the Act and other laws
- > the Constitution
- > Ministerial and government directions and guidelines under the Act and other legislation, laws and conventions
- > the general administrative, social and economic directives and policies established by the Victorian Government from time to time.

The Chisholm Institute Board must take all reasonable steps for the advancement of the objectives of the Institute, while operating in accordance with the economic and social objectives and public sector policy established from time to time by the Minister. While meeting its objectives, the Board is also required to comply with the Chisholm Institute Constitution and provide all assistance and information to the Minister or the Minister's delegates.

## AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established an Audit and Risk Management Committee with responsibilities to assist the Board in ensuring that appropriate governance is implemented across the Institute and relevant controlled entities in relation to internal control and risk management, and external and internal audit, and to independently review the financial statements prior to recommending them to the Board for adoption and approval and release to Parliament.

# Board Committees Chart and Membership



## AUDIT AND RISK MANAGEMENT COMMITTEE

### Prue Digby

Board Director and Committee Chair  
(from 1/8/19)

### Sandra (Sam) Andersen

Board Director and Committee Chair  
(to 31/7/19)

### Dr Anne Jones

Board Director

### Geoff Cullen

Board Director (from 27/11/19)

### Robert Comelli

Board Co-opted Independent Member

### Geoff Harry

Board Co-opted Independent Member

## REMUNERATION COMMITTEE

### Stephen Marks

Board Chair and Committee Chair

### John Bennie

Board Director

### Dr Anne Jones

Board Director

## EDUCATION COMMITTEE

### Dr Anne Jones

Board Director and Committee Chair

### Peter Malone

Board Director

### Stephen Varty

Board Director and CEO (from 18/11/19)

### Dr Mei Ling Doery

Board Director (to 31/7/19)

### Kirsten Bright

Co-opted Independent Member  
(to 12/2/19)

### Ben Jenkinson

Co-opted Independent Member  
(from 28/8/19)

### Dr Rick Ede

Board Director and CEO (to 8/4/19)

## MEMBERSHIP COMMITTEE

### Stephen Marks

Board Chair and Committee Chair

### Dr Anne Jones

Board Director

### Stephen Varty

Board Director and CEO (from 18/11/19)

### Dr Rick Ede

Board Director and CEO (to 8/4/19)

### David Mann

Board Director

## INFRASTRUCTURE, SYSTEMS AND PLANNING COMMITTEE

### Lisa Norman

Board Director and Committee Chair

### John Bennie

Board Director

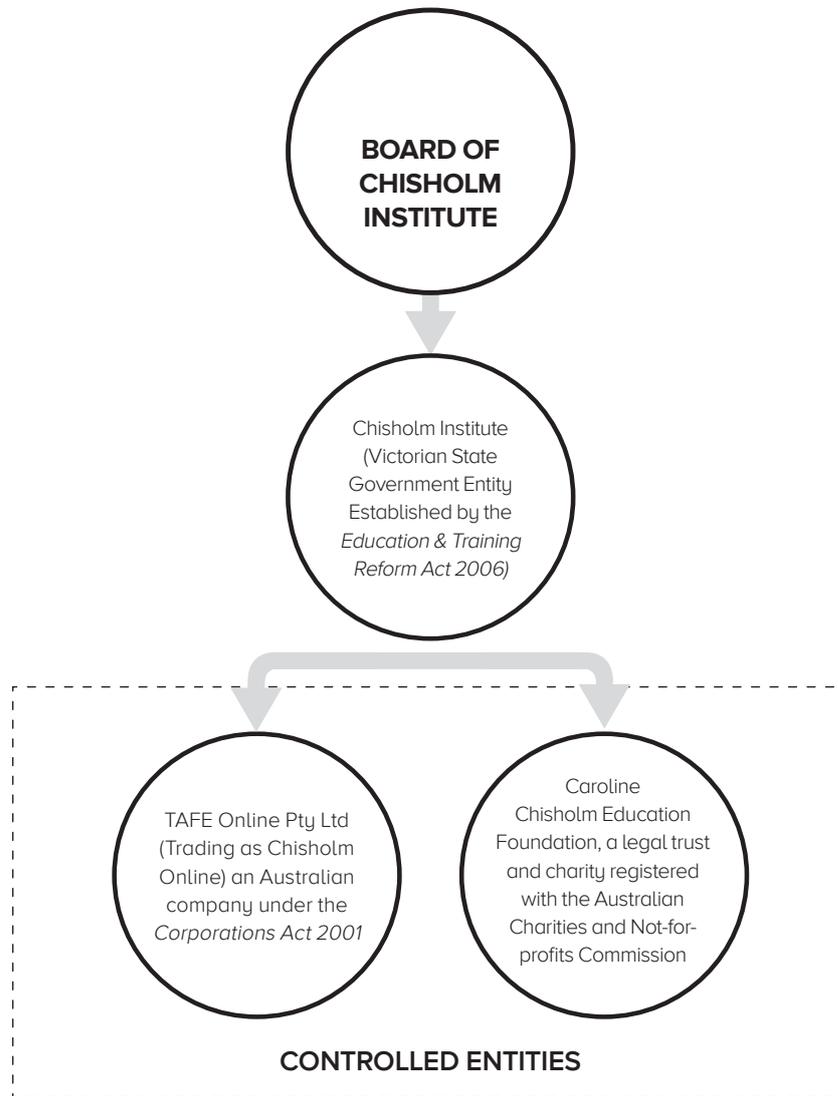
### Dr Mei Ling Doery

Board Director

### Robert Johnson

Board Co-opted Member

# Controlled Entities



## DIRECTORS OF TAFE ONLINE PTY LTD (CHISHOLM ONLINE)

### Stephen Marks

Chisholm Online Chair

### Sandra (Sam) Andersen

Director (to 31/7/19)

### Dr Mei Ling Doery

Director

### Dr Rick Ede

Managing Director (to 8/4/19)

## TRUSTEES OF CAROLINE CHISHOLM EDUCATION FOUNDATION

### David Willersdorf

Chair

### David Mann

Chisholm Board

### Dr Rick Ede

Chisholm Institute CEO (to 8/4/19)

### Stephen Varty

Chisholm Institute CEO (from 18/11/19)

### Jane McLennan

Chisholm Institute staff member (from 01/03/19)

### Amanda Achterberg

Chisholm Institute staff member (to 30/01/19)

### Trish Wilson

Chisholm Institute staff member (from 01/03/19)

### Aleks Vass

Community Member

### Robert Hill

Community Member

### Ian Predl

Community Member

### Billie Stapleton

Community Member (from 1/10/19)

### Madonna Walters

Community Member (from 01/10/19 to 13/12/19)

# Attestations

## **Chisholm Institute Financial Management Compliance Attestation Statement**

I, Stephen G Marks, on behalf of the Responsible Body, certify that Chisholm Institute has complied with the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'Stephen G Marks', written in a cursive style.

**STEPHEN G MARKS**

**Board Chair**

Date: 26 February 2020

Place: Dandenong

# Consolidated Financial Statements

For the year ending 31 December 2019

## Independent Auditor's Report

### To the Board of the Chisholm Institute

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<b>Opinion</b>	<p>I have audited the financial report of the Chisholm Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"><li>• consolidated entity and institute balance sheet as at 31 December 2019</li><li>• consolidated entity and institute comprehensive operating statement for the year then ended</li><li>• consolidated entity and institute statement of changes in equity for the year then ended</li><li>• consolidated entity and institute cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• Declaration by the Chair of the Board, Chief Executive Officer and Chief Finance Officer.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the institute as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with 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>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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# VAGO INDEPENDENT AUDITOR'S REPORT

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute'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 institute to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the institute and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision, and performance of the audit of the institute and consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board 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.

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MELBOURNE  
1 March 2020



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

## DECLARATION BY CHAIR OF THE BOARD, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

We certify that the attached financial statements for Chisholm Institute and the consolidated entity has been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended

31 December 2019 and financial position of the Institute and the Consolidated Group as at 31 December 2019.

At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that the Institute and the Consolidated Group will be able to pay its debts as and when they became due and payable.

The Board Chair and the Chief Executive Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of Chisholm Institute.

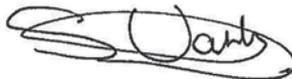


**STEPHEN G MARKS**

**Board Chair**

Date: 26 February 2020

Place: Dandenong



**STEPHEN VARTY**

**Chief Executive Officer**

Date: 26 February 2020

Place: Dandenong



**TONIANN STITZ**

**Chief Finance Officer**

Date: 26 February 2020

Place: Dandenong

# COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2019

	Notes	Consolidated		Chisholm	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Continuing operations</b>					
<b>Income from transactions</b>					
Government contributions	2.1	111,013	110,414	105,486	108,650
Revenue from contracts with customers	2.2	61,139	62,351	60,159	60,933
Other income	2.3	2,297	2,970	2,878	3,964
<b>Total income from transactions</b>		<b>174,449</b>	<b>175,735</b>	<b>168,523</b>	<b>173,547</b>
<b>Expenses from transactions</b>					
Employee benefits	3.1.1	107,411	91,045	103,097	88,570
Depreciation and amortisation	4.1, 4.2	11,725	8,232	11,406	7,949
Supplies and services	3.3	37,995	33,695	37,894	33,576
Finance costs – right of use assets		89	-	89	-
Other operating expenses	3.3.3	16,387	17,233	16,239	17,068
<b>Total expenses from transactions</b>		<b>173,607</b>	<b>150,205</b>	<b>168,725</b>	<b>147,163</b>
<b>Net result from transactions</b>		<b>842</b>	<b>25,530</b>	<b>(202)</b>	<b>26,384</b>
Other economic flows included in net result	4.1.3, 9.1	58	(23)	58	(23)
<b>Net result</b>		<b>900</b>	<b>25,507</b>	<b>(144)</b>	<b>26,361</b>

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes to the financial statements.

# BALANCE SHEET

As at 31 December 2019

	Notes	Consolidated		Chisholm	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	6.1	54,908	36,338	54,099	35,359
Receivables	5.1	15,772	17,703	17,713	20,629
Investments and other financial assets	4.4	516	26,387	6,000	31,000
<b>Total financial assets</b>		<b>71,196</b>	<b>80,428</b>	<b>77,812</b>	<b>86,988</b>
<b>Non-financial assets</b>					
Property, plant and equipment	4.1	362,572	343,574	362,572	343,574
Intangible assets	4.2	6,196	5,250	5,388	4,668
Other non-financial assets		2,416	2,513	2,400	2,494
<b>Total non-financial assets</b>		<b>371,184</b>	<b>351,337</b>	<b>370,360</b>	<b>350,736</b>
<b>Total assets</b>		<b>442,380</b>	<b>431,765</b>	<b>448,172</b>	<b>437,724</b>
<b>Liabilities</b>					
Employee provisions	3.1.2	12,388	10,964	12,276	10,827
Payables	5.2	8,500	10,309	9,447	10,387
Borrowings	6.2	1,009	1,324	1,009	1,324
Lease liabilities	3.4	1,631	-	1,631	-
Other liabilities	5.3	17,839	9,055	17,768	9,001
<b>Total liabilities</b>		<b>41,367</b>	<b>31,652</b>	<b>42,131</b>	<b>31,539</b>
<b>Net assets</b>		<b>401,013</b>	<b>400,113</b>	<b>406,041</b>	<b>406,185</b>
<b>Equity</b>					
Accumulated surplus		236,788	235,888	241,816	241,960
Contributed capital		85,387	85,387	85,387	85,387
Reserves	9.2	78,838	78,838	78,838	78,838
<b>Net worth</b>		<b>401,013</b>	<b>400,113</b>	<b>406,041</b>	<b>406,185</b>

The above Balance Sheet should be read in conjunction with the accompanying notes to the financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Note	Physical assets revaluation surplus	Accumulated surplus	Contributions by owners	Total equity
		\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>					
<b>At 1 January 2018</b>		<b>78,838</b>	<b>210,381</b>	<b>85,387</b>	<b>374,606</b>
Net result for the year		-	25,507	-	25,507
<b>Year ended 31 December 2018</b>		<b>78,838</b>	<b>235,888</b>	<b>85,387</b>	<b>400,113</b>
Net result for the year		-	900	-	900
<b>Year ended 31 December 2019</b>	6.3, 9.2	<b>78,838</b>	<b>236,788</b>	<b>85,387</b>	<b>401,013</b>
<b>Chisholm</b>					
<b>At 1 January 2018</b>		<b>78,838</b>	<b>215,599</b>	<b>85,387</b>	<b>379,824</b>
Net result for the year		-	26,361	-	26,361
<b>Year ended 31 December 2018</b>		<b>78,838</b>	<b>241,960</b>	<b>85,387</b>	<b>406,185</b>
Net result for the year		-	(144)	-	(144)
<b>Year ended 31 December 2019</b>	6.3, 9.2	<b>78,838</b>	<b>241,816</b>	<b>85,387</b>	<b>406,041</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

# CASH FLOW STATEMENT

For the year ended at 31 December 2019

	Notes	Consolidated		Chisholm	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Government contributions		120,341	117,988	114,814	116,012
User fees and charges received		71,976	57,370	71,918	56,212
Goods and services tax recovered		-	935	-	935
Interest received		901	1,754	873	1,750
Other receipts		1,648	5,029	2,257	2,601
<b>Total Receipts</b>		<b>194,866</b>	<b>183,076</b>	<b>189,862</b>	<b>177,510</b>
<b>Payments</b>					
Payments to employees		(108,172)	(88,926)	(102,963)	(86,685)
Payments to suppliers		(62,790)	(54,219)	(62,545)	(51,597)
Goods and services tax paid		(734)	(105)	(688)	-
Interest paid – lease liability		(89)	-	(89)	-
<b>Total Payments</b>		<b>(171,785)</b>	<b>(143,250)</b>	<b>(166,285)</b>	<b>(138,282)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>6.1</b>	<b>23,081</b>	<b>39,826</b>	<b>23,577</b>	<b>39,228</b>
<b>Cash flows from investing activities</b>					
Redemptions of /(payments for) investments		25,871	25,000	25,000	25,000
Payments for non-financial assets		(28,700)	(74,587)	(28,154)	(74,222)
Proceeds from sales of non-financial assets		11	13	11	13
<b>Net cash flows provided by/(used in) investing activities</b>		<b>(2,818)</b>	<b>(49,574)</b>	<b>(3,143)</b>	<b>(49,209)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		(351)	(351)	(351)	(351)
Payment of lease liabilities		(1,342)	-	(1,342)	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(1,693)</b>	<b>(351)</b>	<b>(1,693)</b>	<b>(351)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18,570</b>	<b>(10,099)</b>	<b>18,741</b>	<b>(10,332)</b>
Cash and cash equivalents at the beginning of the financial year		36,338	46,437	35,359	45,691
<b>Cash and cash equivalents at end of the financial year</b>	<b>6.1</b>	<b>54,908</b>	<b>36,338</b>	<b>54,100</b>	<b>35,359</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes to the financial statements.

