



# Chisholm

## ANNUAL REPORT 2016

TAFE

[chisholm.edu.au](http://chisholm.edu.au)

On campus | Online | Workplace | International

# OUR VISION

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

# OUR PURPOSE

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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

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

Opportunity  
Integrity  
Collaboration  
Achievement



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# ABOUT THIS REPORT

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The Chisholm Institute 2016 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 operations of Chisholm Institute, TAFE Online, Chisholm Academy and the Caroline Chisholm Education Foundation during 2016, consolidated financial statement, performance statement and other information required under Standing Directions of the Minister for Finance under the Act (Section 5 Compliance and Reporting) and the Financial Reporting Directions given under that Act.

In the preparation of this report Chisholm has followed the reporting guidelines issued by the Higher Education and Skills Group, Department of Education and Training.

This report is based on the model Annual Report issued with these guidelines, in accordance with the Financial Management Act 1994, 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 audited consolidated financial report for Chisholm Institute.

Queries in relation to this report can be addressed to:

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Further information about Chisholm Institute can be obtained at [www.chisholm.edu.au](http://www.chisholm.edu.au)



**MARIA PETERS**

Chief Executive Officer  
1 March, 2017



**SHEHANI MENDIS**

Chief Finance and Accounting Officer  
1 March, 2017

# ABOUT CHISHOLM

Chisholm has been leading the way in providing quality education and training throughout Victoria, nationally and overseas since 1998. The Institute exists to inspire success and transform lives, with over 35,000 students participating annually across its seven campus locations, online and in the workplace.

Chisholm is a Victorian Government Institute of Technical and Further Education (TAFE) established under the *Education and Training Reform Act 2006*. Through to November 2016, the responsible minister was the Hon. Steve Herbert MP, with the Hon. Gayle Tierney MP appointed Minister for Training and Skills on 9 November.

Chisholm is multi-sectoral, delivering a broad range of education and training programs and services across VET and higher education.

Chisholm offers certificate, diploma, advanced diploma and graduate

certificate courses, short courses and degree programs. Chisholm also serves one of Victoria's most culturally diverse and fastest growing regions in south-east metropolitan region of Melbourne – with campuses in Dandenong, Frankston, Berwick, Cranbourne, Melbourne City, Mornington Peninsula and Bass Coast, as well as online and in the workplace.

Throughout 2016, Chisholm further enhanced its educational offering through a strengthening of its partnership with La Trobe University, providing greater access to leading

higher education to students in the south east through a number of pathway degrees across a range of academic fields.

Chisholm is a proud public TAFE institute that aims to provide quality, practical education to enhance the social and economic futures of individuals, industry and communities.



# BOARD CHAIR'S MESSAGE

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It is with pleasure that I present the Institute's Annual Report for 2016. The year continued a sense of optimism and provided new opportunities for Chisholm and the public VET sector in Victoria.

This year represented the final of Chisholm's three-year strategic plan. The Board recently developed a 2020 vision, working towards becoming an institute, partner and workplace of choice.

Throughout 2016 we remained steadfast in our commitment to maintain our position as the leading provider of quality and relevant education, and training outcomes in Victoria while responding to challenges present in the sector. Good governance and a strong collective aim to ensure positive outcomes for all our students and clients, have provided a stable platform on which to grow our business in the future.

The year was marked by a number of positive developments. Building work was firmly underway for the \$70.5 million redevelopment of our Frankston campus. This significant regional investment will enable Chisholm to build on its strong relationships with local business and industry and contribute to the social and economic growth of the region.

There were a number of other exciting developments, with the announcements of the Casey Tech School and our new state of the art \$10 million health training facility, both to be located at our Berwick campus. Strengthening our partnership with La Trobe University will see an expanded

number of degree programs delivered across our Dandenong, Frankston and Berwick campuses.

On behalf of the Board I would especially like to thank our CEO, Maria Peters, for her continued leadership and direction. Maria is a true leader in our sector and her ability to successfully steer Chisholm through what has been a challenging period for TAFE is a testament to her professionalism, dedicated leadership and commitment to Chisholm and the role of public VET provision.

I would also like to thank Chisholm's Executive Leadership Team who have worked tirelessly in implementing the Board's strategic objectives. I have been encouraged by their shared and unwavering commitment to providing quality outcomes for Chisholm students and clients.

The Chisholm Board was reconstituted by the government on 1 July 2016. I would like to thank all Board members for their dedication and commitment, as they have worked harmoniously to ensure the success of Chisholm this year.

Lastly, but not least, I would like to acknowledge the importance of our students and partners. Without them Chisholm would not exist. I trust that we have achieved our goal of providing students with a wonderful

environment in which to study, a quality education and a qualification of which they are proud and that meets the expectations of our partners.

Chisholm continues to be a market leader in education in Victoria. We will continue to maintain our role as an education and training provider dedicated to ensuring the provision of high quality vocational and higher education outcomes.

I am immensely proud of our achievements in 2016 and remain confident that Chisholm can successfully meet the challenges and opportunities of the year ahead.



**STEPHEN G. MARKS**

Board Chair  
1 March, 2017





# CEO'S MESSAGE

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This was a year of positive change and renewed optimism for Chisholm, as we continued on our journey towards realising our Board's 2020 vision of becoming an institute, partner and workplace of choice.

Chisholm remains steadfast in our commitment to delivering quality learning outcomes for our students and partners. This is the cornerstone of what makes Chisholm a proud school, public VET and higher education provider with a focus on delivering positive outcomes for our students, for industry, for other partners and for the community.

The year brought with it a number of significant announcements for Chisholm and the VET sector as a whole. The commencement of Skills First funding reform aimed at supporting and fostering a dynamic, high quality and stable training system provided an opportunity for all Victorian TAFE institutes, including Chisholm, to regain a vital part of the training market. Chisholm remains a sustainable TAFE institute, something we can all be proud of.

Working closely with industry, we are planning a new state of the art \$10 million health training facility, to be located at our Berwick campus. This adds another exciting dimension to the region and enables Chisholm to work innovatively with industry to meet existing and evolving workforce needs. The year also saw the commencement of construction works on our \$70.5 million Frankston redevelopment project. Having such significant capital work programs is very exciting and will further establish Chisholm's position as the premier TAFE and higher education provider in the region.

Ensuring long-term sustainability and future growth is the essence of our Board's strategy. Great strides were made towards further strengthening our Educational Excellence Framework, providing quality delivery, strong educational planning and a positive student learning experience to ensure we consistently deliver on our mission of inspiring student success and

transforming lives. Through the great work of our Professional Educator College, we hosted our inaugural Staff Conference Day, bringing together 800 staff members.

Many partnerships were strengthened this year. Chisholm and La Trobe University announced an exciting new chapter, which will see students having local access to La Trobe degrees and postgraduate programs, aimed at meeting the needs of local workers by 2020. We see the partnership as an opportunity to build higher education offers in the region with local educational delivery, linked to local employment needs and opportunities.

Other partnerships continued to strengthen in flagship industries of manufacturing, construction and health, both locally and internationally. We also supported key government initiatives such as improving regional transport infrastructure through the level crossing removals by partnering with industry to provide training and job opportunities.

Our annual Chisholm Awards celebrated high-achieving students and teaching staff from across a broad and diverse portfolio of programs. Thirty Chisholm students and graduates and three staff members were honoured.

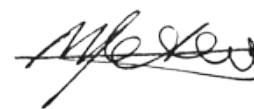
There were many other wonderful successes. Apprentice shopfitting student Danielle Kazi-Shedden became a finalist in Apprentice of the Year at the Victorian Training Awards and won the state's inaugural Community Choice Award. Chisholm students achieved success across competitions and initiatives including Worldskills, Master Builders Association Awards and the Hair and Beauty Industry Association Awards.

Chisholm continues to support disadvantaged students from across

our communities and has not wavered in providing the additional support that these students need to successfully complete their qualifications and gain employment. Students from culturally and linguistically diverse and low-socio-economic backgrounds as well as the unemployed, continue to enjoy the quality education and services that Chisholm provides, including the new Skills and Job Centre. Chisholm is solidly embedded within its community and proud to make a valuable contribution to their social and economic wellbeing.

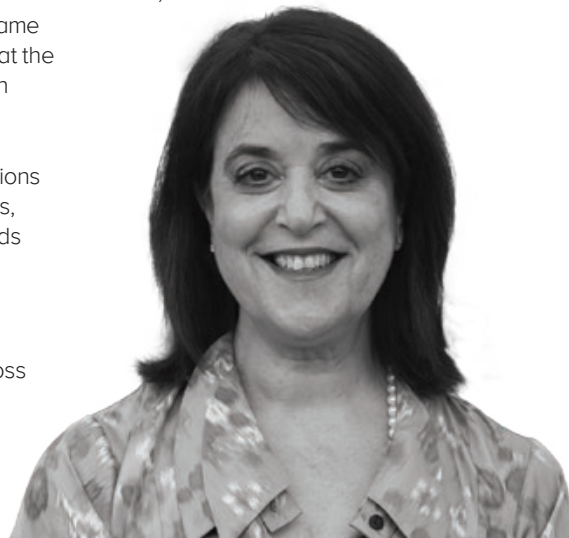
This report highlights the successes that Chisholm has made due to an unwavering commitment to being a leading vocational and higher education provider.

I would like to thank our staff, the leadership team, Stephen Marks and the Board for their commitment and support. I am confident that Chisholm has a strong and sound strategy to achieve success and will continue to enhance the lives of individuals and businesses in the region and beyond.



**MARIA PETERS**

Chief Executive Officer  
1 March, 2017



# AWARDS AND ACHIEVEMENTS

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Chisholm's hard-working students and teachers were recognised for their achievements at local, state and national level this year, as well as at the Institute's own Education Awards.

## CHISHOLM EDUCATION AWARDS

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Held in March, the Chisholm Education Awards recognised the outstanding achievements made by students, staff and industry partners throughout the year.







**CEO Award**

Danielle Kazi-Shedden

**Vocational Student of the Year**

Nicholas Swinton  
Environment

**Study area winners**

Rodney Renzella  
Business Services

Hannah Spratt  
Community Services

Bianca Dyer  
Health and Community Care

Kane Shine  
Interactive Media and Arts

Kylie Bourke  
Hair, Beauty and Wellness

Jamie Marshall  
Engineering

Sam Moriarty  
Information Technology

Jamie Stuart  
Construction and Building  
Industry Services

Amanda Cormick  
Foundation College

Daniel Cox  
Hospitality and Tourism

Ellie Hollway  
VET in Schools

Richard Phillips  
Professional Teaching

**Secondary Studies Student of the Year**

William Geyle  
VCAL Diploma of Nursing

**Koorie Student of the Year**

Jade Jensen  
Certificate IV in Allied Health

**Trainee of the Year**

Michael Pasin  
Certificate IV in Information  
Technology

**International Students of the Year**

Jamna Devasurenda  
Diploma of Beauty Therapy

Arturo Ramos, Diploma of Mental  
Health – Alcohol and Other Drugs

**Higher Education Student of the Year**

Rachel Crowther  
Bachelor of Community Mental Health  
Alcohol and Other Drugs

**Apprentice of the Year Winner**

Danielle Kazi-Shedden  
Shopfitting

**Study area winners**

Mati Arvik  
Environment

Leighton Noakes  
Plumbing and Water Industry Services

Kamonnuch Ramsiri  
Hair, Beauty and Wellness

Kathryn Tomazos  
Automotive and Supply Chain  
Management

**VET Teacher/Trainers of the Year**

Vera Pyne  
Hospitality and Tourism

Ian Malcolm  
Construction and Building  
Industry Services

Steven Cahill  
Information Technology and  
Computer Systems



**DANIELLE  
KAZI-SHEDDEN**

*Danielle Kazi-Shedden, who took out Chisholm Apprentice of the Year and CEO awards, is pictured with Chisholm CEO Maria Peters and Chisholm Board chair Stephen Marks.*



**AWARD  
WINNERS**

*Pictured L-R are Kathryn Tomazos (Automotive and Supply Chain Management), Jakob Martin (Construction and Building Industry Services), Danielle Kazi-Shedden (Construction and Building Industry Services), Kamonnuch Ramsiri (Hair, Beauty and Wellness), Leighton Noakes (Plumbing and Water Industry Services), Mati Arvik (Environment).*



## TOP APPRENTICES

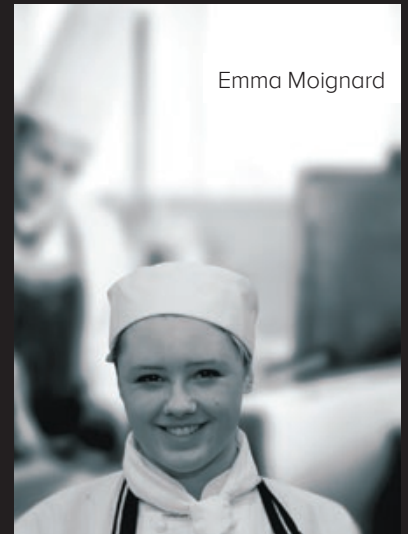
Student Ebony Griffin was named Victorian Female Apprentice of the Year by the Master Builders Association. The third year joinery apprentice was acknowledged in May. Hailing from Beaconsfield, Ebony completed a Certificate II in Building and Construction in 2014 at the Chisholm Berwick campus. She has since returned to undertake her Certificate III in Joinery.

Danielle Kazi-Shedden took out three top apprenticeship awards in 2016. The Certificate III in Shopfitting student was named Chisholm CEO's Award winner and Chisholm Apprentice of the Year at the Chisholm Education Awards in March and went on to become the Community Choice winner at the Victorian Training Awards in August, where she was the only female finalist.

Emma Moignard, a second year apprentice in commercial cookery, represented Chisholm at the National Apprentice of the Year Competition in Campbelltown, New South Wales. Emma earned her position on the Victorian team after winning regional and then state culinary competitions. Emma performed well and was awarded a silver medal narrowly missing out on winning.



Ebony Griffin



Emma Moignard



Danielle Kazi-Shedden



## CUT ABOVE

*Jackii Brown, a barbering teacher, was named RTO Educator of the Year at the 2016 Hair and Beauty Industry Association's Student, Apprentice and Educator awards. Jackii has over 18 years' experience in the hairdressing industry.*



# WORKING WITH INDUSTRY

Chisholm continues its close relationships with industry and business in the south east region, this year welcoming several new partners and developing a range of fresh ideas.



## TRADES AND INNOVATION EXPO

*In a first for Chisholm, in partnership with Bowens Timber and Hardware, the Chisholm Trades Innovation Expo was staged in October at the Chisholm Berwick Trade Careers Centre. The expo focused on collaboration and innovation across the trade sector in construction and building, plumbing and water, electro-technology, design, engineering, telecommunications, brick and block laying and manufacturing.*

*Presentations were delivered by the Masters Builders Association, Energy Safe Victoria and Wood Solutions. The expo attracted trade suppliers, tool companies and industry bodies showcasing new technologies, tools, techniques, materials and regulations.*



## HILTON MANUFACTURING

Under the Chisholm and Hilton Manufacturing partnership, 18 Chisholm students graduated with a Certificate III in Engineering Fabrication Trade or a Certificate IV in Engineering, completed while working at Hilton.

The graduates had undertaken workplace training for 18 months with a Chisholm trainer delivering training at the Dandenong factory up to three days a week.

## VENTURA

Working with Ventura Bus Lines, Chisholm developed a Certificate III in Bus Driving Operations and Foundation Skills program for trainee drivers. Ventura employs 1600 people and expects to expand by 150 new employees in the next two years.

The training program covers driving skills, safety, and customer service and communication techniques. Chisholm also incorporated Foundations Skills into the course to support students facing language, literacy or numeracy challenges.

## SMART MANUFACTURING

Chisholm strengthened its position as the leading VET provider for the Victorian manufacturing industry at the City of Greater Dandenong Smart Manufacturing Expo. Chisholm joined industry, the CSIRO and south eastern councils Greater Dandenong, Kingston, Knox, Monash and Casey/Cardinia at the event.

Members of the engineering and robotics, building and construction, automotive and ICT business areas contributed to a highly interactive display which saw hundreds of secondary school students from across the region engage with Chisholm throughout the day.



## MONSANTO

*Chisholm and Monsanto held a Horticulture Innovation day at Chisholm's purpose-built education and production glasshouse at our Cranbourne campus. It attracted international guest speakers and over 80 industry attendees.*

*This education facility is also used by Monsanto Australia as a trial production glasshouse. The tomato industry is worth over a billion dollars nationally, with the trend towards glasshouse growing for year-round production.*





## LEVEL CROSSING REMOVAL PROJECT

*Chisholm welcomed Premier Daniel Andrews and the Hon Jacinta Allan MP, Minister for Employment and Public Transport, to formally announce a new training and jobs partnership with Chisholm, as part of the \$1.6 billion level crossing removal project between Caulfield and Dandenong.*

*The project forms part of the 'Dandenong Nine Alliance', a Victorian Government appointed contractor, led by Lend Lease and CPB Contractors to deliver this major transport infrastructure project.*

*The New Employment Exchange and Training (NEXT) Centre, located at the alliance headquarters in South Clayton, features dedicated classrooms and training spaces, and a rail training centre. NEXT is both innovative and leading edge in how it will provide industry-relevant education and training. The centre coordinates, delivers and reports on all aspects of training and research during the project's construction phase. The delivery of training operates out of a fit-for-purpose onsite training hub and specialist facilities across Chisholm's campuses.*

## BOMBARDIER

Chisholm launched a training and employment partnership with world-leading rail manufacturer Bombardier Transportation. Bombardier is building Vlocity trains for the state's regional rail network and Chisholm is delivering nationally accredited training to over 300 of their trades-based employees in Dandenong.

Chisholm is also delivering a five-year Skills Development Program for new and existing production, services and managerial staff.

Chisholm delivers training on site, to minimise downtime and disruption to daily operations and maximise effectiveness around existing project timelines.

Bombardier has won more than \$811 million in government contracts to build new trains and trams since 2015.

## IVECO

Iveco engaged Chisholm to deliver Certificate III level qualifications in fabrication and automotive. A key driver for Iveco is ensuring their workforce remains highly skilled in the latest technologies and techniques for their respective disciplines.

Chisholm's engineering and automotive departments have worked in close partnership with Iveco to design and deliver flexible programs that support the cross-skilling of staff from various business areas, increasing overall production quality and efficiency. The programs are delivered in the workplace.





Olympians Nova Peris and Robbie Lloyd Peden, of RAW Recruitment, with Chisholm CEO Maria Peters (centre) at the NEXT program launch.

## CTRL IT

Following consultation with industry, Chisholm developed and introduced a new Certificate IV in Computer Systems, specialising in cyber security. The course is a pathway qualification towards the Advanced Diploma of Computer Systems Technology, specialising in cyber security.

Demand for website and data protection is undergoing phenomenal growth, according to internet security firm Ctrl IT.

General Manager Leon Rogers says the Richmond-based firm has been swamped with demand for cyber security

solutions: “We’re hiring an engineer a month. For us it’s a huge problem just keeping pace and finding suitably qualified staff.”

After Chisholm engaged Ctrl IT to provide input into the advanced diploma, the company decided to provide work experience for four Chisholm students.

“We’ve been working quite closely with Chisholm and were definitely impressed with the course,” Mr Rogers said.

There are plans to expand Chisholm’s cyber security courses, with the first student intake finding their skills are in demand, even before completing their studies.



# STUDENTS AND COMMUNITY OUTREACH



## INSIGHT EDUCATION CENTRE

*This year 120 trade students helped build a 'tactile sensory' room for students attending the Insight Education Centre for the vision-impaired in Berwick. Apprentices gave their time to the six-month project, with tools and materials donated. The small sensory classroom includes Braille text and tactile surfaces so that Insight students can have a unique experience when inside the structure.*



## TECH GAMES FEST

Chisholm's annual Tech Games Fest exposes current and prospective students and local young people to the world of gaming, ethical hacking, cos-play and related courses offered at Chisholm. Gaining in popularity every year, 2016's Star Wars vs Zombies-themed event attracted more than 50 volunteers and 500 registrations.



**BUSH  
TUCKER DINNER**

*An innovative dining experience organised by Chisholm sparked a conversation about Australia's native food. With award-winning Indigenous chef Clayton Donovan and culinary author John Newton treated guests to a four-course bush-tucker degustation experience at Dandenong in June.*



## **AUSTRALIAN BOTANICAL PRODUCTS**

Chisholm and Australian Botanical Products (ABP) worked together closely and students played an active part in improving ABP's production process, saving time, waste, money, and ensuring all processes were productive and effective.

Located in Hallam, ABP produces essential oils, plant extracts and fragrances for use in a range of industries including cosmetic, pharmaceutical, food, fragrance and aromatherapy.

Firas Zahwa, a former engineering student, was involved in recommending and implementing a vision inspection system (VIS). The system ensures labelling is accurate - an important process that was previously completed by sight. Firas had been working at ABP after finishing his placement and degree a year ago.



# INNOVATIONS IN EDUCATION

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Improvements are continually being made to the Institute's curriculum, course offerings and student delivery. This year saw the range of undergraduate degrees expanded through to a growing partnership with La Trobe University.

## LA TROBE PARTNERSHIP

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Chisholm welcomed the Hon. Gayle Tierney MP, Minister for Training and Skills, to officially announce an exciting development in the educational partnership between Chisholm and La Trobe University, aimed at enhancing the provision of quality higher education delivery across the south east.

The next stage of this partnership will see local students having local access to at least 15 La Trobe bachelor degrees and postgraduate programs, aimed at meeting the needs of local workers by 2020.

In addition to the current degree offerings of accounting and IT, the short term will see nursing, early childhood education and community services offered in 2017. In the future, introduction of additional business degrees, and courses in advanced manufacturing, sport, justice and IT-sector hot-spots such as cyber security, will be introduced.

## BETTER SKILLS FOR PLUMBERS

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Chisholm developed a successful pilot program designed to improve the language, literacy and numeracy skills of plumbing apprentices. The initiative involved a combination of delivery initiatives developed by Chisholm's Foundation College in partnership with educators from the plumbing department. The success of the program resulted in a marked uplift in language, literacy and numeracy skills across the apprentice cohort and will be rolled out across other areas in 2017.

## SUPPORTING YOUNG PARENTS

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Chisholm's successful Young Parents Program went from strength to strength in 2016. The program provides young people who have dropped out of training with a way to complete their course. It offers a supportive environment that welcomes them with their children.

Chisholm has developed a holistic approach that includes flexible delivery of curriculum, fostering active relationships with community agencies, one-on-one counselling and academic support, and instilling a culture that promotes the education of pregnant and parenting teenagers.

## CHISHOLM ONLINE

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This year saw Chisholm Online consolidate its position as a premium provider of online education in the VET sector. Over 1200 students from across Australia chose to study with Chisholm Online in 2016. Focusing mainly on adult learners looking to re-skill, up-skill or return to the workforce, Chisholm Online now offers 19 qualifications across the key employment sectors of business, health, construction and education.

Chisholm Online is growing and confirms the investment in online materials, quality online teaching support and a seven-day-a-week student engagement team, providing technical support, study tips and ongoing encouragement for students.

## WORLDSKILLS AUSTRALIA

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Chisholm plumbing teacher Shelly Decker, a previous Victorian Apprentice of the Year winner, was instrumental in bringing the WorldSkills competition to Chisholm. Chisholm and RMIT students competed in the Plumbing Skills Competition for National Skills Week.

Chisholm students from a range of vocations also competed at the National WorldSkills competition in Melbourne.

# STRIVING FOR TEACHING EXCELLENCE

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Chisholm this year focused on embedding an Educational Excellence Framework. The framework covered all sectors including Vocational Education and Training, higher education and senior secondary, and has based on the foundations in which learning would be expected, encouraged and embedded across the Institute. It was provided a solid platform to support, guide and develop our educator capacity to deliver high quality learning experiences and ultimately, employment for students.

Chisholm educators are being guided through the Professional Educator College to design responsive, flexible, engaging and up-to-date course offerings, with continuing, sustainable connections with industry and the community.

Underpinning the Educational Excellence Framework is the Student Success model. Student Success focuses on supporting students in discovering their purpose, direction and goals – now and into the future. This model was embedded across the Institute through the enhancement of ‘just in time’ early identification, course progress support and pathways, along with employment services for students.

## Other achievements in 2016

- Development and implementation of tailored learning resources for all learning journeys and elective modules for the Professional Educator College, with 936 educators engaging and completing programs (both formal qualifications and informal learning opportunities).
- Inaugural Chisholm Staff Conference Day focused on Student Success, with 800 in attendance.
- Enhancement of the Moodle Learning Management System to support a higher quality experience.
- Launch of the Course Library, a content management system where course teams collaborate and share resources, promoting consistent high-quality learning resources.
- Implementation of a strategic Higher Education Plan that promotes and develops higher education.
- Research and development of a student engagement app, to provide students with course, campus and community information and connections to ensure they have a sense of belonging.
- Implementation of the Skills and Jobs Centre suite of service offerings, with over 1000 students utilising services to engage in training or find work.
- Implementation of a new jobs platform, MyWork Search, with over 500 students and clients registered on the system.



# BUILDING FOR THE FUTURE

## FRANKSTON REDEVELOPMENT

Major demolition work began at the Frankston campus, as part of a \$70.5 million redevelopment, jointly funded by the Victorian Government and Chisholm.

The project, due for completion in 2018, will cement Chisholm's status as the largest and most innovative training provider in Melbourne's south east.

It will include state-of-the-art facilities for health, community care, early childhood education along with hair, beauty and wellness. The new four-storey building will take Chisholm courses into the future.

The redevelopment includes a new Centre for Advanced Manufacturing and Integrated Design Centre. This will enable Chisholm to forge even stronger links with business and industry and deliver outstanding education, employment and skills opportunities for the Frankston community and the broader region.

Throughout the project, Chisholm will be open for business and classes continue as normal.



## BERWICK HEALTH

A \$10 million health training centre will be built at Chisholm's Berwick campus. The Victorian Government-funded facility will include nurse training and simulation laboratories, teaching areas and staff accommodation.

The new building forms part of the Berwick Health and Education Precinct, which includes the new St John of God and Casey hospitals.

Chisholm will also receive \$300,000 from the government's Specialised Teaching Equipment Initiative for health training equipment, including a new adult patient simulator and an automated medication dispensing system.

## CASEY TECH SCHOOL

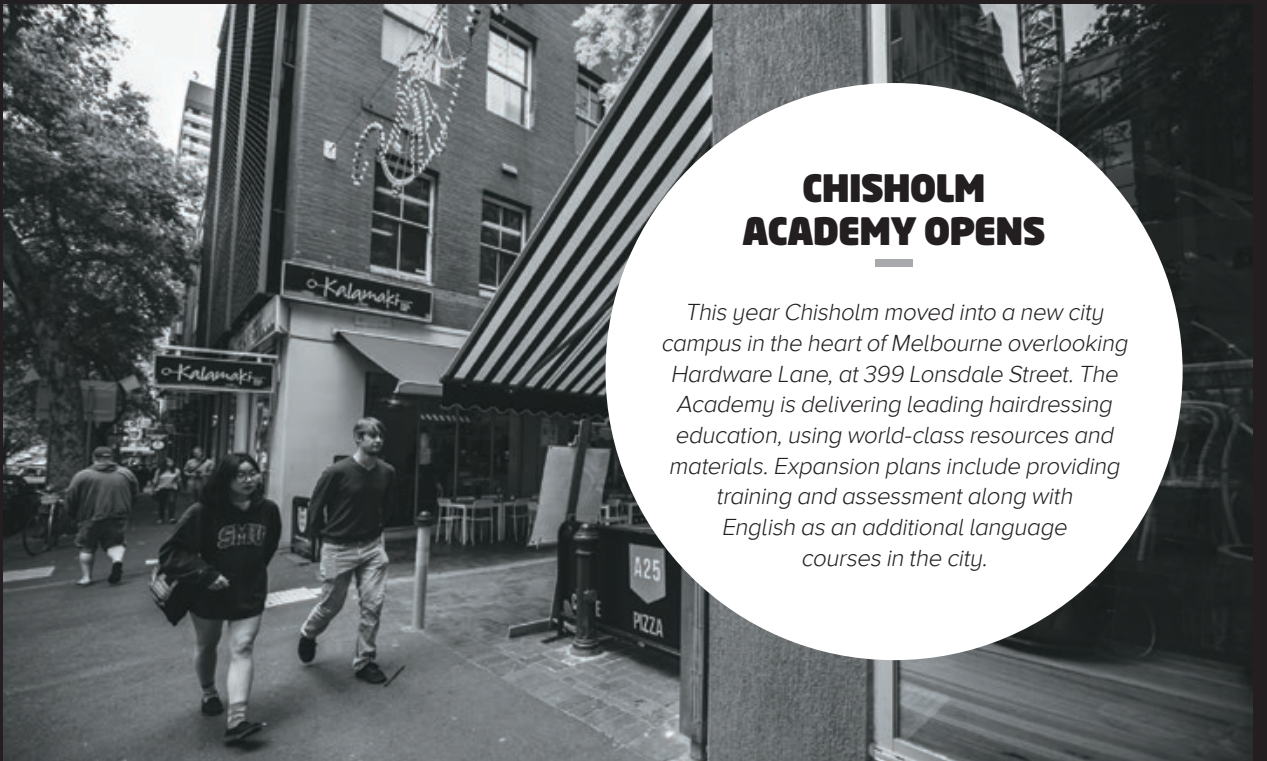
2016 saw the announcement of the new Casey Tech School, which is to be located at Chisholm's Berwick campus.

A planning group of local secondary schools, industry, local government and Chisholm has been working over the past two years to bring the Tech School vision to life.

Work is now proceeding on formalising governance structures and developing a curriculum for the new learning centre, which will host students from surrounding government and non-government secondary schools. The Casey Tech School's industry focus will be biomedical, health and medical technology, as well as

high-tech manufacturing, production and processing technologies, providing young people in the region with an important skills boost.

The \$125 million Tech School initiative is part of the Victorian Government's vision to grow the state's educational footprint across the science, technology, engineering and mathematics (STEM) subjects, to meet skill demands for future jobs.



## CHISHOLM ACADEMY OPENS

*This year Chisholm moved into a new city campus in the heart of Melbourne overlooking Hardware Lane, at 399 Lonsdale Street. The Academy is delivering leading hairdressing education, using world-class resources and materials. Expansion plans include providing training and assessment along with English as an additional language courses in the city.*



# PEOPLE AND DEVELOPMENT

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Chisholm continues to build on the achievements made during implementation of Organisational Growth & Sustainability Plan 2014–2016. In 2016 the Institute focused on introducing key initiatives aimed at transforming its organisational structure and culture. In accordance with the Board’s Vision for Chisholm 2020, the Institute’s objective is to develop a capable, responsive and agile workforce.