# Notes to the Financial Statements

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## 1. ABOUT THIS REPORT

Chisholm Institute ("Chisholm") is a statutory body corporate, established pursuant to an Act made by the Victorian Government under the *Education and Training Reform Act 2006* Section 3.1.12 4(a).

Chisholm is a Technical and Further Education (TAFE) provider, based predominantly in the South East of Victoria. In addition to services provided online and through the workplace, it has campuses in the following locations:

- > Bass Coast (Wonthaggi)
- > Berwick
- > Chisholm @ 311 (Lonsdale Street, Dandenong)
- > Cranbourne
- > Dandenong (Stud Road, Dandenong)
- > Frankston
- > Mornington Peninsula (Rosebud)
- > Springvale

Its registered office and principal address is:

Chisholm Institute  
121 Stud Road  
Dandenong VIC 3175  
Australia

### 1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of Chisholm Institute and its controlled entities, TAFE Online Pty Ltd and Caroline Chisholm Education Foundation ("Chisholm Group"). These financial statements have been prepared in accordance with the historical cost convention, unless a different measurement basis is specifically disclosed in the notes associated with the item measured on a different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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 financial information being presented.

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.

The estimates and associated assumptions are reviewed on an ongoing basis. 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 made by management in the application of Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

- > the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- > actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.2);
- > the recognition of revenue in relation to contracts with customers (refer to Note 2.2);
- > AASB16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 3.4); and
- > whether or not Chisholm Institute has control over TAFE Online Pty Ltd and Caroline Chisholm Education Foundation (refer to Note 9.4).

These financial statements cover Chisholm and its controlled entities as an individual reporting entity and include all the controlled activities of Chisholm.

### Restatement of prior year numbers

Some amounts from 2018 differ from prior year published figures. Most restatements are not material and have been done for comparative purposes only. Where a restatement is deemed to be material, a note has been added to provide an explanation.

### Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST.

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

### Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*, Chisholm consolidates its controlled entities on the basis that control exists when an entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of entities included in the consolidated financial statements are from the date on which control commences until the date on which control ceases.

In preparing consolidated financial statements for Chisholm Group, all material transactions and balances between consolidated entities are eliminated.

### Funding risk

Funding risk is the risk of over-reliance on a particular funding source to the extent that a change in that funding source could impact on the operating results of the current year and future years.

Chisholm Group has substantial economic dependency on Government operating and capital contributions.

Chisholm Group manages funding risk by continuing to diversify and increase funding from commercial activities, both domestically and offshore.

There has been no significant change in Chisholm Group's exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

## 1. ABOUT THIS REPORT (CONTINUED)

### 1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

For the purposes of preparing financial statements, Chisholm is classed as a not-for-profit entity. 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. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

## 2. HOW WE EARNED OUR FUNDS

### 2.1 Government contributions

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

#### Grants and other transfers

##### Government contributions - operating

State government - contestable	81,793	58,642	76,271	57,019
State government - other contributions	26,406	23,628	26,401	23,487
<b>Total Government contributions - operating</b>	<b>108,199</b>	<b>82,270</b>	<b>102,672</b>	<b>80,506</b>

##### Government contributions - capital

State government - capital	2,814	28,144	2,814	28,144
<b>Total Government contributions - capital</b>	<b>2,814</b>	<b>28,144</b>	<b>2,814</b>	<b>28,144</b>

<b>Total Government contributions</b>	<b>111,013</b>	<b>110,414</b>	<b>105,486</b>	<b>108,650</b>
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**Government contributions** are recognised as revenue in the period when the following conditions are met: Chisholm Group obtains control of the contributions or the right to receive the contributions, the economic benefits comprising the contributions will flow to Chisholm Group, and the amount of the contributions can be measured reliably.

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.1 Government contributions (continued)

#### Government contributions – operating

Chisholm Group recognises income immediately in the Comprehensive Operating Statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the Comprehensive Operating Statement.

#### State government – contestable

refers to contributions received from a limited pool of government funding for which Chisholm must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.

#### State government – other contributions

includes funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts.

#### Government contributions – capital

Where Chisholm Group receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by Chisholm, the financial asset and the related amount is recognised on the balance sheet and any residual is recognised immediately as income. When the contractual obligations are satisfied, additional income is recognised.

### 2.2 Sale from contracts with customers

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Student fees and charges	19,994	23,495	19,145	22,285
Fee for service - government	21,003	15,845	21,003	15,845
Fee for service - international operations - onshore	6,057	5,572	6,057	5,572
Fee for service - international operations - off shore	7,467	7,179	7,467	7,179
Fee for service - other	6,238	9,776	6,107	9,568
<b>Other non-course fees and charges</b>				
Sale of goods	380	484	380	484
<b>Total income from contracts with customers</b>	<b>61,139</b>	<b>62,351</b>	<b>60,159</b>	<b>60,933</b>

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.2 Sale from contracts with customers (continued)

The following table provides a breakdown of contractual sales with customers based on the location of course delivery:

	Student fees and charges	Fee for service	Sale of goods	Total
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>				
<b>2019</b>				
Bass Coast	99	4	-	103
Berwick	3,477	4,277	-	7,754
Cranbourne	1,208	1,049	54	2,311
Dandenong	4,896	14,672	16	19,584
Frankston	5,558	5,794	22	11,374
Mornington Peninsula	357	230	24	611
International Projects	-	7,405	-	7,405
Online Delivery	849	131	-	980
Off-site Delivery	1,130	4,920	-	6,050
Other	2,420	2,283	264	4,967
<b>Total income from contracts with customers</b>	<b>19,994</b>	<b>40,765</b>	<b>380</b>	<b>61,139</b>

<b>Consolidated</b>				
<b>2018</b>				
Bass Coast	128	37	-	165
Berwick	4,571	3,451	10	8,032
Cranbourne	1,011	930	33	1,974
Dandenong	5,941	12,618	9	18,568
Frankston	7,004	4,267	9	11,280
Mornington Peninsula	419	276	25	720
International Projects	-	7,180	-	7,180
Online Delivery	1,198	208	-	1,406
Off-site Delivery	851	3,910	20	4,781
Other	2,372	5,495	378	8,245
<b>Total income from contracts with customers</b>	<b>23,495</b>	<b>38,372</b>	<b>484</b>	<b>62,351</b>

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.2 Sale from contracts with customers (continued)

	Student fees and charges	Fee for service	Sale of goods	Total
	\$'000	\$'000	\$'000	\$'000
<b>Chisholm</b>				
<b>2019</b>				
Bass Coast	99	4	-	103
Berwick	3,477	4,277	-	7,754
Cranbourne	1,208	1,049	54	2,311
Dandenong	4,896	14,672	16	19,584
Frankston	5,558	5,794	22	11,374
Mornington Peninsula	357	230	24	611
International Projects	-	7,405	-	7,405
Off-site Delivery	1,130	4,920	-	6,050
Other	2,420	2,283	264	4,967
<b>Total income from contracts with customers</b>	<b>19,145</b>	<b>40,634</b>	<b>380</b>	<b>60,159</b>

<b>Chisholm</b>				
<b>2018</b>				
Bass Coast	128	37	-	165
Berwick	4,571	3,451	10	8,032
Cranbourne	1,011	930	33	1,974
Dandenong	5,941	12,618	9	18,568
Frankston	7,004	4,267	9	11,280
Mornington Peninsula	419	276	25	720
International Projects	-	7,180	-	7,180
Off-site Delivery	851	3,910	20	4,781
Other	2,360	5,495	378	8,233
<b>Total income from contracts with customers</b>	<b>22,285</b>	<b>38,164</b>	<b>484</b>	<b>60,933</b>

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.2 Sale from contracts with customers (continued)

#### Contributions recognised in line with AASB 15

Revenue arises mainly from the provision of education services.

To determine whether to recognise revenue, Chisholm Group follows a six step process:

1. Identify the contract with the customer.
2. Identify the performance obligations in line with project plans.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise the revenue when/as performance obligations are satisfied.
6. If required under the contract agreement, provide an acquittal of finds expensed with the expectation that unspent grant monies may be required to be returned.

Chisholm Group often enters into transactions involving a range of its services, for example the delivery of education and the provision of materials such as textbooks and tools of trade. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices and project plans. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, as or when Chisholm Group satisfies performance obligations by transferring the promised goods and/or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. Chisholm Group recognises revenue when it transfers control over a good or service to a customer.

Chisholm Group 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 Chisholm Group satisfies a performance obligation before it receives the consideration, Chisholm Group 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.

Chisholm Group has recognised the following assets and liabilities related to contracts with customers:

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Accounts receivable	4,659	5,907	4,659	5,907
Loss allowance	(405)	(165)	(405)	(165)
Contract assets	8,733	7,158	8,348	6,993
Other receivables	2,785	3,675	5,111	6,720
<b>Total receivables from contracts with customers</b>	<b>15,772</b>	<b>16,575</b>	<b>17,713</b>	<b>19,455</b>
Contract liabilities – student fees	4,438	6,128	4,381	6,079
Contract liabilities – fee for service	1,872	384	1,859	380
Contract liabilities – other	11,529	2,542	11,528	2,542
<b>Total liabilities from contracts with customers</b>	<b>17,839</b>	<b>9,054</b>	<b>17,768</b>	<b>9,001</b>

#### Significant changes in contract assets and liabilities

Contract assets decreased as a result of a reduction in VET Student Loan amounts receivable.

Contract liabilities increased as a result of a number of prepaid revenue items received in 2019 where the revenue will be recognised over several years. The anticipated spread of revenue is shown later in this note.

Chisholm Group also recognised a loss allowance for contract assets following adoption of AASB 9. Refer to Note 7.1 for more information.

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.2 Sale from contracts with customers (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:

	Chisholm	Consolidated
	2019	2019
	\$'000	\$'000
<b>Revenue recognised that was included in the contract liability balance at the beginning of the period</b>		
Student fees and charges	6,128	6,079
Fee for service	384	380
Other	2,477	2,477
<b>Total</b>	<b>8,989</b>	<b>8,936</b>

#### Transaction price allocated to remaining performance obligations

Revenue is recognised on a quantitative basis using the time bands that are most appropriate for the duration of the remaining performance obligations.

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

	2020	2021	2022
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
Revenue expected to be recognised	7,864	7,710	2,266
<b>Chisholm</b>			
Revenue expected to be recognised	7,793	7,710	2,266

Note: These are estimates only, based on professional judgement and past experience.

Chisholm Group applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have an original expected duration of one year or less.

#### Student fees and charges

Revenue is recognised over time as the services are provided, with the stage of completion determined with reference to the training hours provided as a percentage of total expected training hours.

Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, such amounts are disclosed as a contract liability.

#### Significant judgement

Chisholm Group uses actual student contact hours and performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

#### Fee for service

Chisholm Group provides educational services to the general public, both nationally and internationally. Fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting

period in which the services are rendered. The percentage completion is determined based on the performance obligations set out in project plans.

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 a contract liability.

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.2 Sale from contracts with customers (continued)

#### Payment terms

The payment terms for student fees are as follows:

- > up-front payment via cash, EFTPOS or credit card prior to course commencement;
- > payment plan via a third party (Debitsuccess);
- > federal government assistance (VET Student Loan); and/or
- > invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 21 days).

Students are generally entitled to a refund (less administration fee) if they withdraw from a course within 28 days of enrolment. Students who withdraw after this time are generally not entitled to a refund.

#### Revenue from sale of goods

Revenue is recognised when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

#### *Policy applicable prior to 1 July 2019*

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

services was recognised in proportion to the stage of completion of the work performed at the reporting date.

Chisholm Group has applied AASB 15 using the cumulative effect method, i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. As a result, the comparative information has not been restated and continues to be reported under AASB 118 and AASB 111. The details of the significant changes and quantitative impact of the changes are set out below.

#### *Impacts on the financial statements*

The following table summarises the impact of adopting AASB 15 on Chisholm Group's consolidated financial statements for the year ending 31 December 2019:

	As reported	Adjustments (AASB 15)	Balance without adoption of AASB 15 / AASB 1058
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
Revenue	61,139	-	61,139
Receivables	7,039	(8,733)	15,772
Contract assets	8,733	8,733	-
<b>Total</b>	<b>76,911</b>	<b>-</b>	<b>76,911</b>
<b>Chisholm</b>			
Revenue	60,159	-	60,159
Receivables	9,365	(8,348)	17,713
Contract assets	8,348	8,348	-
<b>Total</b>	<b>77,872</b>	<b>-</b>	<b>77,872</b>

## 2. HOW WE EARNED OUR FUNDS (CONTINUED)

### 2.3 Other income

Chisholm Group has recognised the following assets and liabilities related to contracts with customers:

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest income	823	1,506	795	1,473
Scholarships	322	367	70	110
Rental income	383	356	383	356
Donations, bequests and contributions	40	30	-	-
Overhead recovery	-	-	894	652
Revenue recovery	-	-	1	662
Other	729	711	735	711
<b>Total other income</b>	<b>2,297</b>	<b>2,970</b>	<b>2,878</b>	<b>3,964</b>

#### Rental income

Chisholm receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement.

Rental income is recognised on a time proportional basis and is brought to account when Chisholm's right to receive the rental is established.

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Receivable:</b>				
Within one year	138	76	138	76
Later than one year but not later than five years	449	283	449	283
<b>Total leases receivable</b>	<b>587</b>	<b>359</b>	<b>587</b>	<b>359</b>
GST payable on the above	53	33	53	33
<b>Net operating leases receivable</b>	<b>534</b>	<b>326</b>	<b>534</b>	<b>326</b>

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset.

### 3. HOW WE EXPENDED OUR FUNDS

#### 3.1 Employee benefits

The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using various assumptions that may differ from actual developments in the future. These include future salary growth rate, future discount rates (as advised by the Assistant Treasurer), tenure of existing staff, and patterns of leave claims.