## **POLICY**

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A successful review of policies continued and this year included the development of new policies to embed the Institute’s philosophies and address Child Safe Standards and Inclusion requirements.

In addition, there was a new and comprehensive International Travel Induction Program to ensure Chisholm’s compliance with government imperatives relating to global travel.

## **HEALTH AND WELLBEING**

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Many staff health and wellbeing programs were successfully delivered throughout the year, including:

- R U OK?
- mental health programs and awareness weeks
- access to Australian Diabetes Risk (AUSDRISK) assessments
- Diabetes Victoria’s Life! program
- annual flu vaccinations
- corporate health challenges
- return-to-work assistance.

## **EMPLOYEE ENGAGEMENT**

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During the year, Chisholm achieved a six per cent increase in employee engagement and an 11 per cent rise in employee job satisfaction. In addition, when benchmarked against comparable organisations, Chisholm scored above average on all indicators.

## **EMPLOYER BRANDING**

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A refresh of employer branding resulted in positive outcomes, most notably reflected in an increase in the number of applicants interested in working at Chisholm.

## **EMPLOYMENT FRAMEWORKS**

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A review of employment frameworks was completed, resulting in updated contracts of employment and position descriptions.

## **REVIEW OF RETURN-TO-WORK**

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A thorough review of ill and injured employees was undertaken, achieving a significant improvement in sustained and successful return-to-work.

## **WORKPLACE OF CHOICE**

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Increased levels of employee engagement and job satisfaction, along with successful employer rebranding and the resulting increased number of applicants, demonstrated that Chisholm was well on its way to being a workplace of choice.

## **PEOPLE METRICS AND REPORTING**

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A comprehensive and regular set of management reports was introduced to ensure managers received regular reports on people metrics.





## WORKFORCE DATA EQUIVELENT FULL-TIME (EFT) STAFF

EFT staffing comparison	2016	2015
Board	8	7
Executive Officers	8	10
Teaching	564	565
Non-teaching	325	304
<b>Total</b>	<b>905</b>	<b>886</b>

	Ongoing		Fixed Term/Casual		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
<b>2016 Gender</b>						
Male	115	107	536	308	651	415
Female	139	118	670	372	809	490
<b>Total</b>	<b>254</b>	<b>225</b>	<b>1,206</b>	<b>680</b>	<b>1,460</b>	<b>905</b>

<b>2015 Gender</b>						
Male	132	125	513	294	645	419
Female	145	122	616	345	761	467
<b>Total</b>	<b>277</b>	<b>247</b>	<b>1,129</b>	<b>639</b>	<b>1,406</b>	<b>886</b>

<b>2016 Age</b>						
Under 25	1	1	19	9	20	10
25 - 34	3	3	157	91	160	94
35 - 44	33	28	288	175	321	203
45 - 54	95	84	350	197	445	281
55 - 64	99	89	306	172	405	261
Over 65	23	20	86	36	109	56
<b>Total</b>	<b>254</b>	<b>225</b>	<b>1,206</b>	<b>680</b>	<b>1,460</b>	<b>905</b>

<b>2015 Age</b>						
Under 25	-	-	15	7	15	7
25 - 34	5	5	161	88	166	93
35 - 44	44	38	277	151	321	189
45 - 54	105	94	353	200	458	294
55 - 64	105	95	258	157	363	252
Over 65	18	15	65	36	83	51
<b>Total</b>	<b>277</b>	<b>247</b>	<b>1,129</b>	<b>639</b>	<b>1,406</b>	<b>886</b>

	Ongoing		Fixed Term/Casual		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
<b>2016 Classification</b>						
Board	-	-	13	8	13	8
Executive	1	1	7	7	8	8
Manager	2	2	22	22	24	24
Teaching	115	102	913	462	1,028	564
Non-teaching	136	120	251	181	387	301
<b>Total</b>	<b>254</b>	<b>225</b>	<b>1,206</b>	<b>680</b>	<b>1,460</b>	<b>905</b>

#### 2015 Classification

Board	-	-	7	7	7	7
Executive	-	-	10	10	10	10
Manager	-	-	31	31	31	31
Teaching	134	120	867	446	1,001	565
Non-teaching	143	127	214	145	357	273
<b>Total</b>	<b>277</b>	<b>247</b>	<b>1,129</b>	<b>639</b>	<b>1,406</b>	<b>886</b>

## PUBLIC SECTOR EMPLOYMENT AND CONDUCT PRINCIPLES

Chisholm's employment policies and processes are based on the principle of merit, relevant award/agreement and statutory requirements, and best practice public sector approaches.

The Institute's Staff Code of Conduct, reviewed annually, provides guidance to all staff on expected behaviour and professional conduct and is based on the Institute values, the Victorian Public Sector Model and other best practice examples. Chisholm is committed to equal opportunity and fair and transparent processes in all human resource management procedures.

## GENERAL STATEMENT ON INDUSTRIAL RELATIONS

Chisholm continues to have regular consultative arrangements in place with both major unions, the Australian Education Union and National Tertiary Education Union. Chisholm also uses the dispute resolution procedures in its industrial Agreements to ensure issues that may arise are addressed appropriately and in a timely manner.

There were no days lost due to industrial action in 2016.



# STATISTICAL OVERVIEW

## CHISHOLM CONSOLIDATED (INCLUDES CHISHOLM ONLINE)

Student enrolments	2016	2015
Government funded accredited programs	15,206	13,910
Fee for service programs	19,020	22,926
(Less) student enrolments in both government accredited programs and fee for service programs	(1,285)	(1,312)
<b>Total net student enrolments</b>	<b>32,941</b>	<b>35,524</b>

Student contact hour delivery	2016	2015
Government funded accredited programs	6,721,317	6,473,589
Fee for service programs	4,175,488	4,880,525
<b>Total student contact hour delivery</b>	<b>10,896,805</b>	<b>11,354,114</b>

Student enrolments by age	2016		2015	
	Student enrolments	Per cent	Student enrolments	Per cent
Under 15	234	0.7%	312	0.9%
15 - 19	10,961	33.3%	11,448	32.2%
20 - 24	6,993	21.2%	7,144	20.1%
25 - 39	6,949	21.1%	7,453	21.0%
40 - 64	7,484	22.7%	8,833	24.9%
Over 65	320	1.0%	333	0.9%
Not stated	0	0.0%	1	0.1%
<b>Total</b>	<b>32,941</b>	<b>100.0%</b>	<b>35,524</b>	<b>100.0%</b>

Student enrolments by gender	2016		2015	
	Student enrolments	Per cent	Student enrolments	Per cent
Female	13,934	42.3%	15,821	44.5%
Male	19,007	57.7%	19,703	55.5%
<b>Total</b>	<b>32,941</b>	<b>100.0%</b>	<b>35,524</b>	<b>100.0%</b>

### Course enrolments and student contact hours by campus

Campus	2016				2015			
	Course enrolments*	Per cent	Student contact hours	Per cent	Course enrolments*	Per cent	Student contact hours	Per cent
Dandenong	9,973	24.4%	2,853,861	26.2%	10,658	24.9%	3,162,699	27.9%
Frankston	7,716	19.7%	2,408,649	22.1%	8,427	19.7%	2,597,105	22.9%
Berwick	3,508	9.0%	1,630,021	15.0%	3,766	8.8%	1,584,972	14.0%
Offshore delivery	4,681	11.3%	1,488,543	13.7%	4,657	10.9%	1,438,131	12.7%
Workplace	6,947	19.1%	1,002,550	9.2%	10,508	24.6%	1,410,373	12.4%
Cranbourne	1,798	5.0%	450,633	4.1%	1,791	4.2%	386,623	3.4%
Chisholm Online	1,174	3.3%	253,995	2.3%	560	1.3%	113,418	1.0%
Auspiced Schools	1,036	2.9%	241,328	2.2%	0	0%	0	0%
Mornington Peninsula	661	1.8%	190,925	1.8%	517	1.2%	206,600	1.8%
Chisholm @ 311	450	1.2%	160,004	1.5%	519	1.2%	179,288	1.6%
Bass Coast	396	1.1%	132,114	1.2%	576	1.3%	148,531	1.3%
Chisholm Hair Academy	225	0.7%	44,686	0.4%	0	0%	0	0%
Online	189	0.5%	20,314	0.2%	759	1.8%	106,198	0.9%
Pakenham	40	0.1%	19,182	0.2%	47	0.1%	20,176	0.2%
<b>Total</b>	<b>38,794</b>	<b>100.0%</b>	<b>10,896,805</b>	<b>100.0%</b>	<b>42,785</b>	<b>100.0%</b>	<b>11,354,114</b>	<b>100.0%</b>

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



# INTERNATIONAL WORK

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This year's focus was on strengthening Chisholm's international brand presence, diversification of markets, consolidation of expertise in broader markets and improvements in systems and processes to support higher quality client service.

The focus was underpinned by the management of the risk associated with conducting business in foreign markets. Chisholm international activities included: onshore international students, transnational projects, consulting projects, the VET mobility project, delegations to and from partner countries, international partnerships with the private sector, institutions, partner governments and support for international research collaboration.

## VIETNAM GOVERNMENT TVET REFORM

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### Industry partner

Vietnamese Government – General Directorate of Vocation Training

### Project activities

Chisholm is a preferred provider for the Vietnamese Government's General Directorate of Vocational Training and has continued to support Technical and Vocational Education and Training (TVET) reform by implementing the next phase of the Vietnam training package project.

This is an audit of 25 vocational colleges across Vietnam in preparation for the implementation of national training packages in 2017 and 2018. Vietnamese government TVET reform focuses on improved provision of teacher skills, industry collaboration and improved delivery of skills training to Vietnamese stakeholders, responsiveness to industry, employability and labour mobility throughout the Association of Southeast Asian Nations.

## CHINESE ELECTRICAL COLLEGES

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### Industry partner

Chinese electrical colleges

### Project activities

The partnership with the Chinese multi-college project reached its 15th anniversary. The occasion was marked by a ministerial mission by former Victorian Skills Minister Steve Herbert to China to meet with senior officials.

The project focused on Australian qualifications delivery in areas including English language training, renewable energy and power systems. During 2016 approximately 4000 students completed Australian qualifications.

## OVERSEAS VISITS

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### Project activities

Many overseas visits were undertaken to southern Asia (India, Sri Lanka and Nepal), south east Asia, (Cambodia, Vietnam, Indonesia, Myanmar, Thailand and Singapore), North Asia, (China), Europe (Germany), Latin America (Brazil, Colombia, Peru, Argentina and Chile) and North America (USA) to deliver offshore consulting services, industry training and assessment programs and formal education courses, conduct business development activities, secure new projects, strengthen partnerships, oversee international operations, recruit students and present conference papers.

Chisholm secured two VET mobility grants to enable students to undertake industry visits to China for engineering and Sri Lanka for tourism and hospitality. Staff also undertook professional development visits to the USA, Germany, Sri Lanka and China.

## AUSTRALIAN DEPARTMENT OF FOREIGN AFFAIRS AND TRADE FELLOWSHIP PROGRAM

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### Industry partner

Peruvian Minister of Labour

### Project activities

Chisholm successfully tendered with the Peruvian Ministry of Labour for a Department of Foreign Affairs and Trade funded program to deliver professional development to 15 visiting delegates from the Peruvian ministries of Labour, Education and Peruvian industry to strengthen the Peruvian National Qualifications Framework. In November Phase One began in Melbourne, with Phase Two to be undertaken in Peru in February 2017.



## DELEGATIONS TO CHISHOLM

*During 2016 Chisholm was visited by delegations from the following countries:*

*India, Bangladesh, Myanmar, Sri Lanka, Malaysia, Japan, Korea, Chile, Argentina, Colombia, Peru, Vietnam and China. Chisholm also took part in state government-hosted delegations from Chile, Argentina, Colombia, Peru, Uruguay, Myanmar, China, Bangladesh, Sri Lanka, Vietnam and China.*

## QATAR PETROLEUM

**Industry partner**  
Qatar Petroleum

### Project activities

Now in its fifth year, the Qatar Petroleum transnational project continued to provide teacher training to trainers in the moderation and validation of assessment in technician training. Since inception, 1000 Qatari students have received Australian qualifications in technical areas including administration and instrumentation, process, mechanical, electrical and security. Chisholm has provided a panel of specialist moderators and assessors who have conducted annual quality audits, developed and implemented continuous improvement strategies, and provided educational advice and support.

## CHEVRON ENJOY SCIENCE PROJECT

**Industry partner**  
Kenan Foundation Asia

### Project activities

The Chevron Enjoy Science Project (CESP) focused on science, technology, engineering and mathematics (STEM) education and TVET. Chisholm assisted in identifying a high-quality STEM curriculum, building capacities of TVET institutions and teachers, supporting Kenan Foundation Asia in establishing TVET hubs in key industry areas and creating a platform to engage the Thai private sector through the hubs.

## MYANMAR TVET LEADERSHIP PROJECT

**Industry partner**  
Myanmar's VET colleges

### Project activities

The third phase of a Myanmar TVET Leadership Project, funded through TAFE Directors Australia, was implemented by Chisholm in association with Melbourne Polytechnic in July. A targeted training program was developed and delivered to principals of vocational colleges from across Myanmar. The project was delivered both in Australia and in Myanmar with a focus on TVET leadership and human resources development.

## INTERNATIONAL STUDENT RECRUITMENT

### Project activities

Chisholm welcomes students from over 43 countries around the globe including throughout Asia, Europe and America. International students undertake courses from Certificate III, diploma and degrees. Through its strategic partner La Trobe University, Chisholm also offers degree and pathway programs to degrees.

## OVERSEAS OPERATIONS

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### Nature of strategic and operational risks

The Chisholm international strategy embraces strategic partnerships that provide opportunities for revenue growth, capacity building, professional development and student mobility. The activities target countries and partners across the globe. International strategy is underpinned by robust risk analysis at all stages of engagement and the risks associated with all activities are carefully managed to mitigate them.

## STRATEGIES ESTABLISHED TO MANAGE RISKS

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

1. Strategic risk – any risks out of control of the Board and Executive must be responded to through changes in strategy direction to protect Institute business.
2. Operational risk – The downstream risks that can be managed and mitigated against which may have strategic impact but can be addressed through operational management.

The mitigation measures for all risks under both of these categories are carefully reviewed and evaluated to ensure that Chisholm leadership and management can respond to the changing nature of the international environment in which Chisholm operates. This includes the Australian Skills Quality Authority requirements for offshore delivery and the Education Services for Overseas Students Act 2000 requirements for international students.

Chisholm provides:

- regular reports to the Board regarding Chisholm's offshore activities
- frequent consultation with senior management and relevant government departments on strategic direction with a view to minimising potential risk factors
- a short, medium and long term pipeline of activities to ensure ongoing international presence and business viability
- a business case outlining new major international activities to the Board for consideration and approval before the activity commences
- continual scanning of the business environment in each of the countries in which Chisholm operates to identify change to the risk situation.

## PERFORMANCE MEASURES AND TARGETS

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### Achieving expected outcomes

Chisholm's offshore opportunities and contracted partnership projects are managed within a strict quality and project management environment. This environment supports growth in international project operations and provides opportunities to strengthen partner relationships with a view to building on existing international activities.

To promote optimum performance and outcomes:

- all pipeline project activities are carefully assessed to determine risk profile, commercial viability, match to Institute capability and strategic purpose prior to and during the development cycle
- all contracts and agreements are carefully reviewed to ensure fit for purpose with the scope of services
- each activity is assessed for project performance against client requirements
- detailed financial planning and management ensures that projects are commercially viable and managed to maximise commercial return and Institute benefit.



# FINANCIAL OVERVIEW

For the year ended 31 December 2016

The Chisholm Group ('the Group'), comprising Chisholm Institute, Caroline Chisholm Education Foundation, TAFE Online and Chisholm Academy recorded a net surplus of \$13.4 million (2015: \$6.1 million surplus) compared to a Board approved budget net loss of \$0.1 million for 2016 as a result of receiving higher than anticipated operating and capital contributions. Overall, income and expenses from transactions excluding capital contributions and depreciation were not significantly different from budget. The comprehensive result was a \$23.2 million surplus (2015: \$6.1 million surplus) due to a \$9.8 million increase in land following a managerial revaluation.

During the year the Group continued to apply a prudent financial approach in a challenging environment while providing quality delivery. Chisholm remains focused on excellent quality training and education, growing its revenues, closely monitoring its costs, improving efficiency and productivity towards financial sustainability; and is committed to reinvestment in educational, operational and capital initiatives.

Consolidated	2016	2015	2014	2013	2012
Summary of financial results	\$'000	\$'000	\$'000	\$'000	\$'000
Total income from transactions	141,123	125,453	143,705	135,682	133,369
Total expenses from transactions	121,724	119,284	113,105	105,514	129,633
<b>Net result from transactions (Net operating balance)</b>	<b>19,399</b>	<b>6,169</b>	<b>30,600</b>	<b>30,168</b>	<b>3,736</b>
Other economic flows included in net result	(5,954)	(91)	(894)	690	(92)
<b>Net result</b>	<b>13,445</b>	<b>6,078</b>	<b>29,706</b>	<b>30,858</b>	<b>3,644</b>
Other economic flows - other comprehensive income	9,804	-	(2,158)	(136)	11,979
<b>Comprehensive result</b>	<b>23,249</b>	<b>6,078</b>	<b>27,548</b>	<b>30,722</b>	<b>15,623</b>

At 31 December 2016, Chisholm Institute's consolidated net assets were \$323.1 million (2015: \$299.8 million). The increase in net assets was due to the following:

- favourable trading result for the year
- increased capital activity in relation to the Frankston Redevelopment Project, Berwick Health Centre of Excellence and Casey Tech School.

Consolidated	2016	2015	2014	2013	2012
Summary of financial position	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	344,822	319,517	315,499	288,367	260,327
Total liabilities	21,732	19,674	21,736	22,152	24,834
<b>Net assets</b>	<b>323,090</b>	<b>299,841</b>	<b>293,763</b>	<b>266,215</b>	<b>235,493</b>

# BOARD AND COMMITTEES

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

The Institute has been 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.

## 2016 BOARD MEMBERS

The membership of the Board underwent significant change in 2016, whereby the former Board went out of office on 30 June 2016 and a new Board was appointed in July 2016 under a new Constitution.

Full name	Category	Term
Stephen Marks	Ministerial Appointed Director	Full year
David Willersdorf	Ministerial Appointed Director	Up to 30 June 2016
Maria Peters	Director and Chief Executive Officer	From 1 July 2016
David Edgar	Board Nominee Director	Up to 30 June 2016
Todd Hartley	Board Nominee then Ministerial Appointee	Full year
John Bennie	Board Nominee then Ministerial Appointee	Full year
Anne Fenner	Ministerial Appointed Director	Up to 30 June 2016
Prof Anne Jones	Ministerial Appointed Director	Full year
Dr Mei Ling Doery	Ministerial Appointed Director	From 1 July 2016
Peter Malone	Staff Elected Director	From 1 July 2016
Lisa Norman	Board Co-opted Director	From 13 July 2016
Sandra Andersen	Board Co-opted Director	From 13 July 2016
David Mann	Board Co-opted Director	From 13 July 2016



**Maria Peters**

**Director and Chief Executive Officer**

1 July to 31 December 2016

Maria, as CEO of Chisholm, has extensive experience in vocational education within Victoria and internationally. She has led significant educational innovation within the VET sector aimed at improving participation and ensuring strong student and industry outcomes. Maria has been at the forefront of effective organisational change and management in the TAFE sector.



**Stephen G. Marks**

**Board Chair**

**Ministerial Appointed Director**

1 January to 31 December 2016

With more than 35 years' experience as a chartered accountant, Stephen has provided specialist independent probity auditing and advisory services to the public sector. In addition to his Institute stewardship responsibilities, Stephen is a board member of the St Vincent's Institute and the audit committee of Origin Youth Health Research Centre.



**Todd Hartley**

**Board Nominee Director**

1 January to 30 June 2016

**Ministerial Appointed Director**

1 July to 31 December 2016

Todd is Managing Director of Hilton Manufacturing, a leading Dandenong South firm. Todd has over 25 years of experience in the industry in southern Melbourne including a broad range of manufacturing networks and associations. Todd's particular strengths are in commercial enterprise, technology innovation and facility management.



**John Bennie PSM**

**Board Nominee Director**

1 January to 30 June 2016

**Ministerial Appointed Director**

1 July to 31 December 2016

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 LGMA. He was previously CEO of Manningham City Council and a board member of South East Development (Melbourne) Area Consultative Committee.



**Professor Anne Jones**

**Ministerial Appointed Director**

1 January to 31 December 2016

Anne is a researcher and consultant in VET policy. 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**

1 July to 31 December 2016

Mei is a physician entrepreneur at the intersection of medicine, technology and design. She is founder of health strategy and design practice MDMD.io and co-founder of Genie Health (MixApp). Her perspective on contemporary health challenges is informed by her roles as a former AFL team doctor, an executive physician at BUPA Wellness and independent adviser to government and industry.



**Peter Malone**

**Staff Elected Director**

1 July to 31 December 2016

Before joining the TAFE sector, Peter was an officer in the Royal Australian Navy. Peter has a diverse background including research assistant at CSIRO, teaching English at Monash University, foreign language teaching, traditional sciences (pure and applied) and laboratory technology.



**Lisa Norman**

**Board Co-opted Director**

13 July to 31 December 2016

Lisa is CEO of St John of God Berwick Hospital. Lisa has worked in the health industry for 29 years. Initially gaining qualifications as a Registered Nurse, she went on to earn qualifications in critical care nursing specialising in emergency and trauma nursing. Lisa is overseeing construction of a 190 bed, \$120 million hospital in Berwick.





**Sandra Andersen**

**Board Co-opted Director**

13 July to 31 December 2016

Sandra is a financial services senior executive. She is also a Director, member of the Audit Committee and Chair of the Risk Committee of Beyond Bank Australia and a Trustee and Chair of the Finance and Audit Committee for the Melbourne Convention and Exhibition Trust. Sandra is Managing Director of Eyecare Partners Limited and a former Chief Financial Officer of listed technology companies.



**David Mann OAM, FAICD**

**Board Co-opted Director**

3 July to 31 December 2016

David is Chairman of Entertainment Assist, the Victoria Police Blue Ribbon Foundation and the Victoria Police Blue Ribbon Day Community Council. David is also a board member of The Production Company, Connected Communities Melbourne, the Queen Victoria Market board and the Small Business Advisory Council, and Managing Director, Mann Promotions Pty Ltd a company for promotions, marketing, public relations and crisis management.

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**David Willersdorf**

**Ministerial Appointed Director**

Up to 30 June 2016

David is Group General Manager/ Director/Company Secretary for the Grenda Corporation Pty Ltd, with over 20 years of experience in that business. He is a member of the Committee for Dandenong, a Fellow of the Certified Practising Accountants of Australia Association and a member of the Australian Institute of Management.

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**David Edgar**

**Board Nominee Director**

Up to 30 June 2016

David has 17 years' experience in vocational education, employment and training and the not-for-profit sector with 13 of those years in senior management in a group training organisation, including management, Australian Apprenticeship Centre business activities and a range of affiliated government funded initiatives.

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**Anne Fenner**

**Ministerial Appointed Director**

Up to 30 June 2016

During the past 30 years Anne has been a member and chaired many committees of voluntary organisations and has significant experience managing challenging situations. Anne was involved in a successful wholesale horticultural business and has established a successful garden centre.

# EXECUTIVE DIRECTORS GROUP

(SENIOR MANAGEMENT TEAM)

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The focus of the Executive Directors Group is strategic leadership and business development, with day-to-day operations largely overseen by Business Area Managers under a policy and procedural framework established by the Executive Directors Group under the Board's delegation framework.

**MARIA  
PETERS**  
CEO

**AMANDA  
ACHTERBERG**

Executive Director  
Teaching &  
Learning

**DELIA  
MCIVER**

Executive Director  
People and Culture

**PAUL GOUDIE**

Executive Director  
Human, Health &  
Business  
Services

**ANDREW  
KONG**

Executive Director  
Engineering  
Technology  
& Trades

**GRANT  
RADFORD**

Chief Operating  
Officer

**STEPHEN  
VARTY**

Executive  
Director

**CAROL  
BELLEW**

Director  
International

**HELEN  
MCNAMARA**

Executive Director  
Corporate Planning  
& Institute  
Governance

**THEO TEEDER**

General Manager  
Chisholm Online

# CORPORATE GOVERNANCE

## MANNER OF ESTABLISHMENT AND THE RELEVANT MINISTER

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

Chisholm Institute is governed by a board representative of government, industry and community. Changes to the governance structure of Chisholm Institute included the establishment of a number of committees during 2016. These committees are:

- 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 Victorian Minister with accountability for Higher Education and Skills.

## FUNCTIONS, POWERS AND DUTIES

In line with the requirements of the Chisholm Institute Constitution order 2013, the objectives of Chisholm Institute are:

- to facilitate higher education through excellent teaching, innovation and educational leadership that delivers quality outcomes
- to ensure it is sustainable in the medium to long term
- to operate its businesses, delivering educational services and utilising assets that it manages on the state's behalf as efficiently as possible
- to facilitate increasing opportunities for apprenticeships and traineeships across the relevant Australian industry sectors.

The functions of Chisholm Institute are as follows:

- 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.

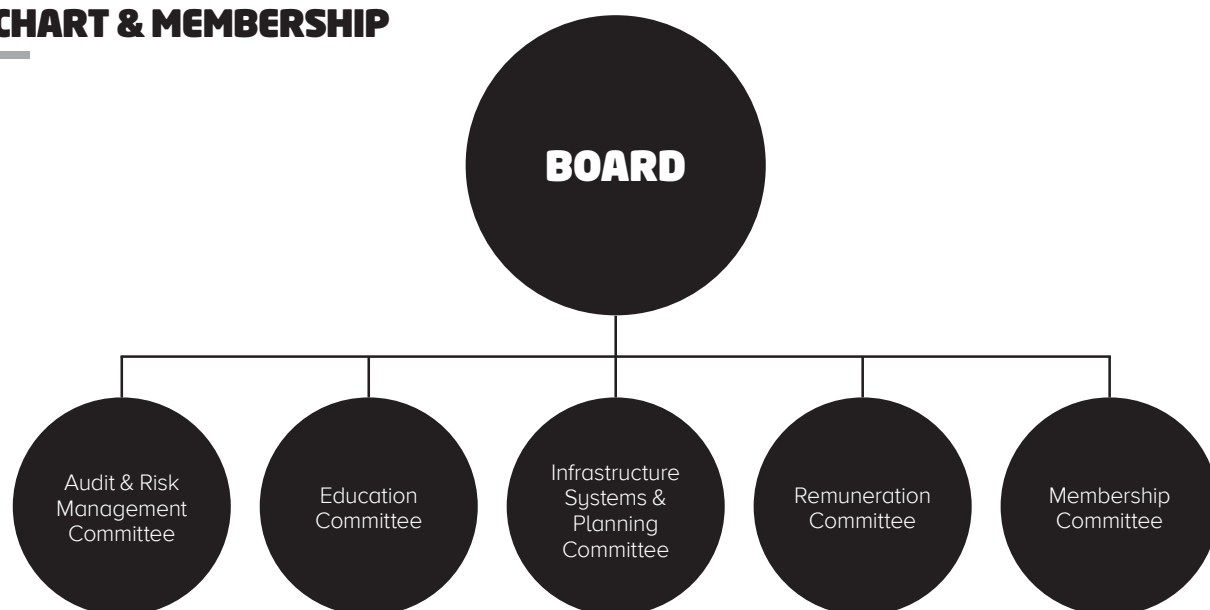
The Institute has the power to do all things that are necessary or convenient to be done for or in connection with, or as incidental to, meeting its objectives or performing its functions. However, the powers of Chisholm Institute are subject to, and must be exercised in accordance with, the functions, 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 Government of Victoria 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 her delegates.



## BOARD COMMITTEES CHART & MEMBERSHIP



### AUDIT AND RISK MANAGEMENT COMMITTEE

#### David Willersdorf

Board Director and Committee Chair  
(up to 30/06/2016)

#### Sandra Andersen

Board Director and Committee Chair  
(from 20/07/2016)

#### John Bennie

Board Director (full year)

#### Todd Hartley

Board Director (from 20/07/2016)

#### Robert Comelli

Board Co-opted Independent Member  
(full year)

#### Michael Said

Board Co-opted Independent Member  
(full year)

#### Ian Duff

Board Co-opted Independent Member  
(up to 13/07/2016)

### REMUNERATION COMMITTEE

#### Stephen Marks

Board Chair and Committee Chair  
(full year)

#### David Willersdorf

Board Director (up to 30/06/2016)

#### John Bennie

Board Director (full year)

#### Anne Jones

Board Director (from 20/07/2016)

### EDUCATION COMMITTEE

#### David Edgar

Board Director and Committee Chair  
(up to 30/06/2016)

#### Anne Jones

Board Director (from 01/01/2016) and  
Committee Chair (from 20/07/2016)

#### Peter Malone

Board Director (from 20/07/2016)

#### Maria Peters

Board Director (from 20/07/2016)

#### Sophia Petrov

Board Co-opted Independent Member  
(up to 13/07/2016)

### INFRASTRUCTURE, SYSTEMS AND PLANNING COMMITTEE

#### Todd Hartley

Board Director and Committee Chair  
(full year)

#### John Bennie

Board Director (full year)

#### Robert Johnson

Board Co-opted Member (full year)

#### Lisa Norman

Board Director (from 20/07/2016)

#### Mei Ling Doery

Board Director (from 20/07/2016)

#### Anne Fenner

Board Director (up to 30/06/2016)

### MEMBERSHIP COMMITTEE

#### Stephen Marks

Board Chair and Committee Chair  
(full year)

#### David Willersdorf

Board Director (up to 30/06/2016)

#### Anne Fenner

Board Director (up to 30/06/2016)

#### Anne Jones

Board Director (full year)