All assumptions are reviewed at each reporting date.

##### 3.1.1 Employee benefits in the comprehensive operating statement

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Salaries, wages, overtime and allowances	89,908	75,947	86,197	73,908
Superannuation	8,004	6,692	7,659	6,507
Payroll tax	4,573	3,837	4,375	3,728
Workers compensation	788	870	757	852
Long service leave	1,688	2,249	1,715	2,186
Annual leave	2,209	1,248	2,153	1,188
Termination benefits	102	93	102	93
Other	139	109	139	108
<b>Total employee benefits</b>	<b>107,411</b>	<b>91,045</b>	<b>103,097</b>	<b>88,570</b>

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Superannuation expenses / benefits disclosed above are employer contributions that are paid or payable during the reporting period.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Chisholm Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

##### 3.1.2 Employee benefits in the balance sheet

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Employee benefits – current	11,200	9,780	11,126	9,711
Employee benefits – non-current	1,188	1,184	1,150	1,116
<b>Total employee provisions</b>	<b>12,388</b>	<b>10,964</b>	<b>12,276</b>	<b>10,827</b>

The leave obligations cover Chisholm Group's liabilities for long service leave and annual leave, which are classified as either other long-term benefits or short-term benefits.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$11.2 million (2018: \$9.8 million) is presented as current, since Chisholm Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, Chisholm Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

### 3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

#### 3.1 Employee benefits (continued)

##### 3.1.2 Employee benefits in the balance sheet (continued)

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current leave obligations expected to be settled after 12 months	7,217	6,287	7,212	6,280

#### 3.2 Superannuation

Chisholm Group employees are entitled to receive superannuation benefits and Chisholm Group contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

Chisholm Group does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the state's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive income statement.

The name and details of the major employee superannuation funds and contributions made by Chisholm Group are as follows:

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Paid contribution for the year</b>				
<b>Defined benefit plans:</b>				
State Superannuation Fund – revised and new	258	264	258	264
<b>Total defined benefit plans</b>	<b>258</b>	<b>264</b>	<b>258</b>	<b>264</b>
<b>Accumulation contribution plans:</b>				
VicSuper	4,018	3,444	3,888	3,380
Other	3,812	3,003	3,569	2,862
<b>Total accumulation contribution plans</b>	<b>7,830</b>	<b>6,447</b>	<b>7,457</b>	<b>6,242</b>
<b>Total paid contribution for the year</b>	<b>8,088</b>	<b>6,711</b>	<b>7,715</b>	<b>6,506</b>
<b>Contribution outstanding at year end</b>				
<b>Accumulation contribution plans:</b>				
VicSuper	-	684	-	660
<b>Total accumulation contribution plans</b>	<b>-</b>	<b>684</b>	<b>-</b>	<b>660</b>
<b>Total contribution outstanding at year end</b>	<b>-</b>	<b>684</b>	<b>-</b>	<b>660</b>

Note: All amounts relating to accumulation contribution plans for 2019 were paid prior to 31 December, resulting in nil outstanding at year end.

### 3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

#### 3.2 Superannuation (continued)

##### Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

The above amounts were measured as at 31 December of each year; or in the case of employer contributions, they relate to the years ended 31 December.

#### 3.3 Supplies and services

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Building repairs and maintenance	5,014	3,672	5,014	3,672
Communication expenses	1,623	1,663	1,622	1,661
Contract and other services	13,830	10,615	13,807	10,599
Cost of goods sold/distributed (ancillary trading)	30	32	30	32
Fees and charges	9,824	11,138	9,802	11,091
Other borrowing costs (other than interest)	118	119	117	117
Purchase of supplies and consumables	7,556	6,456	7,502	6,404
<b>Total supplies and services</b>	<b>37,995</b>	<b>33,695</b>	<b>37,894</b>	<b>33,576</b>

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

##### 3.3.1 Non-cancellable operating lease commitments – short-term and low value leases

Commitments for minimum lease payments for short-term and low value leases are payable as follows:

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Payable:</b>				
Within one year	294	2,770	294	2,770
Later than one year but not later than five years	542	4,181	542	4,181
<b>Total operating lease commitments</b>	<b>836</b>	<b>6,951</b>	<b>836</b>	<b>6,951</b>
GST reclaimable on the above	76	632	76	632
<b>Net operating lease commitments</b>	<b>760</b>	<b>6,319</b>	<b>760</b>	<b>6,319</b>

### 3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

#### 3.3 Supplies and services (continued)

##### 3.3.2 Other expenditure commitments

Commitments for future maintenance services in existence at reporting date but not recognised as liabilities are as follows:

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Payable:</b>				
Within one year	4,818	6,764	4,818	6,764
Later than one year but not later than five years	303	8,967	303	8,967
<b>Total other expenditure commitments</b>	<b>5,121</b>	<b>15,731</b>	<b>5,121</b>	<b>15,731</b>
GST reclaimable on the above	465	1,430	465	1,430
<b>Net other expenditure commitments</b>	<b>4,656</b>	<b>14,301</b>	<b>4,656</b>	<b>14,301</b>

##### 3.3.3 Other operating expenses

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Audit fees and services	176	255	170	244
Bad debts from transactions	171	(272)	171	(272)
Doubtful debts	299	229	299	229
Equipment below capitalisation threshold	2,911	1,882	2,910	1,880
Marketing and promotional expenses	3,970	4,623	3,727	4,568
Operating lease rental expenses	2,214	3,750	2,206	3,741
Staff development	935	837	925	818
Travel and motor vehicle expenses	1,656	1,966	1,652	1,959
Utilities	2,530	2,150	2,530	2,150
Other	1,525	1,813	16,239	1,751
<b>Total other operating expenses</b>	<b>16,387</b>	<b>17,233</b>	<b>16,239</b>	<b>17,068</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised when they are incurred and reported in the financial year to which they relate.

Audit fees and services relate to costs associated with internal audit services, as well as remuneration to the Victorian Auditor-General's office for the audit of the financial statements.

### 3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

#### 3.4 Leases

Chisholm Group has applied AASB 16 using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 January 2019, with no restatement of comparative information.

#### Policy applicable before 1 January 2019

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

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis was more representative of the time pattern of the benefits derived from the use of the leased asset. Operating lease assets were not recognised in the balance sheet.

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

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

#### Policy applicable after 1 January 2019

At inception of a contract, all entities will assess 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 identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- > the contract involves the use of an identified asset;
- > the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- > the customer has the right to direct the use of the asset.

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

On transition to AASB 16, Chisholm Group elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases.

#### As a lessee

Chisholm Group 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 comprises the initial amount of the lease liability adjusted for:

- > any lease payments made at or before the commencement date; plus
- > any initial direct costs incurred; and
- > an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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

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

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

- > 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
- > the exercise price under a purchase option that Chisholm Group is reasonably certain to exercise, lease payments in an optional renewal period if Chisholm Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Chisholm Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured:

- > when there is a change in future lease payments arising from a change in an index or rate;
- > if there is a change in Chisholm Group's estimate of the amount expected to be payable under a residual value guarantee; or
- > if Chisholm Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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

### 3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

#### 3.4 Leases (continued)

	Property	Vehicles	Total
	\$'000	\$'000	\$'000
<b>Right of use assets</b>			
<b>Consolidated</b>			
<b>2019</b>			
Balance at 1 January	-	-	-
Additions	2,314	659	2,973
Amortisation	(1,050)	(283)	(1,333)
<b>Balance at 31 December</b>	<b>1,264</b>	<b>376</b>	<b>1,640</b>

#### Chisholm

<b>2019</b>			
Balance at 1 January	-	-	-
Additions	2,314	659	2,973
Amortisation	(1,050)	(283)	(1,333)
<b>Balance at 31 December</b>	<b>1,264</b>	<b>376</b>	<b>1,640</b>

Consolidated	Chisholm
2019	2019
\$'000	\$'000

#### Lease liabilities

##### Maturity analysis – contractual undiscounted cash flows

Less than one year	968	968
One to five years	663	663
More than five years	-	-
<b>Total undiscounted lease liabilities as at 31 December</b>	<b>1,631</b>	<b>1,631</b>

##### Lease liabilities included in the Balance Sheet at 31 December

Current	968	968
Non-current	663	663
<b>Total lease liabilities</b>	<b>1,631</b>	<b>1,631</b>

### 3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

#### 3.4 Leases (continued)

##### Short-term and low value leases

Chisholm Group 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 (individual assets worth less than \$10,000), including IT equipment. Chisholm Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (i) Leases classified as operating leases under AASB 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Chisholm Group's incremental borrowing rate as at 1 January 2019. Right of use assets are measured at either:

- > their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application (Chisholm Group applied this approach to its largest property leases); or

- > an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (Chisholm Group applied this approach to all other leases).

Chisholm Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- > Applied a single discount rate to a portfolio of leases with similar characteristics.
- > Adjusted the right of use assets by the amount of AASB 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- > Applied the exemption not to recognise right of use assets and liabilities for leases with terms of less than 12 months.
- > Excluded initial direct costs from measuring the right of use asset at the date of initial application.
- > Used hindsight when determining the lease term if the contract contained options to extend or terminate the lease.

##### (ii) Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117, the carrying amount of the right of use asset and the lease liability at 1 January 2019 is determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Under AASB 16, Chisholm Group is required to assess the classification of a sub-lease with reference to the right of use asset, not the underlying asset. On transition, Chisholm Group reassessed the classification of a sub-lease contract previously classified as an operating lease under AASB 117.

##### Impact on financial statements

On transition to AASB 16, Chisholm Group recognised an additional \$2.97 million of right of use assets and \$2.97 million of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Chisholm Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied was 3.5%

	Consolidated	Chisholm
	2019	2019
	\$'000	\$'000
Operating lease commitment at 31 December 2018 as disclosed in the consolidated financial statements	6,319	6,319
Discounted using the incremental borrowing rate at 1 January 2019	-	-
<b>Finance lease liability recognised as at 31 December 2018</b>	<b>6,319</b>	<b>6,319</b>

##### Recognition exemption for:

##### Finance lease liability recognised as at 31 December 2018

Short-term leases	-	-
Leases of low value assets	(3,346)	(3,346)
Extension and termination options reasonably certain to be exercised	-	-
Residual value guarantees	-	-
<b>Lease liabilities recognised as at 1 January 2019</b>	<b>2,973</b>	<b>2,973</b>

## 4. THE ASSETS WE INVESTED IN

### 4.1 Property, plant and equipment

#### 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.

In accordance with government purpose classifications (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), Chisholm's property, plant and equipment are assets used for the purpose of education. Property, plant and equipment includes all operational assets.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>						
Land	58,196	58,196	-	-	58,196	58,196
Buildings	297,041	208,207	(10,999)	(5,219)	286,042	202,988
Construction in progress	584	72,607	-	-	584	72,607
Plant and equipment	35,529	27,058	(22,430)	(20,469)	13,099	6,589
Motor vehicles	1,188	1,188	(855)	(771)	333	416
Leasehold improvements	3,044	3,044	(2,931)	(2,684)	113	360
Land improvements	2,888	2,570	(323)	(152)	2,565	2,418
Right of use assets	2,973	-	(1,333)	-	1,640	-
<b>Total</b>	<b>401,443</b>	<b>372,870</b>	<b>(38,871)</b>	<b>(29,295)</b>	<b>362,572</b>	<b>343,574</b>

#### Chisholm

Land	58,196	58,196	-	-	58,196	58,196
Buildings	297,041	208,207	(10,999)	(5,219)	286,042	202,988
Construction in progress	584	72,607	-	-	584	72,607
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Right of use assets	2,973	-	(1,333)	-	1,640	-
<b>Total</b>	<b>401,443</b>	<b>372,870</b>	<b>(38,871)</b>	<b>(29,295)</b>	<b>362,572</b>	<b>343,574</b>

#### Initial recognition

Immediately upon acquisition, items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

## 4. THE ASSETS WE INVESTED IN (CONTINUED)

### 4.1 Property, plant and equipment (continued)

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

#### Subsequent measurement

Where there is an indication that the value of property, plant and equipment has changed, these assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised by asset category.

Non-specialised land, non-specialised buildings and artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of Chisholm's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost.

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2019, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment.

#### Revaluations of non-financial physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Assistant Treasurer.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

#### 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

	Land	Buildings	Construction in progress	Plant and equipment	Motor vehicles	Leasehold improvements	Land improvements	Right of use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>									
Opening net book amount	58,196	202,988	72,607	6,589	416	360	2,418	-	343,574
Additions	-	20,636	574	4,732	-	-	253	2,973	29,168
Disposals	-	-	(2)	(2)	-	-	-	-	(4)
Transfers	-	68,586	(72,595)	3,944	-	-	65	-	-
Depreciation	-	(6,168)	-	(2,164)	(83)	(247)	(171)	(1,333)	(10,166)
<b>Closing balance</b>	<b>58,196</b>	<b>286,042</b>	<b>584</b>	<b>13,099</b>	<b>333</b>	<b>113</b>	<b>2,565</b>	<b>1,640</b>	<b>362,572</b>
<b>Consolidated 2018</b>									
Opening net book amount	58,196	196,789	16,000	4,854	280	650	2,502	-	279,271
Additions	-	-	69,052	2,358	198	-	68	-	71,675
Disposals	-	-	-	(222)	-	-	-	-	(222)
Transfers	-	11,418	(12,445)	1,027	-	-	-	-	-
Depreciation	-	(5,219)	-	(1,428)	(61)	(290)	(152)	-	(7,150)
<b>Closing balance</b>	<b>58,196</b>	<b>202,988</b>	<b>72,607</b>	<b>6,589</b>	<b>416</b>	<b>360</b>	<b>2,418</b>	<b>-</b>	<b>343,574</b>

## 4. THE ASSETS WE INVESTED IN (CONTINUED)

### 4.1 Property, plant and equipment (continued)

	Land	Buildings	Construction in progress	Plant and equipment	Motor vehicles	Leasehold improvements	Land improvements	Right of use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Chisholm 2019</b>									
Opening net book amount	58,196	202,988	72,607	6,589	416	360	2,418	-	343,574
Additions	-	20,636	574	4,732	-	-	253	2,973	29,168
Disposals	-	-	(2)	(2)	-	-	-	-	(4)
Transfers	-	68,586	(72,595)	3,944	-	-	65	-	-
Depreciation	-	(6,168)	-	(2,164)	(83)	(247)	(171)	(1,333)	(10,166)
<b>Closing balance</b>	<b>58,196</b>	<b>286,042</b>	<b>584</b>	<b>13,099</b>	<b>333</b>	<b>113</b>	<b>2,565</b>	<b>1,640</b>	<b>362,572</b>

<b>Chisholm 2018</b>									
Opening net book amount	58,196	196,789	16,000	4,854	280	650	2,502	-	279,271
Additions	-	-	69,052	2,358	197	-	68	-	71,675
Disposals	-	-	-	(222)	-	-	-	-	(222)
Transfers	-	11,418	(12,445)	1,027	-	-	-	-	-
Depreciation	-	(5,219)	-	(1,428)	(61)	(290)	(152)	-	(7,150)
<b>Closing balance</b>	<b>58,196</b>	<b>202,988</b>	<b>72,607</b>	<b>6,589</b>	<b>416</b>	<b>360</b>	<b>2,418</b>	<b>-</b>	<b>343,574</b>

#### 4.1.2 Capital commitments

These capital commitments are recorded below at their nominal value and inclusive of GST.

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Payable:</b>				
Within one year	14	15,325	14	15,325
Later than one year but not later than five years	-	59	-	59
<b>Total capital expenditure commitments</b>	<b>14</b>	<b>15,384</b>	<b>14</b>	<b>15,384</b>
GST reclaimable on the above	1	1,399	1	1,399
<b>Net capital expenditure commitments</b>	<b>13</b>	<b>13,985</b>	<b>13</b>	<b>13,985</b>

The high level of capital commitments reported at 31 December 2018 related to major works conducted in 2019, specifically the Frankston Redevelopment Stage 1 project (which is now complete). The drop in capital commitments reported at 31 December 2019 is due to there being no major projects confirmed for 2020.

## 4. THE ASSETS WE INVESTED IN (CONTINUED)

### 4.1 Property, plant and equipment (continued)

#### 4.1.3 Gain / loss on property, plant and equipment

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Net gain/(loss) on disposal of property plant and equipment	7	9	7	9
<b>Total</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>9</b>

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all physical and intangible assets.

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

### 4.2 Intangible assets

Chisholm has capitalised software development expenditure for the upgrade of its student management system (Strata) software. The carrying amount of the capitalised software development expenditure is \$5.39 million (2018: \$4.67 million). Its useful life is 4 years.

TAFE Online Pty Ltd has capitalised software development expenditure in relation to its online enrolment system and online learning modules. The carrying amount of the capitalised software development expenditure is \$0.81 million (2018: 0.58 million). Its useful life is 3 years.

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Software</b>				
<b>Gross carrying amount</b>				
Opening balance	10,053	6,935	7,941	5,189
Additions from internal developments	2,505	3,118	1,959	2,752
<b>Closing balance</b>	<b>12,558</b>	<b>10,053</b>	<b>9,900</b>	<b>7,941</b>
<b>Accumulated amortisation and impairment</b>				
Opening balance	(4,803)	(3,721)	(3,273)	(2,474)
Amortisation charge	(1,559)	(1,082)	(1,239)	(799)
<b>Closing balance</b>	<b>(6,362)</b>	<b>(4,803)</b>	<b>(4,512)</b>	<b>(3,273)</b>
<b>Net carrying amount at end of the year</b>	<b>6,196</b>	<b>5,250</b>	<b>5,388</b>	<b>4,668</b>

## 4. THE ASSETS WE INVESTED IN (CONTINUED)

### 4.2 Intangible assets (continued)

#### Initial recognition

When recognition criteria in AASB 138 *Intangible Assets* are 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 all of the following are demonstrated:

- > the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- > the intention to complete the intangible asset for use or sale;
- > the ability to use or sell the asset;

- > the intangible asset will generate probable future economic benefits;
- > the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- > the ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### Subsequent measurement

Software assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives.

Software assets have useful lives of between 3 and 4 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.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement. Impairment of goodwill is not reversed.

### 4.3 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment, and freehold buildings.

Depreciation and amortisation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method.

Depreciation and amortisation methods and rates used for each class of depreciable assets are:

Class of Assets	Useful Life
Buildings	5 – 80 years (2018: 5 – 60 years)
Plant and equipment	3 – 13 years (2018: 3 – 10 years)
Motor vehicles	6 – 10 years (2018: 6.6 years)
Leasehold improvements	3 – 6 years (2018: 5 – 6 years)
Land improvements	10 – 40 years (2018: 15 – 40 years)
Right of use assets	Lease term (2018: N/A)
Software	3 – 4 years (2018: 3 – 4 years)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

## 4. THE ASSETS WE INVESTED IN (CONTINUED)

### 4.4 Investments and other financial assets

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current investments and other financial assets</b>				
Term deposits > three months	516	26,387	-	25,000
<b>Non-current investments and other financial assets</b>				
Unlisted shares in subsidiary - TAFE Online Pty Ltd	-	-	6,000	6,000
<b>Total investments and other financial assets</b>	<b>516</b>	<b>26,387</b>	<b>6,000</b>	<b>31,000</b>

In 2018, the Treasurer approved the establishment of a Central Banking System (CBS) to enable working capital held by agencies across the State's balance sheet to be managed more efficiently, providing significant gains for the State.

In 2019, Chisholm Institute moved its term deposits from Treasury Corporation Victoria (TCV) into the CBS. This resulted in a significant reduction in reported term deposits between 2018 and 2019, with a corresponding increase in deposits at call (refer to Note 6.1).

The remaining balance of term deposits in the consolidated accounts relates to an amount of money invested outside of the CBS on behalf of the Caroline Chisholm Education Foundation.

### Ageing analysis of investments and other financial assets

	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>						
2019 - Term deposits	516	516	-	-	-	-
<b>Total</b>	<b>516</b>	<b>516</b>	-	-	-	-
<b>Consolidated 2018</b>						
2018 - Term deposits	26,387	26,387	-	-	-	-
<b>Total</b>	<b>26,387</b>	<b>26,387</b>	-	-	-	-
<b>Chisholm 2019</b>						
Investments in subsidiary	6,000	6,000	-	-	-	-
<b>Total</b>	<b>6,000</b>	<b>6,000</b>	-	-	-	-
<b>Chisholm 2018</b>						
2018 - Term deposits	25,000	25,000	-	-	-	-
Investments in subsidiary	6,000	6,000	-	-	-	-
<b>Total</b>	<b>31,000</b>	<b>31,000</b>	-	-	-	-

## 5. BALANCES FROM OPERATIONS

### 5.1 Receivables

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
<b>Contractual</b>				
Trade receivables	4,659	5,907	4,659	5,907
Allowance for credit losses	(405)	(165)	(405)	(165)
Contract assets	8,733	7,158	8,348	6,993
Other receivables	2,785	3,675	5,111	6,720
<b>Total contractual receivables</b>	<b>15,772</b>	<b>16,575</b>	<b>17,713</b>	<b>19,455</b>
<b>Statutory</b>				
GST input tax credit recoverable	-	1,128	-	1,174
<b>Total current receivables</b>	<b>15,772</b>	<b>17,703</b>	<b>17,713</b>	<b>20,629</b>

**Receivables** consist of:

- > statutory receivables, which include predominantly amounts owing from the Government and GST input tax credits recoverable; and
- > contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables.

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for any required impairments.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Chisholm Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as their fair value.

#### **Impairment**

Chisholm Group 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.

The movement in the allowance for impairment in respect of trade receivables during the year is shown in the following table.

## 5. BALANCES FROM OPERATIONS

### 5.1 Receivables (continued)

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Movement in loss allowance for contractual receivables</b>				
Balance at the beginning of the year	(165)	(353)	(165)	(353)
Adjustment on initial application of AASB 9	-	-	-	-
<b>Balance at the beginning of the year under AASB 9</b>	<b>(165)</b>	<b>(353)</b>	<b>(165)</b>	<b>(353)</b>
Amounts written off	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Reversal of unused loss allowance recognised in net result	12	282	12	282
Increase in loss allowance recognised in net result	(251)	(110)	(251)	(110)
Reversal of loss allowance for uncollectable receivables written off during the year	-	16	-	16
<b>Balance at the end of the year</b>	<b>(404)</b>	<b>(165)</b>	<b>(404)</b>	<b>(165)</b>

In respect of trade and other receivables, Chisholm Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

### Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>						
Trade receivables	4,254	783	1,785	559	1,127	-
Contract assets	8,733	8,733	-	-	-	-
Other receivables	2,785	2,785	-	-	-	-
<b>Total</b>	<b>15,772</b>	<b>12,301</b>	<b>1,785</b>	<b>559</b>	<b>1,127</b>	<b>-</b>
<b>Consolidated 2018</b>						
Trade receivables	5,742	521	3,450	916	855	-
Contract assets	7,158	7,158	-	-	-	-
Other receivables	3,675	3,675	-	-	-	-
<b>Total</b>	<b>16,575</b>	<b>11,354</b>	<b>3,450</b>	<b>916</b>	<b>855</b>	<b>-</b>

## 5. BALANCES FROM OPERATIONS (CONTINUED)

### 5.1 Receivables (continued)

#### Ageing analysis of contractual receivables (continued)

	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Chisholm 2019</b>						
Trade receivables	4,254	783	1,785	559	1,127	-
Contract assets	8,348	8,348	-	-	-	-
Other receivables	5,111	5,111	-	-	-	-
<b>Total</b>	<b>17,713</b>	<b>14,242</b>	<b>1,785</b>	<b>559</b>	<b>1,127</b>	<b>-</b>

#### Chisholm 2018

Trade receivables	5,742	521	3,450	916	855	-
Contract assets	6,993	6,993	-	-	-	-
Other receivables	6,720	6,720	-	-	-	-
<b>Total</b>	<b>19,455</b>	<b>14,234</b>	<b>3,450</b>	<b>916</b>	<b>855</b>	<b>-</b>

Note: The disclosures above exclude statutory receivables (e.g. amounts arising from Victorian Government and GST input credits).

The average credit period on sales of goods is 21 days.

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

### 5.2 Payables

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
<b>Contractual</b>				
Supplies and services	7,560	9,915	8,721	10,005
<b>Total contractual payables</b>	<b>7,560</b>	<b>9,915</b>	<b>8,721</b>	<b>10,005</b>
<b>Statutory</b>				
GST payable	475	-	282	-
FBT payable	41	33	41	33
Other taxes payable	424	361	403	349
<b>Total statutory payables</b>	<b>940</b>	<b>394</b>	<b>726</b>	<b>382</b>
<b>Total current payables</b>	<b>8,500</b>	<b>10,309</b>	<b>9,447</b>	<b>10,387</b>

## 5. BALANCES FROM OPERATIONS

### 5.2 Payables (continued)

Payables consist of:

- > contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to Chisholm prior to the end of the financial year that are unpaid, and arise when Chisholm becomes obliged to make future payments in respect of the purchase of those goods and services; and
- > statutory payables, such as goods and services tax and fringe benefits tax payable.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost.

Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>						
Supplies and services	7,560	7,560	7,499	12	49	-
<b>Total</b>	<b>7,560</b>	<b>7,560</b>	<b>7,499</b>	<b>12</b>	<b>49</b>	<b>-</b>

<b>Consolidated 2018</b>						
Supplies and services	9,915	9,915	9,764	113	38	-
<b>Total</b>	<b>9,915</b>	<b>9,915</b>	<b>9,764</b>	<b>113</b>	<b>38</b>	<b>-</b>

<b>Chisholm 2019</b>						
Supplies and services	8,721	8,721	8,660	12	49	-
<b>Total</b>	<b>8,721</b>	<b>8,721</b>	<b>8,660</b>	<b>12</b>	<b>49</b>	<b>-</b>

<b>Chisholm 2018</b>						
Supplies and services	10,005	10,005	9,854	113	38	-
<b>Total</b>	<b>10,005</b>	<b>10,005</b>	<b>9,854</b>	<b>113</b>	<b>38</b>	<b>-</b>

Note: The disclosures above exclude statutory payables (e.g. amounts arising to Victorian Government and GST payable).

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

Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

Due to their short-term nature, the carrying amounts of trade and other payables are considered to be the same as their fair values.

## 5. BALANCES FROM OPERATIONS (CONTINUED)

### 5.3 Other liabilities

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Revenue received in advance	17,839	9,055	17,768	9,001
<b>Total current liabilities</b>	<b>17,839</b>	<b>9,055</b>	<b>17,768</b>	<b>9,001</b>

#### Revenue received in advance

Any fees received by Chisholm during the current financial year in respect of services to be provided in the following financial year are classified as a liability and recognised as revenue received in advance.

## 6. HOW WE FINANCED OUR OPERATIONS

### 6.1 Cash and deposits

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	5,725	5,505	4,917	4,526
Deposits at call	49,183	30,833	49,182	30,833
<b>Total cash and deposits</b>	<b>54,908</b>	<b>36,338</b>	<b>54,099</b>	<b>35,359</b>

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 which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

As discussed in Note 4.4, the increase in deposits at call is a result of the newly implemented Central Banking System (CBS). Funds that were previously invested in term deposit accounts are now held at call as a result of this new government policy.

#### 6.1.1 Reconciliation of operating result to net cash flows from operating activities

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Net result for the year</b>	<b>900</b>	<b>25,507</b>	<b>(144)</b>	<b>26,361</b>

#### Non-cash movements

Depreciation and amortisation of non-financial assets	11,725	8,232	11,405	7,949
Written-down value of non-financial assets disposed	(7)	3	(7)	3
Greener Government loan discount	36	46	36	46

## 6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

### 6.1 Cash and deposits (continued)

#### 6.1.1 Reconciliation of operating result to net cash flows from operating activities (continued)

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Movements in assets and liabilities</b>				
Decrease / (increase) in trade and other receivables	2,738	(6,517)	2,916	(5,095)
Decrease / (increase) in other assets	97	(411)	94	(273)
(Decrease) / increase in trade and other payables	(2,616)	5,318	(940)	2,661
(Decrease) / increase in provisions	1,424	1,692	1,450	1,619
(Decrease) / increase in other liabilities	8,784	5,956	8,767	5,957
<b>Net cash flows from/(used in) operating activities</b>	<b>23,081</b>	<b>39,826</b>	<b>23,577</b>	<b>39,228</b>
<b>Per cash flow statement</b>	<b>23,081</b>	<b>39,826</b>	<b>23,577</b>	<b>39,228</b>

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are presented as operating cash flows.