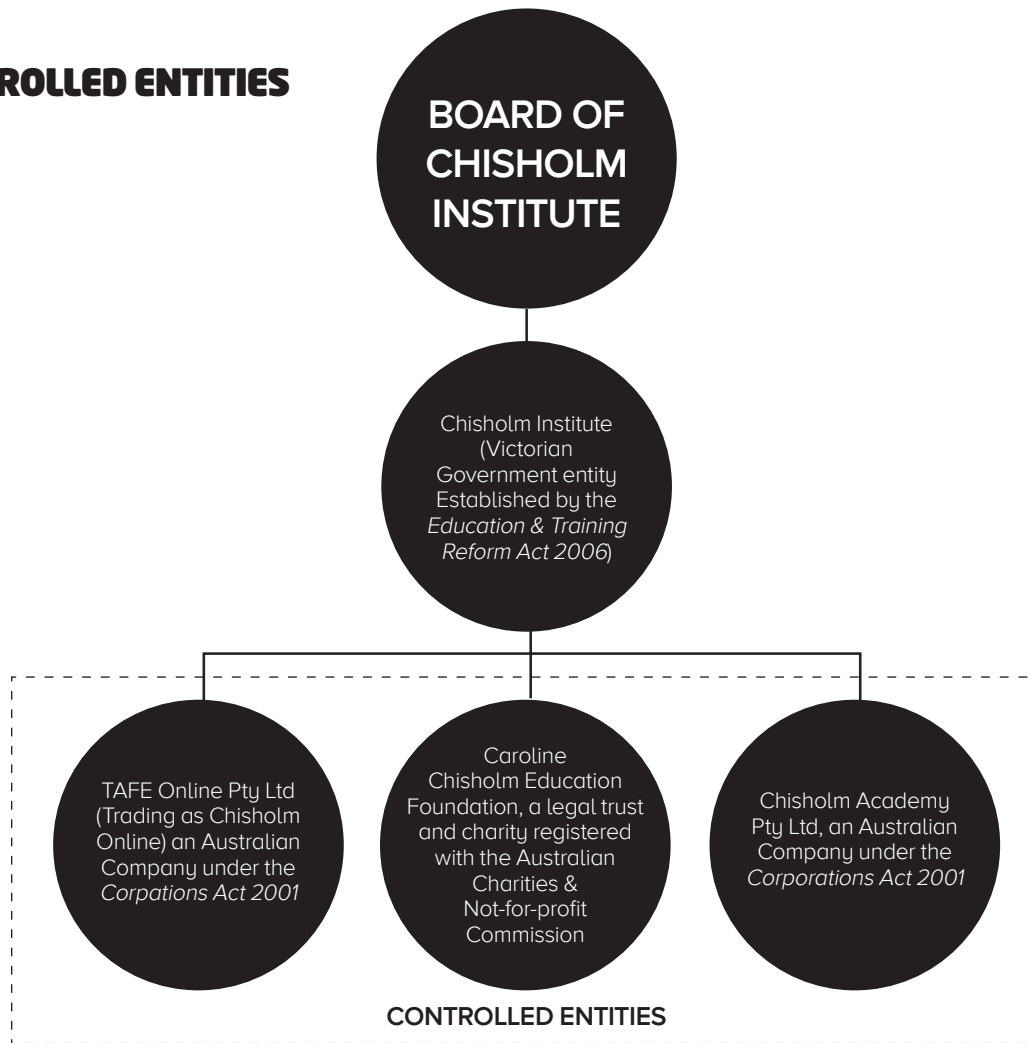
#### Maria Peters

Board Director (from 20/07/2016)

#### David Mann

Board Director (from 20/07/2016)

## CONTROLLED ENTITIES



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

**Stephen Marks**  
Chisholm Online Chair (full year)

**David Willersdorf**  
Director (up to 20/07/2016)

**David Edgar**  
Director (up to 20/07/2016)

**Sandra Andersen**  
Director (from 16/09/2016)

**Mei Ling Doery**  
Director (from 16/09/2016)

**Maria Peters**  
Managing Director (full year)

**Grant Radford**  
Company Secretary (full year)

### TRUSTEES OF CAROLINE CHISHOLM EDUCATION FOUNDATION

**Virginia Simmons**  
Chair (full year)

**David Willersdorf**  
Chisholm Board (to 25/08/16)  
Community Member (from 27/08/16)

**David Mann**  
Chisholm Board (from 27/08/16)

**Maria Peters**  
Chisholm Institute CEO (full year)

**Greg Hunt**  
Community Member (full year)

**Matt Johnston**  
Chisholm Institute Staff Member/  
Treasurer (to 04/03/2016)

**Cate MacMillan**  
Chisholm Institute Staff Member  
(to 14/01/2016)

**Natalie Smith**  
Chisholm Institute Staff Member  
(to 05/04/2016)

**Glen Kruger**  
Community Member (full year)

**Amanda Splatt**  
Community Member (to 25/06/2016)

**Anne Callahan**  
Chisholm Institute Staff Member  
(from 27/08/16)

**Patricia Duong**  
Chisholm Institute Staff Member  
(from 27/08/16)

**Nita Schultz**  
Community Member (from 27/08/16)

### DIRECTOR OF CHISHOLM ACADEMY PTY LTD

**Maria Peters**  
Sole/Managing Director (full year)

# ATTESTATIONS

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## RISK MANAGEMENT COMPLIANCE ATTESTATION

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I, Stephen G Marks, certify that Chisholm Institute has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Chisholm Institute, Audit Management and Risk Committee verifies this.



Stephen G Marks  
Board Chair  
Chisholm Institute  
1 March 2017, Dandenong



# SOCIAL RESPONSIBILITY

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Chisholm recognises the important role it plays as a respected educator in the communities in which it operates. The Institute acknowledges that demonstrated social responsibility is a vital contributor to long term business success and community capability. As a Victorian Government operation, Chisholm also plays a key role in the Victorian Government's commitment to social responsibility.

This commitment is reflected in:

- Chisholm's commitment to providing accessible programs that meet the learning needs and vocational aspirations of its students
- Chisholm's commitment to safety, health and the environment in all aspects of its operations
- the operation of the Caroline Chisholm Education Foundation.

## WORK HEALTH, SAFETY AND WELLBEING

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Chisholm considers all workplace injuries to be preventable and strives to ensure that best practice work health, safety and wellbeing systems are integrated into business area operations. This is vital in ensuring the health, safety and wellbeing of staff, students, contractors and visitors.

The Institute's health and safety strategy aims to meet its statutory and employee duty of care obligations and to create a harmonious, productive learning and working environment by providing a workplace free from risks to health and safety.

### Key strategies undertaken in 2016 were:

- health and wellbeing initiatives to improve staff health and fitness, including an Institute-wide staff flu vaccination program and a Wellbeing Expo
- provision of training for emergency wardens and first aid officers and an extensive first aid supplies replenishment program.

## ENVIRONMENTAL SUSTAINABILITY

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The business of Chisholm Institute requires consumption of significant natural resources. Chisholm is committed to reducing its impact on the environment and in 2016 continued work that had commenced in 2007.

Chisholm's Environmental Strategy, commenced as the ResourceSmart initiative, covers the following key areas

- energy
- water
- waste minimisation and recycling
- onsite renewable energy generation
- green purchasing
- built environment design
- transportation
- greenhouse gas emissions
- education for sustainability
- embedding of sustainability throughout the business.

The targets set for 2016 (based on 2007 baselines) were:

- emission reduction 40 per cent
- energy reduction 40 per cent
- GreenPower purchase 40 per cent
- renewable energy onsite generation 18 per cent
- water reduction -70 per cent.

During 2016 the Institute continues to reap the benefits of the Greener Government Building program. Solar panel installations, completed in April 2015, generated 112 MWhrs at Berwick and Bass Coast, reducing CO2 emissions as a result.

The focus in 2016 was to continue to measure and verify the savings made, and consolidate the savings achieved using enhanced analysis to target areas for improvement. The focus continues to be on upgrading ageing heating and cooling systems, and expand controls and metering infrastructure. Chisholm's environmental performance in 2016, measured against the 2007 baselines, is embedded later in this report.

## INCIDENTS

Hazard and incident reports for full-time employees (FTE) between 1 January 2016 and 31 December 2016.

<b>Total hazards</b>	<b>6</b>
<b>Incident reports</b>	<b>49</b>
<b>Fatalities</b>	<b>Nil</b>

	2016	2015	2014
Total hazard and incident reports*	141	122	179
Total 'lost time' standard WorkCover claims	5	15	15
Total cost of all 'lost time' WorkCover claims**	\$174,014	\$1,175,938	\$770,292
Per 100 FTE staff	8.84	8.86	8.77
Number of hazard and incident reports	6.22	13.77	20.41
Number of 'lost time' standard WorkCover claims	0.57	1.69	0.91
Accepted WorkCover claims	3	15	14
Accepted and rejected WorkCover claims	6	18	16
Total cost for WorkCover claims as advised by WorkSafe***	\$2,468,603	\$1,188,631	\$848,278
Average costs per WorkCover claim	\$29,958	\$66,035	\$53,017

### Notes:

\* All Chisholm-related incidents for staff, students, contractors and visitors.

\*\* Lost times claims only.

\*\*\* All claims.

## WORKCOVER/RETURN TO WORK

Of the three accepted WorkCover claims in 2016, one remains active due to return to work programs and active claims management.

Despite only three accepted WorkCover claims in 2016, the WorkCover premium will respond in 2017 to the higher claims costs of historical claims.

### 2016

Number of new claims for WorkCover	6
Accepted claims	3
Rejected claims	3
Pending WorkCover decisions	0
Conciliation after rejection claim	0

On a rolling average, the number of premium sensitive claims at the end of 2016 is 45.

No. of accepted claims	2010	2011	2012	2013	2014	2015
	20	13	7	4	15	15

# CAROLINE CHISHOLM EDUCATION FOUNDATION

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“I promise to know neither country nor creed, but to serve all justly and impartially.” Caroline Chisholm, 1808–1877

Chisholm Institute was named in honour of Caroline Chisholm, the early Australian reformer and humanitarian.

In furthering her social justice philosophy, the Caroline Chisholm Education Foundation (CCEF) was established nine years ago. It has awarded in excess of 1200 scholarships, educational grants and bursaries.

Scholarships and grants enable students who would not otherwise attend further education and training due to financial hardship to complete studies in their chosen field by funding:

- the gap between the training guarantee fund and student tuition fees at enrolment
- the student services amenities fees
- materials fees
- by providing small cash grants.

Small cash grants assist in purchasing items such as public transport myki cards so students can get to Chisholm to attend class.

Scholarships are awarded within a defined selection framework that ensures student access to scholarships is equitable.

The link between educational attainment and labour market participation is established. Enabling students to obtain a certificate level qualification or above that provides them with the skills employers are looking for increases their ability to participate in the local employment market.

## GOVERNANCE

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The CCEF operates within a Trust deed and is a controlled entity of Chisholm Institute. A formal operating agreement between Chisholm and the CCEF means the Institute meets administrative costs and ensures 100 per cent of funds received for scholarships is dispersed to students.

On campus fundraising activities are conducted throughout Chisholm with targeted external fundraising activities occurring with the support of corporate organisations and Board of Trustee members. These includes a corporate golf day.

## FUNDRAISING

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The CCEF is financially supported by the broader community in which it operates including local RSL clubs, Probus, Rotary, Lions clubs, councils, shires and other charitable organisations. The CCEF enables these groups to invest in their local communities by actively contributing financially to support students through scholarships. This is reflective of the local communities' appetite to increase student participation rates in higher education within the campus catchments.

The CCEF works closely with community representatives to identify areas and pockets of need. Other federal and state government funded programs and agencies refer students to the CCEF for scholarship support to enable them to either continue or re-engage in education.

## BOARD OF TRUSTEES

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The Board of Trustees are all volunteers and are not compensated for their time or contributions.

CCEF holds a wealth of experience with many members previously or presently holding positions at senior management, CEO and board level . The incumbent Chair, Virginia Simmons, was instrumental in the inception of the CCEF in 2007 while the (then) CEO of Chisholm.

Collectively the Board members have an understanding of the challenges many scholarship recipients face and a passion for ensuring education is accessible to anyone with a desire to pursue it.

In 2016 the CCEF Board of Trustees included Virginia Simmons (Chair), Maria Peters, David Willersdorf, Greg Hunt, Glen Kruger. We farewelled Mandy Splatt (resigned 26 April), Natalie Millan (resigned 5 April) , Matthew Johnson (resigned 4 March) and Catherine MacMillan (resigned 4 March) and welcomed David Mann, Nita Schultz, Patricia Duong and Anne Callahan (all appointed 26 August).

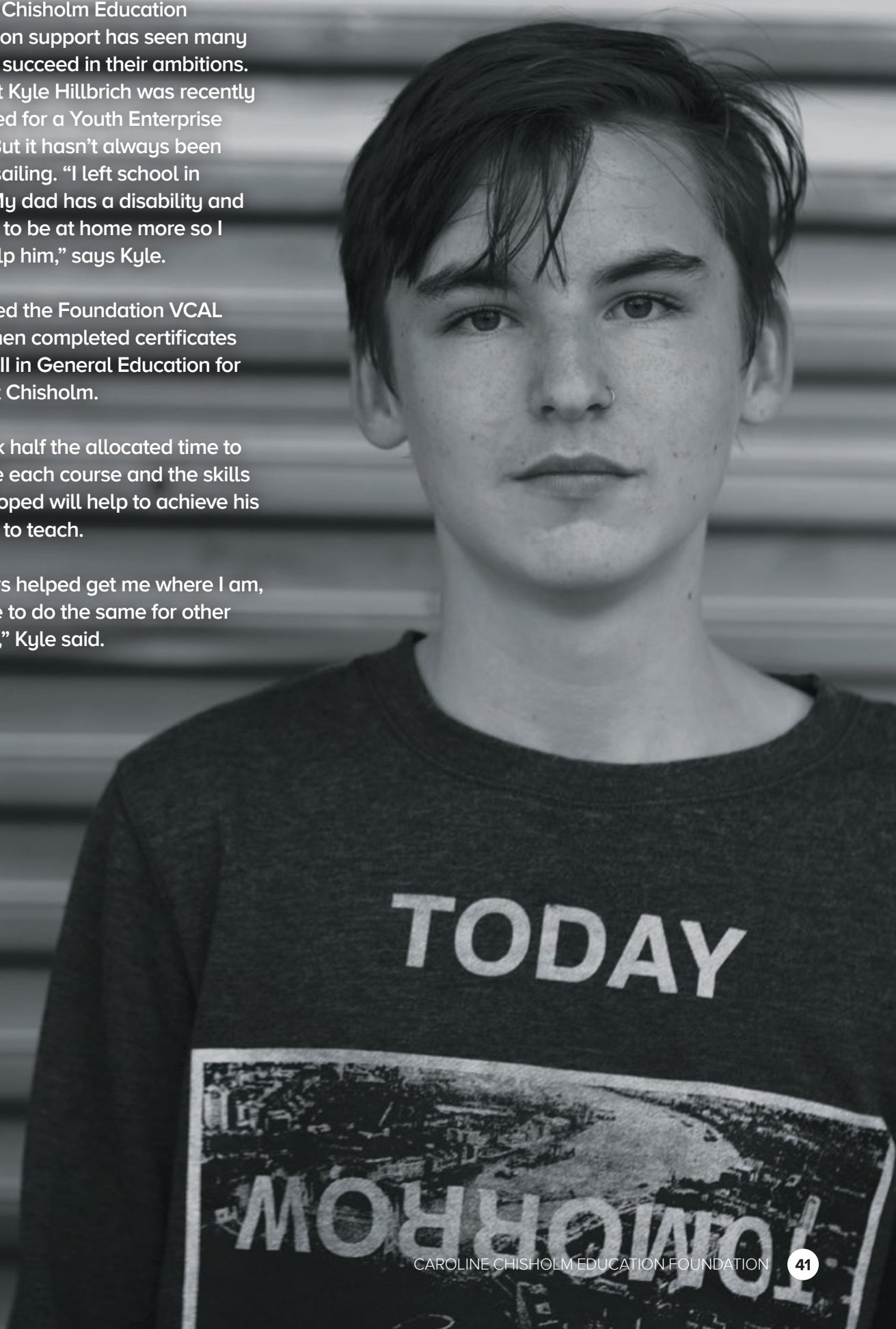


Caroline Chisholm Education Foundation support has seen many students succeed in their ambitions. Recipient Kyle Hillbrich was recently nominated for a Youth Enterprise Award. But it hasn't always been smooth sailing. "I left school in Year 9. My dad has a disability and I needed to be at home more so I could help him," says Kyle.