### 6.2 Borrowings

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Advances from Government	352	351	352	351
<b>Non-current</b>				
Advances from Government	657	973	657	973
<b>Total borrowings</b>	<b>1,009</b>	<b>1,324</b>	<b>1,009</b>	<b>1,324</b>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

The measurement basis subsequent to initial recognition depends on whether the Institute has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost.

Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Institute determines the classification of its interest bearing liabilities at initial recognition.

## 6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

### 6.2 Borrowings (continued)

#### Maturity analysis of borrowings

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>						
Advances from Government	1,009	1,009	-	-	352	657
<b>Total</b>	<b>1,009</b>	<b>1,009</b>	<b>-</b>	<b>-</b>	<b>352</b>	<b>657</b>
<b>Consolidated 2018</b>						
Advances from Government	1,324	1,324	-	-	351	973
<b>Total</b>	<b>1,324</b>	<b>1,324</b>	<b>-</b>	<b>-</b>	<b>351</b>	<b>973</b>
<b>Chisholm 2019</b>						
Advances from Government	1,009	1,009	-	-	352	657
<b>Total</b>	<b>1,009</b>	<b>1,009</b>	<b>-</b>	<b>-</b>	<b>352</b>	<b>657</b>
<b>Chisholm 2018</b>						
Advances from Government	1,324	1,327	-	-	351	973
<b>Total</b>	<b>1,324</b>	<b>1,327</b>	<b>-</b>	<b>-</b>	<b>351</b>	<b>973</b>

The fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy (see Note 7.3) due to the use of unobservable inputs, including own credit risk.

### 6.3 Contributed capital

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	85,387	85,387	85,387	85,387
<b>Balance at 31 December</b>	<b>85,387</b>	<b>85,387</b>	<b>85,387</b>	<b>85,387</b>

Funding that is in the nature of contributions by the Victorian State Government are treated as contributed capital when designated in accordance with *UIG Interpretation 1038 Contribution by Owners Made to Wholly-Owned Public Sector Entities*. Capital funds provided by the Commonwealth Government are treated as income.

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Categories of financial instruments

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>				
<b>Financial assets measured at amortised cost</b>				
Cash and deposits	54,908	36,338	54,099	35,359
Trade receivables	4,254	5,742	4,254	5,742
Contract assets	8,733	7,158	8,348	6,993
Other receivables	2,785	3,676	5,111	6,720
Term deposits	516	26,387	-	25,000
<b>Total contractual financial assets</b>	<b>71,196</b>	<b>79,301</b>	<b>71,812</b>	<b>79,814</b>

#### Contractual financial liabilities

##### Loans and payables

Supplies and services	7,560	9,915	8,721	10,005
<b>At amortised cost</b>				
Contract liability (Advances from Government)	1,009	1,324	1,009	1,324
Lease liabilities	1,631	-	1,631	-
Revenue received in advance	17,839	9,054	17,768	9,001
<b>Total contractual financial liabilities</b>	<b>28,039</b>	<b>20,293</b>	<b>29,129</b>	<b>20,330</b>

Note: The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

Chisholm Group classifies its financial assets at amortised cost only if both of the following criteria met:

- > the asset is held within a business model whose objective is to collect the contractual cash flows; and
- > the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to

initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

Chisholm Group recognises the following assets in this category:

- > cash and deposits; and
- > receivables (excluding statutory receivables).

Financial liabilities at amortised cost are initially recognised on the date they originate. 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. Chisholm Group recognises the following liabilities in this category:

- > payables (excluding statutory payables);
- > borrowings (including finance lease liabilities); and
- > revenue received in advance.

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.1 Financial instruments (continued)

#### 7.1.1 Financial risk management objectives and policies

Chisholm Group is exposed to a variety of financial risks, market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

Chisholm Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Chisholm Group. Chisholm Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Primary responsibility for the identification and management of financial risks rests with Chisholm

Group's finance function, overseen by the Audit and Risk Management Committee of Chisholm Institute on behalf of the Board.

#### 7.1.2 Credit risk

Credit risk refers to the possibility that a customer will default on its financial obligations as and when they fall due. Credit risk arises from the contractual financial assets of Chisholm Group, which comprise cash and deposits and non-statutory receivables. Chisholm Group's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to Chisholm Group.

The trade receivables balances at 31 December 2019 and 31 December 2018 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Chisholm Group does not hold any security on the trade receivables balance. In addition, Chisholm Group does not hold collateral relating to other financial assets.

In addition, Chisholm Group does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. Chisholm Group's policy is to only deal with banks with high credit ratings.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Chisholm Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There are no material financial assets which are individually determined to be impaired.

### Credit quality of contractual financial assets that are neither passed due nor impaired

	Financial institutions (AA-rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>				
Cash and deposits	54,908	-	-	54,908
Receivables	2	8,174	7,596	15,772
Investments and other financial assets	516	-	-	516
<b>Total contractual financial assets</b>	<b>55,426</b>	<b>8,174</b>	<b>7,596</b>	<b>71,196</b>
<b>Consolidated 2018</b>				
Cash and deposits	5,505	30,833	-	36,338
Receivables	-	8,224	8,352	16,576
Investments and other financial assets	-	25,881	506	26,387
<b>Total contractual financial assets</b>	<b>5,505</b>	<b>64,938</b>	<b>8,858</b>	<b>79,301</b>

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.1 Financial instruments (continued)

#### Credit quality of contractual financial assets that are neither passed due nor impaired (continued)

	Financial institutions (AA-rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
<b>Chisholm 2019</b>				
Cash and deposits	54,099	-	-	54,099
Receivables	2	6,920	10,791	17,713
Investments and other financial assets	-	-	-	-
<b>Total contractual financial assets</b>	<b>54,101</b>	<b>6,920</b>	<b>10,791</b>	<b>71,812</b>
<b>Chisholm 2018</b>				
Cash and deposits	4,526	30,833	-	35,359
Receivables	1,780	5,209	12,466	19,455
Investments and other financial assets	-	25,000	-	25,000
<b>Total contractual financial assets</b>	<b>6,306</b>	<b>61,042</b>	<b>12,466</b>	<b>79,814</b>

Note: The disclosures above exclude statutory receivables (e.g. amounts arising from Victorian Government and GST input credits).

AASB 9 uses an 'expected credit loss' (ECL) model. Under this model, 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 all possible default events over the expected life of a financial instrument.

In measuring expected credit losses, trade receivables have been assessed

on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2019 and the past 36 months before 1 January, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customers' ability to settle the amount outstanding. Chisholm Group has

identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2019:

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000	%	\$'000	(yes / no)
<b>Consolidated</b>				
<b>31 December 2019</b>				
Current (not past due)	2,568	2.9	75	No
31 – 60 days past due	91	3.2	3	No
61 – 90 days past due	468	8.2	38	No
More than 90 days past due	1,127	13	146	No
	<b>4,254</b>		<b>262</b>	

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.1 Financial instruments (continued)

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000	%	\$'000	(yes / no)
<b>1 January 2019</b>				
Current (not past due)	3,971	1.9	75	
31 – 60 days past due	856	3.1	27	
61 – 90 days past due	60	10.6	5	
More than 90 days past due	855	9.4	111	
	<b>5,742</b>		<b>218</b>	

#### Chisholm

<b>31 December 2019</b>				
Current (not past due)	2,568	2.9	75	No
31 – 60 days past due	91	3.2	3	No
61 – 90 days past due	468	8.2	38	No
More than 90 days past due	1,127	13	146	No
	<b>4,254</b>		<b>262</b>	

<b>1 January 2019</b>				
Current (not past due)	3,971	1.9	75	
31 – 60 days past due	856	3.1	27	
61 – 90 days past due	60	10.6	5	
More than 90 days past due	855	9.4	111	
	<b>5,742</b>		<b>218</b>	

Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and Chisholm Group's view of economic conditions over the expected lives of the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Chisholm Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Of the above impairment losses, \$0.26 million (2018: \$0.22 million) relate to receivables arising from contracts with customers.

#### 7.1.3 Liquidity risk

Liquidity risk is the risk that Chisholm Group would be unable to meet its financial obligations as and when they fall due.

Chisholm Group operates under a payments policy of settling financial obligations within 30 days, and in the

event of a dispute, making payments within 30 days from the date of resolution.

Chisholm Group's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

Chisholm Group manages liquidity risk by:

- > maintaining adequate short term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- > holding investments and other contractual financial assets that are readily tradeable in the financial market; and

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

- > careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

There has been no significant change in Chisholm Group's exposure, the Group's objectives, policies and processes for managing liquidity risk, or the methods used to measure this risk from the previous reporting period.

### 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There were no contingent assets or contingent liabilities as at 31 December 2019 (31 December 2018: nil) that may have a material effect on the financial operations of Chisholm Group.

### 7.3 Fair value determination

*Significant judgement: Fair value measurements of assets and liabilities*

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Chisholm Group.

This section sets out information on how Chisholm Group determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- > land, buildings, plant and equipment, vehicles, and leasehold improvements.

In addition, the fair values of other assets and liabilities that are carried at amortised cost also need to be determined for disclosure purposes.

Chisholm Group determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

#### Fair value estimation

A number of inputs are used in determining fair values. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- > 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.

Chisholm Group determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

A summary of changes between levels can be found in Note 7.3(a).

The Valuer-General Victoria (VGV) is Chisholm's independent valuation agency.

#### Fair value determination of financial assets and liabilities

Chisholm Group currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full.

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2019.

#### (a) Fair value determination of non-financial assets

Chisholm holds property, plant and equipment for which fair values are determined.

Chisholm Group, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on Level 2 observable inputs and Level 3 unobservable inputs due to the nature and characteristics of Chisholm's campus assets. There is little or no observable market evidence of the market selling price of campus assets as they are specialised assets with a Community Service Obligation (CSO) applied.

The table below shows the relevant fair value information relating to those assets.

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.3 Fair value determination (continued)

#### (a) Fair value determination of non-financial assets (continued)

	Fair value hierarchy			
	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated 2019</b>				
Non-specialised land	5,498	-	5,498	-
Specialised land	52,698	-	-	52,698
<b>Total land at fair value</b>	<b>58,196</b>	<b>-</b>	<b>5,498</b>	<b>52,698</b>
<b>Consolidated 2018</b>				
Non-specialised buildings	3,468	-	3,468	-
Specialised buildings	282,574	-	-	282,574
<b>Total buildings at fair value</b>	<b>286,042</b>	<b>-</b>	<b>3,468</b>	<b>282,574</b>
Plant and equipment	13,099	-	-	13,099
Vehicles	333	-	-	333
Leasehold improvements	113	-	-	113
Land improvements	2,565	-	-	2,565
<b>Total other assets at fair value</b>	<b>16,110</b>	<b>-</b>	<b>-</b>	<b>16,110</b>
<b>Consolidated 2018</b>				
Non-specialised land	5,498	-	5,498	-
Specialised land	52,698	-	-	52,698
<b>Total land at fair value</b>	<b>58,196</b>	<b>-</b>	<b>5,498</b>	<b>52,698</b>
Non-specialised buildings	3,686	-	3,686	-
Specialised buildings	199,302	-	-	199,302
<b>Total buildings at fair value</b>	<b>202,988</b>	<b>-</b>	<b>3,686</b>	<b>199,302</b>
Plant and equipment	6,589	-	-	6,589
Vehicles	416	-	-	416
Leasehold improvements	360	-	-	360
Land improvements	2,418	-	-	2,418
<b>Total other assets at fair value</b>	<b>9,783</b>	<b>-</b>	<b>-</b>	<b>9,783</b>

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.3 Fair value determination (continued)

#### (a) Fair value determination of non-financial assets (continued)

	Fair value hierarchy			
	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
<b>Chisholm 2019</b>				
Non-specialised land	5,498	-	5,498	-
Specialised land	52,698	-	-	52,698
<b>Total land at fair value</b>	<b>58,196</b>	<b>-</b>	<b>5,498</b>	<b>52,698</b>
Non-specialised buildings	3,468	-	3,468	-
Specialised buildings	282,574	-	-	282,574
<b>Total buildings at fair value</b>	<b>286,042</b>	<b>-</b>	<b>3,468</b>	<b>282,574</b>
Plant and equipment	13,099	-	-	13,099
Vehicles	333	-	-	333
Leasehold improvements	113	-	-	113
Land improvements	2,565	-	-	2,565
<b>Total other assets at fair value</b>	<b>16,110</b>	<b>-</b>	<b>-</b>	<b>16,110</b>
<b>Chisholm 2018</b>				
Non-specialised land	5,498	-	5,498	-
Specialised land	52,698	-	-	52,698
<b>Total land at fair value</b>	<b>58,196</b>	<b>-</b>	<b>5,498</b>	<b>52,698</b>
Non-specialised buildings	3,686	-	3,686	-
Specialised buildings	199,302	-	-	199,302
<b>Total buildings at fair value</b>	<b>202,988</b>	<b>-</b>	<b>3,686</b>	<b>199,302</b>
Plant and equipment	6,589	-	-	6,589
Vehicles	416	-	-	416
Leasehold improvements	360	-	-	360
Land improvements	2,418	-	-	2,418
<b>Total other assets at fair value</b>	<b>9,783</b>	<b>-</b>	<b>-</b>	<b>9,783</b>

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.3 Fair value determination (continued)

#### Impairment

Non-financial assets, including items of software, property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

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

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

#### (b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H *Non-financial Physical Assets* issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from

differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

**Non-specialised land and non-specialised buildings** are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria with an effective date of 31 December 2017. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

To the extent that non-specialised land, non-specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

**Specialised land and specialised buildings:** the market approach is also used for specialised land, although is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as a Level 3 asset.

For Chisholm's majority of specialised buildings, the depreciated replacement cost method is used. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of Chisholm's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2017.

**Construction in progress** assets are held at cost. Chisholm Group transfers the assets out of construction in progress and into the relevant asset category when they are ready for use.

**Motor vehicles** are valued using the depreciated replacement cost method. Chisholm acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Institute who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

**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 a going concern, fair value is determined using the depreciated replacement cost method.

**Leasehold improvements** are held at fair value being depreciated cost. As there is no evidence of a reliable market-based fair value (or other relevant fair value indicators) for leasehold improvements, depreciated cost is the fair value for these types of assets. The valuation of leasehold improvements is based on significant unobservable inputs and accordingly is classified as a Level 3 asset.

There were no changes in valuation techniques throughout the period to 31 December 2019.

## 7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

### 7.3 Fair value determination (continued)

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

2019 and 2018	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Useful life of buildings and cost per square metre
Motor vehicles	Depreciated replacement cost	Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Useful life of plant and equipment
Leasehold improvements	Depreciated replacement cost	Useful life of lease

#### (c) Valuations of inventories

Inventories are measured on cost basis, in accordance with Financial Reporting Direction (FRD) 102A *Inventories*. A full stocktake of inventories occurs at each year end to allow inventories to be measured on an item-by-item basis at the lower of cost and current replacement cost.

## 8. GOVERNANCE DISCLOSURES

### 8.1 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 and executive officers for the reporting period.

The persons who held the positions of Ministers and Accountable Officers in Chisholm were as follows:

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2019 to 31 December 2019
Director and Chief Executive Officer (Accountable Officer)	Dr Richard Ede	1 January 2019 to 8 April 2019
Director and Chief Executive Officer (Accountable Officer)	Mr Stephen Varty	9 April 2019 to 31 December 2019
Board Member	Mr Stephen G. Marks (Chair)	1 January 2019 to 31 December 2019
Board Member	Ms Sandra Andersen	1 January 2019 to 31 July 2019
Board Member	Mr John Bennie	1 January 2019 to 31 December 2019
Board Member	Mr Geoffrey Cullen	12 November 2019 to 31 December 2019
Board Member	Ms Prue Digby	1 January 2019 to 31 December 2019
Board Member	Dr Mei Ling Doery	1 January 2019 to 31 December 2019
Board Member	Dr Anne Jones	1 January 2019 to 31 December 2019
Board Member	Mr Peter Malone	1 January 2019 to 31 December 2019
Board Member	Mr David Mann	1 January 2019 to 31 December 2019
Board Member	Ms Lisa Norman	1 January 2019 to 31 December 2019

#### Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of Chisholm Group during the reporting period was in the range: \$660,000 – \$669,999 (2018: \$250,000 – \$259,999). This significant increase was due to there being two Accountable Officers during 2019 (Stephen Varty and Rick Ede). Rick Ede also received termination benefits in 2019.

Included in the 2019 remuneration above is payment of termination benefits in the range: \$120,000 – \$129,999.

## 8. GOVERNANCE DISCLOSURES (CONTINUED)

### 8.1 Responsible persons (continued)

#### Remuneration (continued)

Remuneration received or receivable by the Responsible Persons, excluding the Accountable Officer, during the reporting period was in the range:

	2019	2018
<b>Income range</b>		
Less than \$10,000	2	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	5	6
\$40,000 - \$49,999	1	-
\$70,000 - \$79,999	1	1
<b>Total number</b>	<b>10</b>	<b>10</b>
<b>Total remuneration (\$'000)</b>	<b>340</b>	<b>335</b>

Remuneration of the Responsible Minister is included in the financial statements of the Department of Parliamentary Services.

### 8.2 Remuneration of executives

The number of executive officers, other than the Accountable Officers, and their total remuneration during the reporting period is shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises 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, and is disclosed in the following categories.

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

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

**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.

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Remuneration</b>				
Short-term employee benefits	2,037	2,106	1,909	2,015
Post-employment benefits	193	185	181	176
Other long-term benefits	12	16	12	15
Termination benefits	102	586	96	586
<b>Total remuneration</b>	<b>2,344</b>	<b>2,893</b>	<b>2,198</b>	<b>2,792</b>
<b>Total number of executives</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>13</b>
<b>Total annualised employee equivalents <sup>(i)</sup></b>	<b>9.9</b>	<b>9.8</b>	<b>9.2</b>	<b>9.2</b>

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

## 8. GOVERNANCE DISCLOSURES (CONTINUED)

### 8.3 Related parties

Related parties of Chisholm Institute and its Consolidated group 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 departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements; and

- > all entities that are controlled and consolidated into Chisholm's consolidated financial statements.

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

The following entities have been consolidated into Chisholm Group's financial statements in accordance with AASB 10:

- > TAFE Online Pty Ltd; and
- > Caroline Chisholm Education Foundation.

#### Significant transactions with related entities

In 2019, TAFE Online Pty Ltd repaid an amount of \$0.46 million to Chisholm Institute for a related party loan (2018 loan provided: \$1.31 million).

Chisholm Institute provided a donation of \$133,750 (2018: \$148,033) and resources free of charge of \$177,470 (2018: \$157,166) to Caroline Chisholm Education Foundation during the current financial year.

#### Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Related party transactions</b>				
Debtor – TAFE Online Pty Ltd	-	-	3,194	3,240
Debtor – Caroline Chisholm Education Foundation (CCEF)	-	-	1,216	219
Donations provided to CCEF	134	148	-	-
Resources provided free of charge to CCEF	177	157	-	-
Revenue collected for TAFE Online Pty Ltd	190	92	-	-
Expenses paid for TAFE Online Pty Ltd	224	1,399	-	-
<b>Total</b>	<b>725</b>	<b>1,796</b>	<b>4,410</b>	<b>3,459</b>

Key management personnel of Chisholm includes the members of the Chisholm Institute Board, the Chief Executive Officer, the Chief Finance Officer, and the Chief Operating Officer.

#### Compensation of key management personnel

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Remuneration</b>				
Short-term employee benefits	1,211	987	1,211	987
Post-employment benefits	82	61	82	61
Termination benefits	125	85	125	85
<b>Total remuneration</b>	<b>1,418</b>	<b>1,133</b>	<b>1,418</b>	<b>1,133</b>

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

Chisholm Group had no related party transactions for the period ending 31 December 2019.

## 8. GOVERNANCE DISCLOSURES (CONTINUED)

### 8.4 Remuneration of auditors

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Remuneration of the Victorian Auditor-General's Office:</b>				
Audit of the financial statements	66	58	60	53
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>66</b>	<b>58</b>	<b>60</b>	<b>53</b>
<b>Remuneration of other auditors</b>				
Internal audit services	110	198	110	198
<b>Total remuneration of other auditors</b>	<b>110</b>	<b>198</b>	<b>110</b>	<b>198</b>
<b>Total</b>	<b>176</b>	<b>256</b>	<b>170</b>	<b>251</b>

The Victorian Auditor-General's Office is not allowed to provide non-audit services.

## 9. OTHER DISCLOSURES

### 9.1 Other economic flows included in net result

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>(a) Net gain/(loss) on financial instruments</b>				
Foreign currency exchange gain/(loss)	87	12	87	12
Greener Government loan discount	(36)	(46)	(36)	(46)
<b>Total net gain/(loss) on financial instruments</b>	<b>51</b>	<b>(32)</b>	<b>51</b>	<b>(32)</b>
<b>(b) Other gains/(losses) from other economic flows</b>				
Net gain/(loss) on non-financial assets (including PPE and intangible assets)	7	9	7	9
<b>Total other gains/(losses) from other economic flows</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>9</b>
<b>Total other economic flows included in net result</b>	<b>58</b>	<b>(23)</b>	<b>58</b>	<b>(23)</b>

Note: The 2018 Annual Report included net gain/(loss) on revaluation of leave liabilities and impairment of loans and receivables. In 2019, these items have been reclassified to revenue or expenses from transactions. The 2018 figures have been restated for comparative purposes; the net result for 2018 remains unchanged.

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.1 Other economic flows included in net result (continued)

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

- > gains and losses from disposals of non-financial assets (refer to Note 4.1);
- > revaluations and impairments of non-financial physical and intangible assets (refer to Note 4.1 and Note 4.2);
- > remeasurement arising from employee benefits (refer to Note 3.1) and
- > fair value changes of financial instruments (refer to Note 7.3).

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

### 9.2 Other equity reserves

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Physical asset revaluation surplus</b>				
Balance at 1 January	78,838	78,838	78,838	78,838
<b>Balance at 31 December</b>	<b>78,838</b>	<b>78,838</b>	<b>78,838</b>	<b>78,838</b>

Note: The physical asset revaluation surplus arises on the revaluation of land and buildings.

### 9.3 Ex gratia expenses

	Consolidated		Chisholm	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Compensation for economic loss	137	106	137	106
<b>Total ex gratia payments</b>	<b>137</b>	<b>106</b>	<b>137</b>	<b>106</b>

All ex gratia payments made during 2019 and 2018 related to departing employees.

### 9.4 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities:

Controlled entities	Note	Country of incorporation	Class of shares	2019%	2018%
TAFE Online Pty Ltd	(a)	Australia	Ordinary	100	100
Caroline Chisholm Education Foundation	(b)	Unincorporated entity			

Note:

(a) TAFE Online Pty Ltd is a company incorporated under the *Corporations Act 2001* with share capital of 6,000,000 ordinary shares at \$1 each.

(b) Caroline Chisholm Education Foundation is a trust. Its principle purpose is to assist students in financial hardship receive a high quality vocational educational qualification from Chisholm.

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.4 Controlled entities (continued)

#### TAFE Online Pty Ltd

TAFE Online Pty Ltd commenced operations in 2001 as a provider of nationally accredited vocational education courses online.

Chisholm is deemed to have control over TAFE Online Pty Ltd as Chisholm holds 100% of the share capital issued by TAFE Online Pty Ltd.

#### Caroline Chisholm Education Foundation (CCEF)

CCEF was established in 2007 as an independent charitable trust which aims to assist students in financial hardship receive a high quality vocational educational qualification from Chisholm.

Chisholm is deemed to have control over CCEF due to the following factors:

- > CCEF is administered by an independent Board of trustees including a Chisholm Board appointed trustee, the Chisholm CEO as well as two Chisholm staff trustees.
- > All non-Chisholm related trustees must be approved by the Chisholm Board.
- > The beneficiaries of the trust are Chisholm students.
- > Chisholm provides significant financial and administration support to CCEF.

### 9.5 Events after reporting date

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of Chisholm and the Consolidated Group, the results of those operations or the state of affairs of Chisholm and the Consolidated Group in subsequent financial years.

### 9.6 Service Concession Arrangements

AASB 1059 *Service Concession Arrangements: Grantor* addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Based on Chisholm Group's assessment, there is no material impact on the transactions and balances recognised in the financial statements.

### 9.7 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2019 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Chisholm of their applicability and early adoption where applicable.

As at 31 December 2019, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2020, that are expected to impact Chisholm Group.

# VAGO INDEPENDENT AUDITOR'S REPORT



## Independent Auditor's Report

### To the Board of Chisholm Institute

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Chisholm Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"><li>• performance statement for the year ended 31 December 2019</li><li>• declaration by Board Chair, Chief Executive Officer and Chief Finance Officer.</li></ul> <p>In my opinion, the performance statement of Chisholm Institute in respect of the year ended 31 December 2019 presents fairly, in all material respects.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the performance statement</b>	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement 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 Standards on Assurance Engagements 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 decisions of users taken on the basis of the performance statement.</p>

## VAGO INDEPENDENT AUDITOR'S REPORT

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

- identify and assess the risks of material misstatement of performance statement, 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 institute's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board 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.

---

MELBOURNE  
1 March 2020



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

## DECLARATION BY BOARD CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

In our opinion, the accompanying Performance Statement of Chisholm Consolidated in respect of the 2019 financial year is presented fairly.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets and the actual results for the year against these indicators, and an explanation of any significant variance between actual results and performance targets.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the Statement to be misleading or inaccurate.



**STEPHEN G MARKS**

**Board Chair**

Date: 26 February 2020

Place: Dandenong



**STEPHEN VARTY**

**Chief Executive Officer**

Date: 26 February 2020

Place: Dandenong



**TONIANN STITZ**

**Chief Finance Officer**

Date: 26 February 2020

Place: Dandenong

# Performance Statement

For the year ended 31 December 2019

## Chisholm Group

Key Performance Indicators (KPIs)	Description and Methodology	Metric	2019 Target	2019 Actual	Explanation of variances	Note	Prior year result
Training revenue diversity	Government Funded	Percentage	53.2%	59.0%	Achieved	a	51.6%
	Fee for Service		28.0%	27.5%	Achieved		30.0%
	Student Fees and Charges		18.8%	13.5%	Not Achieved	a	18.4%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue (VTG and FFS)	Percentage	72.0%	73.5%	Not Achieved	b	72.1%
Training revenue per teaching FTE	Training revenue (excl. revenue delivered by third parties) / Teaching FTEs	Dollars	\$208,000	\$ 225,391	Achieved		\$226,639
Operating margin percentage	EBIT excluding Capital Contributions) / Total Revenue (excl Capital Contributions)	Percentage	-1.3%	-0.9%	Achieved		-1.8%

Notes:

a. Variance due to student Free Tafe Tuition fees being Government Funded.

b. Variance due to project staff funded by once-off grants.