He studied the Foundation VCAL course then completed certificates I, II, and III in General Education for Adults at Chisholm.

Kyle took half the allocated time to complete each course and the skills he developed will help to achieve his ambition to teach.

"Teachers helped get me where I am, so I'd like to do the same for other students," Kyle said.



# CONSOLIDATED FINANCIAL STATEMENTS

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For the year ending 31 December 2016

# VAGO INDEPENDENT AUDITOR'S REPORT

# VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000

Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Chisholm Institute

**Opinion** I have audited the consolidated financial report of Chisholm Institute (the institute) and its controlled entities (together the consolidated entity), which comprises the:

- consolidated entity and institute balance sheets as at 31 December 2016
- consolidated entity and institute comprehensive operating statements for the year then ended
- consolidated entity and institute statements of changes in equity for the year then ended
- consolidated entity and institute cash flow statements for the year then ended
- notes comprising a summary of significant accounting policies
- President of the Board, Chief Executive Officer, and Chief Finance and Accounting Officers' declaration.

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 2016 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards and the financial reporting requirements of Part 7 of the *Financial Management Act 1994*.

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

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

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

**Board's responsibilities for the financial report** The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the institute and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.



## Independent Auditor's Report (continued)

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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 or 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 the consolidated entity. I remain solely responsible for my audit opinion.

## VAGO INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report (continued)

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**Auditor's  
responsibilities  
for the audit of  
the financial  
report  
(continued)**

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  
7 March 2017



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

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

We certify that the attached financial statements for Chisholm Institute and the consolidated entity has been prepared in accordance with Standing Direction 5.2.2(b) 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 2016 and financial position of the Institute as at 31 December 2016.

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 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.

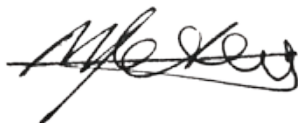


**STEPHEN MARKS**

**Board Chair**

Date: 01 March, 2017

Place: Dandenong



**MARIA PETERS**

**Chief Executive Officer**

Date: 01 March, 2017

Place: Dandenong



**SHEHANI MENDIS**

**Chief Finance and Accounting Officer**

Date: 01 March, 2017

Place: Dandenong



## COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2016

	Note	Consolidated		Chisholm	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<b>Continuing operations</b>					
<b>Income from transactions</b>					
Government contributions - operating	2a(i)	69,880	63,580	68,095	63,072
Government contributions - capital	2a(ii)	18,000	1,969	18,000	1,969
Sale of goods and services	2b	50,345	56,161	48,688	55,371
Interest income	2c	1,161	1,115	1,134	1,086
Other income	2d	1,737	2,628	1,651	2,343
<b>Total income from transactions</b>		<b>141,123</b>	<b>125,453</b>	<b>137,568</b>	<b>123,841</b>
<b>Expenses from transactions</b>					
Employee benefits	3a	75,155	73,640	71,937	71,281
Depreciation and amortisation	3b	8,344	8,067	7,872	7,785
Supplies and services	3c	25,298	24,653	24,350	24,492
Other operating expenses	3d	12,927	12,924	11,558	11,768
<b>Total expenses from transactions</b>		<b>121,724</b>	<b>119,284</b>	<b>115,717</b>	<b>115,326</b>
<b>Net result from transactions (net operating balance)</b>		<b>19,399</b>	<b>6,169</b>	<b>21,851</b>	<b>8,515</b>
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	4a	(4,390)	(64)	(4,390)	(64)
Net gain/(loss) on financial instruments	4b	(442)	66	(442)	66
Other gains/(losses) from other economic flows	4c	(1,122)	(93)	(1,131)	(130)
<b>Total other economic flows included in net result</b>		<b>(5,954)</b>	<b>(91)</b>	<b>(5,963)</b>	<b>(128)</b>
<b>Net result</b>		<b>13,445</b>	<b>6,078</b>	<b>15,888</b>	<b>8,387</b>
<b>Other economic flows - other comprehensive income</b>					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	16	9,804	-	9,804	-
<b>Comprehensive result</b>		<b>23,249</b>	<b>6,078</b>	<b>25,692</b>	<b>8,387</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 2016

	Note	Consolidated		Chisholm	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	5	57,161	57,181	56,285	56,102
Receivables	6	8,630	9,930	11,913	10,771
Investments and other financial assets	7	21,107	108	26,000	5,000
<b>Total financial assets</b>		<b>86,898</b>	<b>67,219</b>	<b>94,198</b>	<b>71,873</b>
<b>Non financial assets</b>					
Inventories	8	92	54	69	54
Other non financial assets	9	2,055	1,354	2,024	1,334
Property, plant and equipment	10	253,749	248,738	253,406	248,738
Intangibles	11	2,028	2,152	1,236	1,207
<b>Total non financial assets</b>		<b>257,924</b>	<b>252,298</b>	<b>256,735</b>	<b>251,333</b>
<b>Total assets</b>		<b>344,822</b>	<b>319,517</b>	<b>350,933</b>	<b>323,206</b>
<b>Liabilities</b>					
Payables	12	6,868	4,723	6,998	4,857
Provisions	13	9,900	9,568	9,836	9,516
Borrowings	14	1,926	2,214	1,926	2,214
Other liabilities	15	3,038	3,169	3,031	3,169
<b>Total liabilities</b>		<b>21,732</b>	<b>19,674</b>	<b>21,791</b>	<b>19,756</b>
<b>Net assets</b>		<b>323,090</b>	<b>299,841</b>	<b>329,142</b>	<b>303,450</b>
<b>Equity</b>					
Contributed capital	16a	85,387	85,387	85,387	85,387
Accumulated surplus/(deficit)	16b	177,190	163,745	183,242	167,354
Physical asset revaluation surplus	16c	60,513	50,709	60,513	50,709
<b>Net worth</b>		<b>323,090</b>	<b>299,841</b>	<b>329,142</b>	<b>303,450</b>
Commitments for expenditure	19				
Contingent assets and contingent liabilities	20				

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 2016

	Physical assets revaluation surplus	Accumulated surplus	Contributions by owner	Total
Note	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>				
<b>At 1 January 2015</b>	<b>50,709</b>	<b>157,667</b>	<b>85,387</b>	<b>293,763</b>
Net result for the year	-	6,078	-	6,078
<b>Year ended 31 December 2015</b>	<b>50,709</b>	<b>163,745</b>	<b>85,387</b>	<b>299,841</b>
Net result for the year	-	13,445	-	13,445
Other economic flows - other comprehensive income	9,804	-	-	9,804
<b>Year ended 31 December 2016</b>	<b>60,513</b>	<b>177,190</b>	<b>85,387</b>	<b>323,090</b>

	Physical assets revaluation surplus	Accumulated surplus	Contributions by owner	Total
Note	\$'000	\$'000	\$'000	\$'000
<b>Chisholm</b>				
<b>At 1 January 2015</b>	<b>50,709</b>	<b>158,967</b>	<b>85,387</b>	<b>295,063</b>
Net result for the year	-	8,387	-	8,387
<b>Year ended 31 December 2015</b>	<b>50,709</b>	<b>167,354</b>	<b>85,387</b>	<b>303,450</b>
Net result for the year	-	15,889	-	15,889
Other economic flows - other comprehensive income	9,804	-	-	9,804
<b>Year ended 31 December 2016</b>	<b>60,513</b>	<b>183,242</b>	<b>85,387</b>	<b>329,142</b>

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



# CASH FLOW STATEMENT

As at 31 December 2016

	Consolidated			Chisholm	
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Government contributions - operating		74,273	71,568	72,373	71,568
Government contributions - capital		18,063	7,080	18,776	7,080
User fees and charges received		51,420	54,336	52,114	53,951
Goods and services tax recovered from the ATO		168	136	-	-
Interest received		1,104	1,034	1,078	1,005
Other receipts		1,465	2,946	1,752	2,617
<b>Total receipts</b>		<b>146,493</b>	<b>137,100</b>	<b>146,093</b>	<b>136,221</b>
<b>Payments</b>					
Payments to employees		(74,641)	(72,736)	(72,389)	(70,947)
Payments to suppliers		(39,708)	(43,463)	(41,634)	(41,757)
Goods and services tax paid to the ATO		(2,665)	(2,628)	(2,665)	(2,628)
<b>Total payments</b>		<b>(117,014)</b>	<b>(118,827)</b>	<b>(116,688)</b>	<b>(115,332)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>17</b>	<b>29,479</b>	<b>18,273</b>	<b>29,405</b>	<b>20,889</b>
<b>Cash flows from investing activities</b>					
Payments for investments		(20,999)	(3)	(21,000)	(3,000)
Payments for non financial assets		(8,149)	(4,685)	(7,871)	(4,148)
Proceeds from sales of non financial assets		-	16	-	16
<b>Net cash provided by/(used in) investing activities</b>		<b>(29,148)</b>	<b>(4,672)</b>	<b>(28,871)</b>	<b>(7,132)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	1,653	-	1,653
Repayment of borrowings		(351)	-	(351)	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(351)</b>	<b>1,653</b>	<b>(351)</b>	<b>1,653</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20)</b>	<b>15,254</b>	<b>183</b>	<b>15,410</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>57,181</b>	<b>41,927</b>	<b>56,102</b>	<b>40,692</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5</b>	<b>57,161</b>	<b>57,181</b>	<b>56,285</b>	<b>56,102</b>

The above cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2016

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# 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for Chisholm Institute and its controlled entities TAFE Online Pty Ltd, Caroline Chisholm Education Foundation, Chisholm Academy Pty Ltd ('Consolidated Group'), and the separate financial statements and notes of Chisholm Institute as an individual parent entity ('Chisholm').

The accounting policies set out below have been applied in preparing the financial statements for Chisholm and the Consolidated Group for the year ended 31 December 2016 and the comparative information presented for the year ended 31 December 2015.

The following is a summary of the material accounting policies adopted by Chisholm in the preparation of the financial report. The accounting policies have been consistently applied across the group unless otherwise stated.

## 1.01 STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (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 the 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.

## 1.02 BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

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

These financial statements are presented in Australian dollars, the functional and presentation currency of Chisholm and the Consolidated Group, and have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets. Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value; and
- the fair value of an asset other than land is generally based on its depreciated replacement value.

### Critical accounting judgement and key sources of estimation uncertainty

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

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 AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment; and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

The following are the critical judgements, apart from those involved in estimations that Chisholm has made in the process of applying the accounting policies and that have the most significant effect of the amounts recognised in the consolidated financial statements:

- discount rates applied to material balances; and
- the extent of Chisholm's control over affiliated entities.

### Fair value measurement

Consistent with AASB 13 *Fair Value Measurement*, Chisholm determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

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

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

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

In addition, Chisholm 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.

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

Chisholm, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

## 1.03 REPORTING ENTITY

The financial statements cover Chisholm and its controlled entities as an individual reporting entity. 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)*.

Its principal address is:

**Chisholm Institute**  
121 Stud Road  
Dandenong VIC 3175

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

## 1.04 BASIS OF CONSOLIDATION

In accordance with AASB 10 *Consolidated Financial Statements*:

- the consolidated financial statements of Chisholm include all reporting entities controlled by Chisholm as at 31 December 2016; and
- the consolidated financial statements exclude bodies that are not controlled by Chisholm, and therefore are not consolidated.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

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

Entities consolidated into the Chisholm reporting entity include:

### TAFE Online Pty Ltd

TAFE Online Pty Ltd commenced operations in 2014 as a provider of nationally accredited vocational education courses online.

Chisholm is deemed to have control over TAFE Online Pty Ltd due to the following factors:

- Chisholm holds 100% of the share capital issued by TAFE Online Pty Ltd; there are no non controlling interests.
- The TAFE Online Pty Ltd Board contains only members from Chisholm's Board.
- Chisholm provides significant financial and administration support to 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 Institute.

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 2 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.

### Chisholm Academy Pty Ltd

Chisholm Academy Pty Ltd commenced operations on 1 January 2016 in Melbourne's CBD, operating under Chisholm's RTO. Chisholm Academy Pty Ltd no longer has a licence to utilise the Pivot Point name or brand and operates solely as a controlled entity of Chisholm; trading as Chisholm Hair Academy.



Chisholm is deemed to have control over the Chisholm Academy Pty Ltd due to the following factors:

- Chisholm holds 100% of the share capital issued by Chisholm Academy Pty Ltd; there are no non-controlling interests
- The sole Director of the Chisholm Academy Pty Ltd is the Chisholm CEO
- Chisholm provides significant financial and administration support to Chisholm Academy Pty Ltd.

## 1.05 SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

### Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result. The net result is equivalent to profit or loss derived in accordance with AASs.

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

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets;
- remeasurement arising from employee benefits; and
- fair value changes of financial instruments.

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

### Balance sheet

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

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

### Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*. For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet.

### Statement of changes in equity

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

## 1.06 EVENTS AFTER REPORTING DATE

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Chisholm and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments

are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and are considered to be of material interest.

## 1.07 GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are 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.

Commitments and contingent assets or liabilities are presented on a gross basis.

## 1.08 INCOME FROM TRANSACTIONS

- Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and income can be reliably measured at fair value. Amounts disclosed as income is where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of Chisholm's major activities as follows:

### **Government contributions**

Government contributions are recognised as revenue in the period when Chisholm gains control of the contributions. Control is recognised upon receipt or notification by relevant authorities of the right to receive a contribution for the current period.

### **Sale of goods and services**

#### **Student fees and charges**

Student fees and charges revenue is recognised by reference to the percentage of services provided. Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, any non-refundable portion of the fees are treated as revenue in the year of receipt and the balance as revenue in advance.

#### **Fee for service**

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. 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 revenue in advance.

#### **Revenue from sale of goods**

Revenue from sale of goods is recognised by Chisholm when:

- the significant risks and rewards of ownership of the goods have been transferred to the buyer;
- Chisholm retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to Chisholm; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Interest income**

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

### **Other income**

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

### **Fair value of assets received free of charge or for nominal consideration**

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

## **1.09 EXPENSES FROM TRANSACTIONS**

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

### **Employee benefits**

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

### **Retirement benefit obligations**

#### **Defined contribution plans**

Contributions to defined contribution plans are expensed when they become payable.

#### **Defined benefit plans**

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents the contributions made by Chisholm to the superannuation plan in respect of current services of current Chisholm staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

Chisholm does not recognise any deferred liability in respect of the plans because Chisholm has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as and when they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its finance report.

### **Depreciation and amortisation**

#### **Depreciation**

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation 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 the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

Class of assets	Useful Life
Buildings	5 - 60 years (2015: 5 - 60 years)
Plant and Equipment	3 - 10 years (2015: 3 - 10 years)
Motor Vehicles	6.6 years (2015: 6.6 years)
Land Improvements	15 – 40 years (2015: 15 - 40 years)
Leasehold Improvements	5 – 6 years (2015: 5 - 6 years)

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis.

### Amortisation

Intangible assets with finite lives are amortised on a straight line basis over the assets useful lives. 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

Class of assets	Rates
Capitalised software development cost	4 years (2015: 4 years)

### Supplies and services

Supplies and services expenses 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 distributed.

## 1.10 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

### Net gain/(loss) on non-financial assets

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

### Disposal of non financial 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.

### Impairment of non financial assets

Intangible assets not yet available for use are tested annually for impairment (i.e. as to whether their carrying value exceeds their possible recoverable amount and so require write downs). All other non-financial assets are assessed annually for indications of impairment, except for inventories.

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, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash flows 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. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

### **Net gain/ (loss) on financial instruments**

Net gain/ (loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

### **Impairment of financial assets**

Financial assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 10% per cent or more than its cost price; or where its fair value has been less than its cost price for a period of 6 or more months, the financial instrument is treated as impaired.

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

### **Other gains/ (losses) from other economic flows**

Other gains/ (losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the annual and long service leave liability due to changes in the bond interest rates.

This classification is consistent with the whole of government reporting format and is allowed under AASB101 *Presentation of Financial Statements*.

## **1.11 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 non-derivative financial instruments**

#### **Loans and receivables**

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, loans and receivables, but not statutory receivables.

#### **Financial liabilities at amortised cost**

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

Financial instrument liabilities measured at amortised cost include all of Chisholm's contractual payables, advances received and interest-bearing arrangements other than those designated at fair value through profit or loss.

#### **Offsetting financial instruments**

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Chisholm has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Reclassification of financial instruments**

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value

through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

## **1.12 FINANCIAL ASSETS**

### **Cash and deposits**

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.

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet.

### **Receivables**

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian 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 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 impairment.



A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

### Investments and other financial assets

Investments are classified in the following categories:

- loan and receivables
- held to maturity investments; and
- available for sale financial assets

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

### Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- Chisholm retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Chisholm has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset, or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

### Impairment of financial assets

At the end of each reporting period, Chisholm assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

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

## 1.13 LEASES

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

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

### Operating leases

#### Chisholm as lessor

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, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

#### Chisholm as lessee

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

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, irrespective of the incentive's nature or form or the timing of payments.

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

## 1.14 NON FINANCIAL ASSETS

### Inventories

Inventories include goods and other property held either for sale or for distribution at a zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to a land held for sale (undeveloped, under development, developed) and to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

The basis used in assessing loss of service potential for inventories held-for-distribution includes current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

### Property, plant and equipment

All non-financial physical assets 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.

Non-financial physical assets such as land and buildings are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on

the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

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.

For the accounting policy on impairment of non-financial physical assets, refer to Note 1.10 on Impairment of non financial assets.

### Capitalised threshold

Chisholm's capitalisation threshold is \$5,000 exclusive of GST.

### Leasehold improvements

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

### 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 Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

### Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Chisholm.

When recognition criteria AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation/amortisation and impairment.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

- 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 and use or sell it;
- 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.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

### Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 1.15 LIABILITIES

### Payables

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 payables.

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.

### Provisions

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

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

### Employee benefits

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

#### (a) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits annual leave all recognised in the provision for employee benefits as 'current liabilities', because Chisholm does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value – if Chisholm expects to wholly settle within 12 months; or
- present value – if Chisholm does not expect to wholly settle within 12 months.

#### (b) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where Chisholm does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at:

- nominal value (undiscounted value) – component that is expected to be wholly settled within 12 months; and
- present value (discounted value) – component that is not expected to be wholly settled within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an other economic flow. The discount rate applied is as advised by the Minister of Finance.

#### (c) Termination benefits

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 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.

### **Employee benefits on-costs**

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

### **Performance payments**

Performance payments for Chisholm's Executive Officers and management are based on a percentage of the annual salary package provided under the contract of employment. A liability is provided for under the term of the contracts at reporting date and paid out in the next financial year.

### **Borrowings**

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.

### **Onerous contracts**

An onerous contract is considered to exist where Chisholm has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

## **1.16 COMMITMENTS**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

## **1.17 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 20) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

## **1.18 EQUITY**

### **Contributed capital**

Funding that are 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*. Commonwealth capital funds are not affected and are treated as income.

## **1.19 FOREIGN CURRENCY TRANSLATIONS**

### **Functional and presentation currency**

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. Chisholm's financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

### **Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign currency translation differences are recognised in Comprehensive Operating Statement, in the period in which they arise.

## **1.20 MATERIALITY**

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

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



## **1.21 ROUNDING OF AMOUNTS**

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Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

## **1.22 COMPARATIVE INFORMATION**

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When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## **1.23 CHANGE IN ACCOUNTING POLICY**

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Subsequent to the 2015 reporting period, the following new and revised accounting standards have been adopted in the current period with their financial impact detailed as below.

### **AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value**

Disclosure of Not-for-profit public sector entities:

The Minister for Finance has approved the early adoption of AASB 2015-7. This enables Victorian not-for-profit public sector entities to benefit from some limited scope exemptions in relation to the fair value disclosure for the 2016 reporting period. The Institute has chosen to apply this early adoption. For fair value measurements that have been categorised within Level 3 of the fair value hierarchy, the Institute is no longer required to provide quantitative information about the 'significant unobservable inputs' used in determining the fair value measurement.

## **1.24 NEW AND REVISED AASBS IN ISSUE BUT NOT YET EFFECTIVE**

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Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2016 reporting period.

As at 31 December 2016 the following standards and interpretations (applicable to Chisholm) had been issued but were not mandatory for financial year ending 31 December 2016. Chisholm has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Application date of standard	Impact on entity financial statements
<b>AASB 9</b> <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	<p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>
<b>AASB 16</b> <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>There will be no change to Chisholm as a lessor.</p>
<b>AASB 15</b> <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2019	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licences that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
<b>AASB 2014-1</b> <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.

<b>AASB 2014-10</b> <i>Amendments to Australian Accounting Standards – Sale Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; AASB 128]</i>	AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates</i> to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments <ul style="list-style-type: none"> <li>• a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and</li> <li>• a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</li> </ul>	1 Jan 2018	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
<b>AASB 2015-6</b> <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	The Amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jul 2016	The amending standard will result in extended disclosures on the entity’s key management personnel (KMP), and the related party transactions.
<b>AASB 2016 -4</b> <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2016 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2016 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB 2014 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2015)

- AASB 2014 8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2015) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2015 2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015 3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*
- AASB 2015 5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12, AASB 128] #

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]
- AASB 2016 -2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016 -3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions [AASB 2]

Note:

# This Standard or Amendment may not be relevant to Victorian not-for-profit entities when operative.

## 2. INCOME FROM TRANSACTIONS

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	\$'000
<b>(a) Grants and other transfers</b>					
<b>(i) Government contributions - operating</b>					
State government - contestable		52,999	50,906	51,385	50,444
State government - other contributions		16,881	12,674	16,710	12,628
<b>Total Government contributions- operating</b>		<b>69,880</b>	<b>63,580</b>	<b>68,095</b>	<b>63,072</b>
<b>(ii) Government contributions - capital</b>					
Commonwealth capital		191	737	191	737
State capital		17,809	1,232	17,809	1,232
<b>Total Government contributions - capital</b>		<b>18,000</b>	<b>1,969</b>	<b>18,000</b>	<b>1,969</b>
<b>Total Government contributions</b>		<b>87,880</b>	<b>65,549</b>	<b>86,095</b>	<b>65,041</b>
<b>(b) Sale of goods and services</b>					
Student fees and charges		21,525	20,254	20,257	19,738
<b>Rendering of services</b>					
Fee for service - government		10,810	9,838	10,810	9,837
Fee for service - international operations - onshore		5,958	8,052	5,935	8,052
Fee for service - international operations - offshore		5,192	4,684	5,192	4,684
Fee for service - other		6,283	12,715	6,025	12,442
<b>Total rendering of services</b>		<b>28,243</b>	<b>35,289</b>	<b>27,962</b>	<b>35,015</b>
<b>Other non-course fees and charges</b>					
Sale of goods		577	618	469	618
<b>Total other fees and charges</b>		<b>577</b>	<b>618</b>	<b>469</b>	<b>618</b>
<b>Total income from sale of goods and services</b>		<b>50,345</b>	<b>56,161</b>	<b>48,688</b>	<b>55,371</b>
<b>(c) Interest income</b>					
<b>Interest from financial assets not at fair value through P/L</b>					
Interest on bank deposits		1,161	1,115	1,134	1,086
<b>Total interest income</b>		<b>1,161</b>	<b>1,115</b>	<b>1,134</b>	<b>1,086</b>
<b>(d) Other income</b>					
Rental income		413	400	374	400
Donations bequests and contributions		42	41	14	-
Scholarships		346	321	41	69
Other revenue		936	1,866	1,222	1,874
<b>Total other income</b>		<b>1,737</b>	<b>2,628</b>	<b>1,651</b>	<b>2,343</b>



### 3. EXPENSES FROM TRANSACTIONS

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	\$'000
<b>(a) Employee benefits</b>					
Salaries, wages, overtime and allowances		63,401	62,330	60,670	60,337
Superannuation		5,595	5,522	5,344	5,347
Payroll tax		3,253	3,226	3,108	3,123
Worker's compensation		894	721	854	693
Long service leave		1,019	982	986	942
Annual leave		524	548	506	528
Termination benefits		407	186	407	186
Other		62	125	62	125
<b>Total employee benefits</b>		<b>75,155</b>	<b>73,640</b>	<b>71,937</b>	<b>71,281</b>
<b>(b) Depreciation and amortisation</b>					
<b>Depreciation of non-financial assets</b>					
Buildings		5,299	5,298	5,299	5,298
Plant and equipment		1,354	1,358	1,353	1,358
Motor vehicles		44	51	44	51
Land improvements		77	76	77	76
Leasehold improvements		543	485	502	485
<b>Total depreciation</b>		<b>7,317</b>	<b>7,268</b>	<b>7,275</b>	<b>7,268</b>
<b>Amortisation of non-financial physical and intangible assets</b>					
Software		1,027	798	597	516
<b>Total depreciation and amortisation</b>		<b>8,344</b>	<b>8,067</b>	<b>7,872</b>	<b>7,785</b>
<b>(c) Supplies and services</b>					
Purchase of supplies and consumables		4,119	4,238	3,944	4,205
Communication expenses		1,561	1,343	1,449	1,340
Contract and other services		8,983	8,438	8,877	8,413
Cost of goods sold/distributed (ancillary trading)		55	41	44	41
Building repairs and maintenance		2,878	1,849	2,748	1,849
Other borrowing costs (other than interest)		127	120	110	119
Fees and charges		7,575	8,624	7,178	8,525
<b>Total supplies and services</b>		<b>25,298</b>	<b>24,653</b>	<b>24,350</b>	<b>24,492</b>

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	
<b>(d) Other operating expenses</b>					
<b>General expenses</b>					
Marketing and promotional expenses		2,294	2,271	1,746	1,299
Utilities		1,267	1,513	1,214	1,513
Audit fees and services		235	239	221	233
Staff development		394	454	389	445
Travel and motor vehicle expenses		1,815	1,658	1,805	1,657
Other expenses		1,253	1,761	1,334	1,594
<b>Total general expenses</b>		<b>7,258</b>	<b>7,896</b>	<b>6,709</b>	<b>6,741</b>
Operating lease rental expenses		3,396	2,568	2,735	2,568
<b>Total operating lease rental expenses</b>		<b>3,396</b>	<b>2,568</b>	<b>2,735</b>	<b>2,568</b>
Bad debts from transactions		993	690	993	690
Equipment below capitalisation threshold		1,280	1,770	1,121	1,769
<b>Total other operating expenses</b>		<b>12,927</b>	<b>12,924</b>	<b>11,558</b>	<b>11,768</b>

## 4. OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	
<b>(a) Net gain/(loss) on non financial assets (including PPE and intangible assets)</b>					
Net gain/(loss) on disposal of property, plant and equipment		(4,390)	(64)	(4,390)	(64)
<b>Total net gain/(loss) on non financial assets</b>		<b>(4,390)</b>	<b>(64)</b>	<b>(4,390)</b>	<b>(64)</b>
<b>(b) Net gain/(loss) on financial instruments</b>					
Foreign currency exchange gain/(loss)		(177)	84	(177)	84
Greener Government loan discount		(64)	199	(64)	199
Impairment of :					
Loans and receivables	(i)	(201)	(217)	(201)	(217)
<b>Total net gain/(loss) on financial instruments</b>		<b>(442)</b>	<b>66</b>	<b>(442)</b>	<b>66</b>
<b>(c) Other gains/(losses) from other economic flows</b>					
Net gain/(loss) arising from revaluation of long service leave liability	(ii)	(588)	37	(613)	-
Net gain/(loss) arising from revaluation of annual leave liability	(ii)	(534)	(130)	(518)	(130)
<b>Total other gains/(losses) from other economic flows</b>		<b>(1,122)</b>	<b>(93)</b>	<b>(1,131)</b>	<b>(130)</b>
<b>Total other economic flows included in net result</b>		<b>(5,954)</b>	<b>(91)</b>	<b>(5,963)</b>	<b>(128)</b>

### Note:

- (i) Including increase/(decrease) in provision for doubtful debts and bad debts from other economic flows - refer to Note 1.10  
(ii) Revaluation gain/(loss) due to changes in bond rates.

## 5. CASH AND DEPOSITS

	Note	Consolidated		Chisholm	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand		4,929	2,115	4,053	1,037
Deposits at call		52,232	55,065	52,232	55,065
<b>Total cash and deposits</b>	<b>(a)</b>	<b>57,161</b>	<b>57,181</b>	<b>56,285</b>	<b>56,102</b>

### (a) Reconciliation of cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	57,161	57,181	56,285	56,102
Balances as per cash flow statement	57,161	57,181	56,285	56,102

## 6. RECEIVABLES

	Note	Consolidated		Chisholm	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<b>Current receivables</b>					
<b>Contractual</b>					
Sale of goods and services		1,694	2,478	1,694	2,478
Provision for doubtful contractual receivables	(a)	(135)	(126)	(135)	(126)
Other receivables		1,357	3,061	4,769	3,977
Revenue receivable		5,714	4,517	5,585	4,442
<b>Total contractual</b>		<b>8,630</b>	<b>9,930</b>	<b>11,913</b>	<b>10,771</b>
<b>Total current receivables</b>		<b>8,630</b>	<b>9,930</b>	<b>11,913</b>	<b>10,771</b>

The average credit period on sales of goods is 21 days. No interest is charged on receivables.

### (a) Movement in the provision for doubtful contractual receivables

Balance at the beginning of the year	(126)	(340)	(126)	(340)
Reversal of unused provision recognised in net result	20	21	20	21
Increase in provision recognised in net result	(134)	(126)	(134)	(126)
Reversal of provision for uncollectable receivables written off during the year	105	319	105	319
<b>Balance at the end of the year</b>	<b>(135)</b>	<b>(126)</b>	<b>(135)</b>	<b>(126)</b>

### Ageing analysis of contractual receivables

Refer to Note 23(i) for the ageing analysis of contractual receivables

### Nature and extent of risk arising from contractual receivables

Refer to Note 23(ii) for the nature and extent of risk arising from contractual receivables.