# Disclosure Index

## STANDARD DISCLOSURES IN THE REPORT OF OPERATIONS (2019)

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2	FRD 22H 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	2-26, 38
3	FRD 22H 5.6	Nature and range of services provided including communities served	10-26
<b>Management and structure</b>			
4	FRD 22H 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	34-37, 39-40
<b>Financial and other information</b>			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	93
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9	FRD 22H 5.11c	Operational and budgetary objectives, including performance against objectives and achievements	33, 97
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	27-28
11	FRD 22H 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections.	29-30
12	FRD 22H 5.11a	Summary of the financial results, with comparative information for the preceding four reporting periods	33
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16	FRD 22H 5.18a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	106
17	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance.	33

18	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target.	N/A
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	105
20	FRD 22H 5.18e	Statement on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform.	103
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22	FRD 22H 5.18c	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act	102
23	FRD 22H 5.18h & FRD 24D	Summary of Environmental Performance	108-111
24	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of these consultancies over \$10,000 have been made publicly available > Consultant engaged > Brief summary of project > Total project fees approved (excluding GST) > Expenditure for reporting period (excluding GST) 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	106
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	103
26	FRD 22H 5.17	An entity shall disclose the following in the report of operations: a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	106
27	FRD 25D	Local Jobs First	102
28	AASB 16	Leases	64-66
29	SD 5.1.4	Financial management compliance attestation.  The Responsible body must attest to compliance with applicable requirements in the FMA, the Standing Directions of the Assistant Treasurer and the Instructions, and disclose all Material Compliance Deficiencies	41
30	FRD 119A	Transfers through contributed capital	79
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, these Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	1, 45, 51
32	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	1
33	CG 10 clause 27	Summary of Major Commercial Activities	105
34	CG 12 clause 33	TAFE Institute Controlled Entities	92

## Financial report

### Financial statements required under Part 7 of the *Financial Management Act 1984*

35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"><li>&gt; The financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period.</li><li>&gt; The financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.</li></ul>	45
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### Other requirements under Standing Direction / Financial Management Act 1994

36	SD 5.2.2(a) and FMA s 49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"><li>&gt; the Accountable Officer;</li><li>&gt; subject to Direction 5.2.2(c), the CFO; and</li><li>&gt; for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body.</li></ul>	45
37	FRD 30D	Rounding of amounts	51
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"><li>&gt; review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament.</li></ul>	38-39

### Other requirements as per financial reporting directions in notes to the financial statements

39	FRD 11A	Disclosure of ex-gratia payments	92
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	88-91
41	FRD 102A	Inventories	88
42	FRD 103H	Non-financial physical assets	47, 67, 71
43	FRD 105B	Borrowing costs	N/A
44	FRD 106B	Impairment of assets	87
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	70-71
47	FRD 110A	Cash flow statements	49
48	FRD 112D	Defined benefit superannuation obligations	60-62
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	72
50	FRD 114C	Financial instruments	80-84
51	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	52

## Compliance with other legislation, subordinate instruments and policies

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52	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"><li>&gt; <i>Education and Training Reform Act 2006</i> (ETRA)</li><li>&gt; TAFE institute constitution</li><li>&gt; Directions of the Minister for Training and Skills (or predecessors)</li><li>&gt; TAFE institute Commercial Guidelines</li><li>&gt; TAFE institute Strategic Planning Guidelines</li><li>&gt; <i>Public Administration Act 2004</i></li><li>&gt; <i>Financial Management Act 1994</i></li><li>&gt; <i>Freedom of Information Act 1982</i></li><li>&gt; <i>Building Act 1993</i></li><li>&gt; <i>Protected Disclosure Act 2012</i></li><li>&gt; <i>Local Jobs First Act 2003</i></li></ul>	103
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	107
54	Policy	Statement that the TAFE institute complies with the <u>Victorian Public Sector Travel Policy</u>	102
55	Key Performance Indicators	<i>See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting.</i> Institutes to report against: <ul style="list-style-type: none"><li>&gt; Employment costs as a proportion of training revenue;</li><li>&gt; Training revenue per teaching FTE;</li><li>&gt; Operating margin percentage;</li><li>&gt; Training Revenue diversity.</li></ul>	97

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## Overseas operations of Victorian TAFE institutes

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56	PAEC and VAGO ( <u>June 2003 Special Review Recommendation 11</u> )	<ul style="list-style-type: none"><li>&gt; Financial and other information on initiatives taken or strategies relating to the institute's overseas operations</li><li>&gt; Nature of strategic and operational risks for overseas operations</li><li>&gt; Strategies established to manage such risks of overseas operations</li><li>&gt; Performance measures and targets formulated for overseas operations</li><li>&gt; The extent to which expected outcomes for overseas operations have been achieved.</li></ul>	13-14, 53-55
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# Additional Compliance Reports

## VICTORIAN PUBLIC SECTOR TRAVEL PRINCIPLES

Chisholm has policy and procedures in relation to domestic and international travel and accommodation to ensure its compliance with the Victorian Public Service Travel Policy. This applies to all employees of Chisholm and its controlled entities. Directly linked to the travel policy are policies involving staff code of conduct, gifts, benefits and hospitality, health and safety, and travel expenditure.

## APPLICATION AND OPERATION OF THE PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* encourages and helps people disclose improper conduct by public officers and public bodies. It provides protection to people who make disclosures and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Chisholm does not tolerate improper conduct by employees, nor reprisal taken against those who disclose such conduct. It is committed to ensuring transparency and accountability in administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Chisholm takes all reasonable steps to protect people from any detrimental action in reprisal for making such disclosures.

### Making a disclosure

Disclosures of improper conduct or detrimental action by Chisholm or any of its employees may be made to:

Ms Delia McIver  
Protected Disclosure Coordinator  
Executive Director, People, Culture & Safety

Chisholm Institute  
Street address:  
121 Stud Road, Dandenong VIC 3175

Mailing address:  
PO Box 684, Dandenong VIC 3175  
T: +61 3 9212 5360  
E: delia.mciver@chisholm.edu.au

or one of the following officers of the Institute:

- > a manager or supervisor of a person from the Institute who chooses to make a disclosure
- > a manager or supervisor of a person from the Institute about whom a disclosure has been made

or:

The Independent Broad-based Anti-corruption Commission

Street address:  
Level 1, North Tower  
459 Collins Street, Melbourne VIC 3000

Postal address:  
GPO Box 24234, Melbourne VIC 3001  
T: 1300 735 135  
www.ibac.vic.gov.au

### Disclosures under the Protected Disclosure Act 2012

	2019	2018
The number of disclosures made by an individual to Chisholm and notified to the Independent Broad-based Anti-corruption Commission – assessable disclosures	0	0

## LOCAL JOBS FIRST – VICTORIAN INDUSTRY PARTICIPATION POLICY IMPLEMENTATION

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP).

Departments and public sector bodies are required to apply the Local Jobs First – VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects of \$1 million or more for procurement activities in regional Victoria.

During 2019, Chisholm completed one Local Jobs First - VIPP applicable or Local Industry Development Plan (LIDP) applicable procurement totalling \$60 million of total project costs.

Frankston Redevelopment Project expenditure in 2019 was \$15,476,555 representing 93 per cent of estimated local content. These were split:

- > metropolitan 70 per cent
- > regional 20 per cent
- > state 10 per cent.

During 2019 the total VIPP Plan or LIDP commitments achieved as a result of this completed contract include:

- > 1 new apprenticeship/traineeship
- > 2 new cadetships
- > 13 retained apprenticeships/traineeships.

## COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

Chisholm has taken all practical measures to comply with its obligations under the Act. These include:

- > ensuring staff have an awareness and understanding of the care relationship principles set out in the Act, which includes communicating information about the principles in the Act and what they mean for staff; induction information provided to staff upon commencement and proactive discussion between staff and their managers
- > considering the care relationship principles set out in the Act when setting policies and procedures and providing services. This includes a regular review of employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act.

## COMPETITION POLICY

Chisholm has policies, guidelines and procedures to ensure compliance with applicable National Competition Policy, including requirements of Victoria's Competitive Neutrality Policy and related legislation.

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the Department and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- (a) A statement that declarations of pecuniary interests have been duly completed by all relevant officers
- (b) Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- (c) Details of publications produced by Chisholm about itself, and how they can be obtained
- (d) Details of changes in prices, fees, charges, rates and levies charged by Chisholm
- (e) Details of any major external reviews carried out by Chisholm
- (f) Details of major research and development activities undertaken by Chisholm
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- (h) Details of major promotional, public relations and marketing activities undertaken by Chisholm to develop community awareness of Chisholm and its services
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees
- (j) A general statement on industrial relations within Chisholm and details of time lost through industrial accidents and disputes

(k) A list of major committees sponsored by Chisholm, the purposes of each committee and the extent to which the purposes have been achieved; and

(l) Details of all consultancies and contractors including:

- (i) Consultants/contractors engaged
- (ii) Services provided; and
- (iii) Expenditure committed to for each engagement.

Enquiries regarding this information should be directed to:

Corporate Communications Manager  
E: CorporateCommunications@chisholm.edu.au

## COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

Chisholm complies with all relevant legislation and subordinate instruments, including but not limited to the following:

- > *Education and Training Reform Act 2006*
- > TAFE institute constitution
- > Directions of the Minister for Training and Skills (or predecessors)
- > TAFE institute Commercial Guidelines
- > TAFE institute Strategic Planning Guidelines
- > *Public Administration Act 2004*
- > *Financial Management Act 1994*
- > *Freedom of Information Act 1982*
- > *Building Act 1993*
- > *Protected Disclosure Act 2012*
- > *Local Jobs First Act 2003*
- > Australian Accounting Standards
- > *Fair Work Act 2009* and *Fair Work Regulations 2009*
- > *Carers Recognition Act 2012*
- > *Occupational Health and Safety Act 2004* and *Occupational Health and Safety Regulations 2007*.

## COMPLIANCE WITH THE BUILDING ACT 1993

### General statement

Chisholm holds all plans and documentation for building extensions and new buildings lodged for issue of building approvals by certified building surveyors. Upon completion of construction, the Institute has obtained Certificates of Occupancy and practical completion certificates from the relevant architects and surveyors.

### Assurance programs

Certification of building projects. The architects provided completion certificates and necessary building compliance and regulatory certificates were received for all projects completed.

### Building maintenance programs

Chisholm has an ongoing maintenance program (using Institute staff and engagement of specialist external contractors) for works to the existing buildings controlled by Chisholm.

### Compliance statement

It is considered that all buildings on campus currently conform to the Building Regulations as existed at the time of construction of the respective buildings. All new buildings constructed since the promulgation of the Building Act comply with those relevant standards. Chisholm has an ongoing program to ensure that any alterations or improvements to buildings meet the necessary standards to ensure that they are safe and fit for purpose.

For the year ended 31 December 2019, progress towards full compliance with the Building Act is summarised as follows:

<b>Building works</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
New buildings certified for approval	2	1	0	1	0	3	0
Works in progress subject to mandatory inspections	2	3	4	2	0	2	3
New occupancy permits issued	2	1	0	0	0	3	0
<b>Maintenance</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Notices issued for substandard buildings requiring urgent attention	0	0	0	0	0	0	0
Other notices issued involving major expenditure and urgent attention	0	0	0	0	0	0	0
<b>Conforming</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of owned buildings occupied by Chisholm (note the numbers are buildings in their entirety; floors and levels have not been considered.)							
Frankston	21	19*	17*	18	18	17	17
Dandenong	26	25	26	27	27	27	27
Berwick	11	10	9	10	10	9	9
Cranbourne	5	5	5	5	5	5	5
Bass Coast	5	5	5	5	5	4	4
Mornington Peninsula	7	7	7	7	11	6	6
<b>Total</b>	<b>75</b>	<b>71</b>	<b>69</b>	<b>72</b>	<b>76</b>	<b>68</b>	<b>68</b>
Number of buildings conforming to the standards	73	71	69	72	76	68	68
Number of non-conforming buildings vacated	0	0	0	0	0	0	0
Number of buildings not conforming to standards	Refer to Subdivision Statement	Refer to Subdivision Statement					

### Berwick campus

The Berwick Centre for Health was completed and operational in February.

### Frankston campus

The Frankston Redevelopment Project stage one was completed and opened by the Premier in 2019.

### Leased buildings

- > 399 Lonsdale Street, Melbourne lease to expire and not renewed July 2019.
- > 126 Springvale Road, Springvale, Adult Migrant English Program.

For number of buildings not conforming to standards, refer to Subdivision Statement below. Institute buildings J, K and L and buildings F, G and H at Frankston campus are counted as one building. Institute buildings R and S Dandenong campus are counted as one building

**Subdivision 1** of the Building Regulations relates to all new buildings or section of existing buildings altered after 1 July 1994. There are approximately eight buildings out of the 67 that are considered to be Subdivision 1 type buildings. All buildings are issued with an Annual Essential Safety Measures Report.

**Subdivision 2** relates to all buildings constructed or altered prior to 1 July 1994. All Subdivision 2 buildings have been provided with a maintenance determination in accordance with Part 1215 of the Building Regulations, which require all buildings to be provided with this document and subsequent Annual Essential Safety Measures Reports prior to 13 June 2009.

## REPORT ON MAJOR COMMERCIAL ACTIVITY

There was no Major Commercial Activity conducted by Chisholm in this reporting period.

## ADVERTISING 2019

Details of government advertising expenditure (campaigns with a media spend of \$100,000 or greater exclusive of GST).

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure	Creative campaign and development expenditure	Research and evaluation expenditure	Print and collateral expenditure	Other campaign expenditure
January 2019 acquisition campaign	Chase Your Calling recruitment campaign executed across television, cinema, out of home, radio, print and digital channels.	Jan 19 - Mar 19	\$916,647	\$137,919	\$15,295	\$0	\$0
Mid-year acquisition campaign	Chase Your Calling recruitment campaign executed across out of home, radio and digital channels.	April 19 - July 19	\$634,848	\$216,411	\$16,035	\$0	\$0
Q4 acquisition campaign	Chase Your Calling recruitment campaign executed across radio, and digital channels.	Aug 19 - Oct 19	\$555,279	\$264,390	\$9,650	\$0	\$0
January 2020 acquisition campaign	Chase Your Calling recruitment campaign executed across television, cinema, out of home, radio, print and digital channels.	Nov 19 - Dec 19	\$423,249	\$70,695	\$0	\$0	\$0

## ICT EXPENDITURE

The Information Technology Services key projects for 2019 include:

- > completion of the migration of major applications and server infrastructure to the cloud including decommissioning of 90 per cent of on premise server and storage infrastructure
- > completion of wired and wireless network infrastructure at all campuses including Berwick and Frankston redevelopment sites
- > delivery of automated enquiry to application features to CRM and associated process enhancements to improve customer experience and overall student enrolment numbers
- > continued systems integration and automation to improve operational efficiencies between Chisholm's Student Management System and Learning Management System
- > Improved operational efficiency program through adoption of the Information Technology Information Library (ITIL) frameworks, training and certification of ITIL to Information Technology Services team members
- > Security Posture Improvement Strategy and implementation of the Victorian Protective Data Security Framework.

Total entity ICT Business as Usual (BAU) expenditure for the full 12 month reporting period	\$16,820,973
Total entity ICT Non-BAU expenditure for the full 12-month reporting period – Operational expenditure	\$3,220,985
Total entity ICT Non-BAU expenditure for the full 12 month reporting period – Capital expenditure	\$8,902,407

## APPLICATION OF THE FREEDOM OF INFORMATION ACT 1982

Chisholm falls under and complies with all reasonable requests made pursuant to the *Freedom of Information Act 1982*.

Chisholm also has defined procedures which, subject to privacy and confidentiality provisions, facilitate all reasonable requests for information from students, staff and the general public without recourse to the Freedom of Information Act.

General enquiries about Chisholm should be addressed to:

Chisholm Institute  
PO Box 684, Dandenong Vic 3175  
or [chisholm.edu.au](http://chisholm.edu.au)

All Freedom of Information requests should be forwarded to:

Freedom of Information Officer  
Chisholm Institute  
PO Box 684, Dandenong Vic 3175  
[FOI@Chisholm.edu.au](mailto:FOI@Chisholm.edu.au)

Chisholm may levy a charge for information provided that is subject to a Freedom of Information request in accordance with the Freedom of Information (Access Charges) Regulations 2014.

During the year ended 31 December 2019, Chisholm received three Freedom of Information applications for access to documentary information under Section 17 of the Freedom of Information Act.

## ENGAGEMENT OF CONSULTANTS

For the year ended 31 December 2019

The Financial Reporting Directions and guidance FRD 22H define a consultant as a particular type of contractor that is engaged primarily to perform a discrete task for an entity that facilitates decision making through:

- > provision of expert analysis and advice
- > development of a written report or other intellectual output.

### Consultancy expenditure

#### Details of consultancies (valued at \$10,000 or greater)

In 2019, there were 25 consultancies where total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019 in relation to these consultancies is \$1,234,622 (excluding GST). Details of individual consultancies can be viewed at [chisholm.edu.au/about-us/publications](http://chisholm.edu.au/about-us/publications).

#### Details of consultancies under \$10,000

In 2019, there were 17 consultancies engaged during the year, where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2019 in relation to these consultancies was \$75,414 (excluding GST).

## COMPULSORY NON-ACADEMIC STUDENT FEE INCOME STATEMENT

For the year ended 31 December 2019

Chisholm has a range of fees and charges for programs and services. For 2019, the fees and charges included:

- > Tuition fees for eligible Skills First Program students. These ranged from nil to \$17.40 per hour, depending on the course, cohort and competitive forces. There was no minimum fee and maximums did not apply (with the exception of VCAL, which was capped at \$1,560). Students who were ineligible for the Skills First Program paid tuition fees of up to \$18 per hour. Students enrolled in Chisholm's higher education courses paid up to \$1,890 per unit of study.
- > All students enrolling in courses that were on Chisholm's Funded Courses List (including students enrolling in Chisholm owned higher education courses) are required to pay a compulsory fee for their enrolment year that contributes to the cost of providing such services as counselling, welfare services, learning support, study support, IT infrastructure and activities and services provided by the Student Support and Engagement Services business area. The Student Services Fee (SSF) for non-concession eligible students is charged up to a maximum of \$240 per 12 months. The SSF is charged at \$0.70 per hour with a minimum of \$60 charged for a student's first enrolment. If the student has already paid the maximum for which they are eligible they will not be charged SSF for additional enrolments in the same 12 month period. SSF for concession-eligible students is charged up to a maximum of \$120 per 12 months (for enrolments in courses up to Certificate IV level for non-Aboriginal and Torres Strait Islander students). The SSF is charged at \$0.35 per hour with a minimum of \$60 charged for a student's first enrolment. If the student has already paid the maximum for which they are eligible they will not be charged SSF for additional enrolments in the same 12 month period. SSF for students studying higher education courses are charged at a rate of \$30 per unit of study. Students who are based solely in the workplace or studying exclusively online are not required to pay a student services fee.
- > A materials fee was charged to cover the actual cost of providing materials or services used or retained by a student in a particular course of study – if applicable to that course of study. The fee varied by course depending on requirements. Full details were provided to each student prior to enrolment.
- > Recognition of prior learning fees were charged at 50 per cent of the tuition fee that would be charged for participation in training for the same qualification.
- > All eligible Skills First program students who held and presented current and valid concession cards (Commonwealth Health Care Card, Pensioner Concession Card and Gold Veteran Card) prior to course commencement received an 80 per cent discount on tuition fees at Certificate IV level and below. Students identifying as Australian Indigenous individuals received the 80 per cent discount for all VET course levels.
- > Programs and services provided on a fee-for-service basis were priced in accordance with National Competition Policy principles.
- > Programs and services provided to international students and industry-based customers were costed on a commercial basis.
- > Other fees and charges were on a cost-recovery basis, for example, library and parking fines, photocopying and printing charges.



**STEPHEN VARTY**

**Director and Chief Executive Officer**

26 February 2020

# Environmental Performance

## Environmental performance

The environmental performance is a measure of the level of resource consumption and emissions across the Institute's various activities. This includes all emissions, ranging from fleet vehicles used for work activity, overseas air travel and electricity consumption.

Chisholm continues to place environmental considerations into all its operational activities, seeking to continuously improve its environmental practices throughout its operations, and developing and implementing robust systems and processes that protect the environment. The Institute's environmental performance including energy, water, paper and fuel consumption measured against a 2007 baseline, and its performance against the baseline can be found in the appendices.

Sustainable principles are also included in the delivery of vocational education and training, where various departments have sustainability components embedded into the curriculum. This is the case particularly with workplace practices, including the appropriate disposal of waste, separation and recycling of reusable materials, and undertaking energy and waste audits.

## Capital works

This year, the Institute took ownership of three new facilities, which included a number of sustainable elements such as energy efficient chillers and packaged units, LED lighting, full outside fresh air mode within the building heating, ventilation and air-conditioning systems on temperate days, and fresh air modulation using CO<sub>2</sub> sensors on extreme days. Passive efficiency measures included high performance glass and extensive shading on the building facades. There was also a focus on building automation, including creating a link between the operation of the air-conditioning and occupancy at a classroom level, through the integration of the operations with class schedules.

Further to the passive measures, the carpet used in the Frankston Redevelopment Project stage one is constructed from recycled materials and contains 400,000 recycled plastic bottles.

The increase in the Institute's building portfolio has impacted energy consumption, driving consumption higher than the previous two years. It is expected that there will be a further increase next year with consumption being calculated over the course of a full year.

Although an increase is expected further initiatives such as LED, solar and energy efficient services will be investigated to offset the increase.

With the support of the Victorian government's Stronger TAFE Fund Asset Maintenance Program, Chisholm implemented a program phasing out the use of ozone depleting R22 refrigerants on existing air conditioners across all campuses, replacing old inefficient air-conditioners in Dandenong, and expanding the building automation systems to older buildings.

## Carbon impact

With energy being the major component of the Institute's emissions, the impact on CO<sub>2</sub> emissions rose to 2016 levels, but still significantly less than the 2007 baseline.

## Energy consumption

Chisholm continues to focus on energy efficiency through investing in the energy monitoring and reporting infrastructure to identify potential waste, and to quantitatively measure and track improvements.

Works underway sourced tools to enable the operations team to gain a comprehensive understanding of how, when and where energy use occurs, which includes rolling out energy sub-metering infrastructure. These improvements are expected to help build on the energy reduction achieved to date.

## CHISHOLM ENVIRONMENTAL SUSTAINABILITY INDEX 2007–2019

Year	Target Sustainability Index	Target reduction %	Actual Sustainability Index	Actual performance %
2007 (baseline)	1.63	0%	1.63	0%
2008	1.59	-2%	1.64	1%
2009	1.55	-5%	1.41	-13%
2010	1.46	-10%	1.39	-14%
2011	1.38	-15%	1.41	-13%
2012	1.29	-20%	1.44	-11%
2013	1.21	-26%	1.27	-22%
2014	1.11	-32%	1.23	-24%
2015	1.03	-37%	1.30	-20%
2016	0.95	-42%	1.22	-24%
2017	0.90	-45%	1.10	-32%
2018	0.86	-47%	1.08	-34%
2019	0.81	-50%	1.18	-27%

## SUSTAINABILITY PERFORMANCE

Chisholm monitors its sustainability performance against ResourceSmart baseline targets from 2007, given below.

Impacts/indicators	Measure	Baseline 2007	Actual 2019	% difference from the Baseline
Square metres (mth avg)	M2	98,784	144,197	46%
Student contact hours (enrolled)	SCH	9,250,627	13,490,486	46%
Student enrolments	#	40,329	42,221	5%
Staff FTE (avg)	FTE	956	960	0%
Student (FTESL)	FTESL	12,848	18,736	46%
Student (FTESL) + staff (FTE)	FTESL + FTE	13,805	19,696	43%
T1 – Emissions reduction (-48%)	t Co2e	14,257	15,501	-24%
	t CO2e/FTESL+FTE	1.03	0.79	
T2 – Energy reduction (-48%)	MJ	61,636,903	58,333,951	-34%
	Total MJ/FTESL+ FTE	4,465	2,962	
T3 – GreenPower purchase (55%)	MJ	3,187,044	0	N/A
	%	9.8%	0%	
T4 – % Renewable energy of the total Energy Use (28%)	MJ	3,135	111,182	0.2%
	%	0.01%	0.20%	
T5 – Water reduction (-85%)	kL	36,744	42,875	-18%
	kL/FTESL+ FTE	2.66	2.2	
T6 – Waste to landfill reduction (-75%)	t	847	1,583	-7%
	t/FTESL+ FTE	0.061	0.08	
	% recycled	13.3%	20.1%	

## 2019 Environmental data

### Energy use

Total energy usage segmented by primary source (megajoules)	Electricity	36,065,581
	Natural gas	22,268,370
	GreenPower	0
	<b>Total</b>	<b>58,333,951</b>
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tonnes CO2e)	Electricity (S2)	10,719
	Electricity (S3)	1,002
	Natural gas (S1)	1,145
	Natural gas (S3)	87
	GreenPower	0
	<b>Total</b>	<b>12,953</b>
Percentage of electricity purchased as GreenPower (%)		0
Units of energy used per full time employee – FTE value used (megajoules per FTE)		60,794
Units of energy used per unit of office area (megajoules per m <sup>2</sup> )		405

### Waste production

Total units of office waste disposed of by destination (kg per year)	Landfill	1,250,718
	Recycled	332,405
	<b>Total</b>	<b>1,583,123</b>
Units of office waste disposed of per full time employee - FTE by destination (kg per FTE)		1,650
Recycling rate (% of total waste by weight)		21%
Greenhouse gas emissions associated with waste disposal (tonnes CO2e)		1,250

### Paper use

Total units of A4 equivalent copy paper used (reams) (1 ream = 500 pages/sheets). *Figure is based on the assumption that the total impressions/clicks are all calculated as printing double sided only to work out the total page/paper count.	Corridor printers*	11,353
	Print room	8,717
	<b>Total</b>	<b>20,070</b>
Units of A4 equivalent copy paper (reams) used per full time employee- FTE (reams per FTE)		20.9
Percentage of recycled content in copy paper purchased (%)	Recycled content	-
	Carbon neutral	-
	FSC/PEFC accredited	49%

### Water consumption

Total units of metered water consumed by water source (kilolitres)	47,875
Units of metered water consumed in offices per FTE (kilolitres per full time employee - FTE)	49.9
Units of metered water consumed in offices per unit of office area (kilolitres per m <sup>2</sup> )	0.33

## Transportation

Total energy consumption by vehicle fleet segmented by vehicle type (MJ)	Diesel	251,133
	LPG	0
	Petrol	3,320,682
	<b>Total</b>	<b>3,571,815</b>
Total vehicle travel associated with entity operations (km)		1,282,858
Greenhouse gas emissions from vehicle fleet (tonnes CO2e) segmented by vehicle type	Diesel (S1+3)	19
	LPG (S1+3)	0
	Petrol (S1+3)	235
	<b>Total</b>	<b>254</b>
Greenhouse gas emissions from vehicle fleet (tonnes CO2e) per 1000 km		0.27
Total distance travelled by air (km)		1,091,902
Percentage of employees regularly using public transport, cycling, walking etc. Sample size – 27 employees – 2015.		4%

## Greenhouse gas emissions

Total greenhouse gas emissions associated with energy use (tonnes CO2e)	12,953
Total greenhouse gas emissions associated with vehicle fleet (tonnes CO2e)	292
Total greenhouse gas emissions associated with air travel (tonnes CO2e)	880
Total greenhouse gas emissions associated with waste disposal (tonnes CO2e)	1,376
Greenhouse gas emission offsets purchased (CO2-e)	0
Total emissions from all sources	<b>15,501</b>

# Acronyms

This listing is prepared to assist in the understanding of the Annual Report and related materials.

<b>AAS</b>	Australian Accounting Standard	<b>LLN</b>	Language, literacy and numeracy
<b>AASB</b>	Australian Accounting Standards Board	<b>MP</b>	Member of Parliament
<b>ACFE</b>	Adult, Community and Further Education	<b>NDS</b>	National Disability Service
<b>AMEP</b>	Adult Migrant English Program	<b>PACCT</b>	Professional administrative, clerical, computing and technical
<b>BAU</b>	Business as Usual	<b>PAEC</b>	Public Accounts and Estimates Committee
<b>CALD</b>	Culturally and Linguistically Diverse	<b>RPL</b>	Recognition of prior learning
<b>CEO</b>	Chief Executive Officer	<b>SCH</b>	Student contact hours
<b>CSJC</b>	Chisholm Skills and Jobs Centre	<b>SD</b>	Standing Directions
<b>EAL</b>	English as an alternative language	<b>SSF</b>	Student Services Fee
<b>ESL</b>	English as a Second Language	<b>STEAM</b>	Science, technology, engineering, arts and mathematics
<b>ETRA</b>	Education and Training Reform Act 2006	<b>TAFE</b>	Technical and further education
<b>FMA</b>	Financial Management Act 1994	<b>THMA</b>	Toyota Material Handling Australia
<b>FRD</b>	Financial Reporting Directions	<b>TVET</b>	Technical and vocational education and training
<b>FTE</b>	Full time employee	<b>VACC</b>	Victorian Automobile Chamber of Commerce
<b>GST</b>	Goods and services tax	<b>VAGO</b>	Victorian Auditor-General's Office
<b>HALT</b>	Hope Assistance Local Tradies	<b>VCAL</b>	Victorian Certificate of Applied Learning
<b>HBIA</b>	Hair and Beauty Industry Association	<b>VIPP</b>	Victorian Industry Participation Policy
<b>HSW</b>	Health, safety and wellbeing		
<b>ITIL</b>	Information Technology Information Library		
<b>KIT</b>	Kiribati Institute of Technology		

*Chisholm*

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