## 7. INVESTMENTS AND OTHER FINANCIAL ASSETS

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	
<b>Current investments and other financial assets</b>					
Australian dollar term deposits > three months		21,107	108	20,000	-
<b>Total current investments and other financial assets</b>		<b>21,107</b>	<b>108</b>	<b>20,000</b>	<b>-</b>
<b>Non-current investments and other financial assets</b>					
Unlisted shares in subsidiary - TAFE Online Pty Ltd		-	-	6,000	5,000
<b>Total non-current investments and other financial assets</b>		<b>-</b>	<b>-</b>	<b>6,000</b>	<b>5,000</b>
<b>Total investments and other financial assets</b>		<b>21,107</b>	<b>108</b>	<b>26,000</b>	<b>5,000</b>

### Ageing analysis of investments and other financial assets

Please refer to Note 23(i) for the ageing analysis of investments and other financial assets.

### Nature and extent of risk arising from investments and other financial assets

Please refer to Note 23(ii) for the nature and extent of risks arising from investments and other financial assets.

## 8. INVENTORIES

Supplies and consumables - at cost	92	54	69	54
<b>Total inventories</b>	<b>92</b>	<b>54</b>	<b>69</b>	<b>54</b>

## 9. OTHER NON FINANCIAL ASSETS

### Current

Prepayments	2,055	1,354	2,024	1,334
<b>Total other non financial assets</b>	<b>2,055</b>	<b>1,354</b>	<b>2,024</b>	<b>1,334</b>



## 10. PROPERTY, PLANT AND EQUIPMENT

In accordance with government purpose classifications, the Institute's property, plant and equipment are assets used for the purpose of education. Property, plant & equipment includes all operational assets.

### (a) Consolidated

	Land	Buildings	Construction in progress	Plant and equipment	Motor vehicles	Leasehold imp.	Land imp.	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 Jan 2015</b>								
Cost	-	44,063	1,146	20,834	792	1,758	1,524	<b>70,117</b>
Valuation	45,057	163,805	-	-	-	-	-	<b>208,862</b>
Accumulated Depreciation	-	(9,290)	-	(15,379)	(667)	(910)	(127)	<b>(26,373)</b>
<b>Net book amount</b>	<b>45,057</b>	<b>198,578</b>	<b>1,146</b>	<b>5,455</b>	<b>125</b>	<b>848</b>	<b>1,397</b>	<b>252,606</b>
<b>Year ended 31 Dec 2015</b>								
Opening net book amount	45,057	198,578	1,146	5,455	125	848	1,397	<b>252,606</b>
Additions	-	-	1,490	923	-	891	177	<b>3,481</b>
Disposals	-	(96)	-	(134)	(55)	-	-	<b>(285)</b>
Depreciation write-back	-	20	-	134	51	-	-	<b>205</b>
Transfer to buildings	-	1,765	(1,765)	-	-	-	-	<b>-</b>
Depreciation	-	(5,298)	-	(1,358)	(51)	(485)	(76)	<b>(7,268)</b>
<b>Closing net book amount</b>	<b>45,057</b>	<b>194,969</b>	<b>871</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>	<b>248,738</b>
<b>At 31 Dec 2015</b>								
Cost	-	20,942	871	11,522	319	2,649	279	<b>36,582</b>
Valuation	45,057	188,594	-	10,102	419	-	1,422	<b>245,594</b>
Accumulated Depreciation	-	(14,567)	-	(16,604)	(668)	(1,395)	(203)	<b>(33,437)</b>
<b>Net book amount</b>	<b>45,057</b>	<b>194,969</b>	<b>871</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>	<b>248,738</b>
<b>Year ended 31 Dec 2016</b>								
Opening net book amount	45,057	194,969	871	5,020	70	1,254	1,498	<b>248,738</b>
Additions	-	-	4,884	1,307	318	376	30	<b>6,915</b>
Revaluations	7,870	-	-	-	-	-	-	<b>7,870</b>
Disposals	-	(5,291)	-	(95)	-	-	-	<b>(5,386)</b>
Depreciation write-back	-	932	-	62	-	-	-	<b>994</b>
Transfer to buildings	-	2,741	(2,741)	-	-	-	-	<b>-</b>
Depreciation	-	(5,299)	-	(1,354)	(44)	(543)	(77)	<b>(7,317)</b>
Impairment reversal (i)	-	1,934	-	-	-	-	-	<b>1,934</b>
<b>Closing net book amount</b>	<b>52,927</b>	<b>189,986</b>	<b>3,014</b>	<b>4,940</b>	<b>344</b>	<b>1,087</b>	<b>1,451</b>	<b>253,749</b>
<b>At 31 Dec 2016</b>								
Cost	-	23,683	3,014	11,811	638	2,963	132	<b>42,240</b>
Valuation	52,927	185,236	-	11,025	418	61	1,600	<b>251,266</b>
Accumulated Depreciation	-	(18,933)	-	(17,896)	(712)	(1,937)	(281)	<b>(39,758)</b>
<b>Net book amount at the end of year</b>	<b>52,927</b>	<b>189,986</b>	<b>3,014</b>	<b>4,940</b>	<b>344</b>	<b>1,087</b>	<b>1,451</b>	<b>253,749</b>

**(b) Chisholm**

	Land	Buildings	Construction	Plant and	Motor	Leasehold	Land imp.	Total
	\$'000	\$'000	in progress	equipment	vehicles	imp.	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 Jan 2015</b>								
Cost	-	44,063	1,146	20,834	792	1,758	1,524	70,117
Valuation	45,057	163,805	-	-	-	-	-	208,862
Accumulated Depreciation	-	(9,290)	-	(15,379)	(667)	(910)	(127)	(26,373)
<b>Net book amount</b>	<b>45,057</b>	<b>198,578</b>	<b>1,146</b>	<b>5,455</b>	<b>125</b>	<b>848</b>	<b>1,397</b>	<b>252,606</b>
<b>Year ended 31 Dec 2015</b>								
Opening net book amount	45,057	198,578	1,146	5,455	125	848	1,397	252,606
Additions	-	-	1,490	923	-	891	177	3,481
Disposals	-	(96)	-	(134)	(55)	-	-	(285)
Depreciation write-back	-	20	-	134	51	-	-	205
Transfer to buildings	-	1,765	(1,765)	-	-	-	-	-
Depreciation	-	(5,298)	-	(1,358)	(51)	(485)	(76)	(7,268)
<b>Closing net book amount</b>	<b>45,057</b>	<b>194,969</b>	<b>871</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>	<b>248,738</b>
<b>At 31 Dec 2015</b>								
Cost	-	20,942	871	11,522	319	2,649	279	36,582
Valuation	45,057	188,594	-	10,102	419	-	1,422	245,594
Accumulated Depreciation	-	(14,567)	-	(16,604)	(668)	(1,395)	(203)	(33,437)
<b>Net book amount</b>	<b>45,057</b>	<b>194,969</b>	<b>871</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>	<b>248,738</b>
<b>Year ended 31 Dec 2016</b>								
Opening net book amount	45,057	194,969	871	5,020	70	1,254	1,498	248,738
Additions	-	-	4,884	1,298	318	-	30	6,530
Revaluations	7,870	-	-	-	-	-	-	7,870
Disposals	-	(5,291)	-	(95)	-	-	-	(5,386)
Depreciation write-back	-	934	-	63	-	-	-	995
Transfer to buildings	-	2,741	(2,741)	-	-	-	-	-
Depreciation	-	(5,299)	-	(1,353)	(44)	(502)	(77)	(7,275)
Impairment reversal (i)	-	1,934	-	-	-	-	-	1,934
<b>Closing net book amount</b>	<b>52,927</b>	<b>189,986</b>	<b>3,014</b>	<b>4,933</b>	<b>344</b>	<b>752</b>	<b>1,451</b>	<b>253,406</b>
<b>At 31 Dec 2016</b>								
Cost	-	23,683	3,014	11,800	638	2,588	132	41,854
Valuation	52,927	185,236	-	11,028	417	59	1,600	251,268
Accumulated Depreciation	-	(18,933)	-	(17,895)	(712)	(1,895)	(281)	(39,715)
<b>Net book amount at the end of year</b>	<b>52,927</b>	<b>189,986</b>	<b>3,014</b>	<b>4,933</b>	<b>344</b>	<b>752</b>	<b>1,451</b>	<b>253,406</b>

**Note:**

The useful lives of assets as stated in Note 1 are used in the calculation of depreciation as shown in note 3b.

- (i) At 31 December 2014, Building Z at Frankston campus was identified as impaired. The building has been decanted and left idle. In 2016, Building Z was restored as an administration and teaching area.

### (c) Fair value measurement hierarchy for assets as at 31 December 2016

Classified in accordance with the fair value hierarchy, see Note 1.02.

There were no transfers between levels during the year.

	Fair value hierarchy			
		Level 1	Level 2	Level 3
	Carrying amount as at 31 Dec 2016	Quoted prices	Observable price inputs	Unobservable inputs
<b>Consolidated</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Land at fair value:</b>				
Non specialised land	5,810	-	5,810	-
Specialised land	47,117	-	-	47,117
<b>Total land at fair value</b>	<b>52,927</b>	<b>-</b>	<b>5,810</b>	<b>47,117</b>
<b>Building at fair value:</b>				
Non specialised buildings	3,586	-	3,586	-
Specialised buildings	186,400	-	-	186,400
<b>Total buildings at fair value</b>	<b>189,986</b>	<b>-</b>	<b>3,586</b>	<b>186,400</b>
<b>Other assets at fair value:</b>				
Plant and equipment	4,940	-	-	4,940
Vehicles	344	-	-	344
Leasehold improvements	1,087	-	-	1,087
Land improvements	1,451	-	-	1,451
<b>Total other assets at fair value</b>	<b>7,822</b>	<b>-</b>	<b>-</b>	<b>7,822</b>

	Fair value hierarchy			
		Level 1	Level 2	Level 3
	Carrying amount as at 31 Dec 2016	Quoted prices	Observable price inputs	Unobservable inputs
<b>Chisholm</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Land at fair value:</b>				
Non specialised land	5,810	-	5,810	-
Specialised land	47,117	-	-	47,117
<b>Total land at fair value</b>	<b>52,927</b>	<b>-</b>	<b>5,810</b>	<b>47,117</b>
<b>Building at fair value:</b>				
Non specialised buildings	3,586	-	3,586	-
Specialised buildings	186,400	-	-	186,400
<b>Total buildings at fair value</b>	<b>189,986</b>	<b>-</b>	<b>3,586</b>	<b>186,400</b>
<b>Other assets at fair value:</b>				
Plant and equipment	4,933	-	-	4,933
Vehicles	344	-	-	344
Leasehold improvements	752	-	-	752
Land improvements	1,451	-	-	1,451
<b>Total other assets at fair value</b>	<b>7,480</b>	<b>-</b>	<b>-</b>	<b>7,480</b>

## Fair value measurement hierarchy for assets as at 31 December 2015

	Fair value hierarchy			
		Level 1	Level 2	Level 3
	Carrying amount as at 31 Dec 2015	Quoted prices	Observable price inputs	Unobservable inputs
Consolidated	\$'000	\$'000	\$'000	\$'000
<b>Land at fair value:</b>				
Non specialised land	4,911	-	4,911	-
Specialised land	40,146	-	-	40,146
<b>Total land at fair value</b>	<b>45,057</b>	<b>-</b>	<b>4,911</b>	<b>40,146</b>
<b>Building at fair value:</b>				
Non specialised buildings	1,600	-	1,600	-
Specialised buildings	193,369	-	-	193,369
<b>Total buildings at fair value</b>	<b>194,969</b>	<b>-</b>	<b>1,600</b>	<b>193,369</b>
<b>Other assets at fair value:</b>				
Plant and equipment	5,020	-	-	5,020
Vehicles	70	-	-	70
Leasehold improvements	1,254	-	-	1,254
Land improvements	1,498	-	-	1,498
<b>Total other assets at fair value</b>	<b>7,842</b>	<b>-</b>	<b>-</b>	<b>7,842</b>

	Fair value hierarchy			
		Level 1	Level 2	Level 3
	Carrying amount as at 31 Dec 2015	Quoted prices	Observable price inputs	Unobservable inputs
Chisholm	\$'000	\$'000	\$'000	\$'000
<b>Land at fair value:</b>				
Non specialised land	4,911	-	4,911	-
Specialised land	40,146	-	-	40,146
<b>Total land at fair value</b>	<b>45,057</b>	<b>-</b>	<b>4,911</b>	<b>40,146</b>
<b>Building at fair value:</b>				
Non specialised buildings	1,600	-	1,600	-
Specialised buildings	193,369	-	-	193,369
<b>Total buildings at fair value</b>	<b>194,969</b>	<b>-</b>	<b>1,600</b>	<b>193,369</b>
<b>Other assets at fair value:</b>				
Plant and equipment	5,020	-	-	5,020
Vehicles	70	-	-	70
Leasehold improvements	1,254	-	-	1,254
Land improvements	1,498	-	-	1,498
<b>Total other assets at fair value</b>	<b>7,842</b>	<b>-</b>	<b>-</b>	<b>7,842</b>



#### **(d) Valuations of property, plant and equipment**

Fair value assessments have been performed at 31 December 2016 for all classes of assets. This assessment demonstrated that the fair value of land was materially different to carrying value, and therefore a managerial revaluation based on land indices provided by the Valuer General Victoria was carried out. The fair value of all other asset classes was materially similar to carrying value. The next scheduled full revaluation for Chisholm will be conducted in 2017.

#### **Non specialised land, land improvements and buildings**

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 2012. 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, land improvements 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 Level 3 assets.

For the Institute's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. 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 the Institute'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 2012.

#### **Vehicles**

Vehicles are valued using the depreciated replacement cost method. The Institute 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**

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**

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 Level 3 assets.

There were no changes in valuation techniques throughout the period to 31 December 2016.

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

**(e) Reconciliation of Level 3 fair value**

**Consolidated**

<b>At 31 Dec 2016</b>	<b>Specialised land</b>	<b>Specialised buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Leasehold improvements</b>	<b>Land improvements</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	40,146	193,369	5,020	70	1,254	1,498
Purchases (sales)	-	-	1,307	318	375	30
Transfers in (out) of Level 3	-	(1,725)	(24)	-	-	-
Depreciation	-	(5,244)	(1,363)	(44)	(542)	(77)
<b>Subtotal</b>	<b>40,146</b>	<b>186,400</b>	<b>4,940</b>	<b>344</b>	<b>1,087</b>	<b>1,451</b>
Revaluation	6,971	-	-	-	-	-
<b>Closing Balance</b>	<b>47,117</b>	<b>186,400</b>	<b>4,940</b>	<b>344</b>	<b>1,087</b>	<b>1,451</b>

<b>At 31 Dec 2015</b>	<b>Specialised land</b>	<b>Specialised buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Leasehold improvements</b>	<b>Land improvements</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	40,146	196,926	5,455	125	848	1,397
Purchases (sales)	-	-	923	-	891	177
Transfers in (out) of Level 3	-	1,689	-	(4)	-	-
Depreciation	-	(5,246)	(1,358)	(51)	(485)	(76)
<b>Subtotal</b>	<b>40,146</b>	<b>193,369</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>
<b>Closing Balance</b>	<b>40,146</b>	<b>193,369</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>

**Chisholm**

<b>At 31 Dec 2016</b>	<b>Specialised land</b>	<b>Specialised buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Leasehold improvements</b>	<b>Land improvements</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	40,146	193,369	5,020	70	1,254	1,498
Purchases (sales)	-	-	1,297	318	-	30
Transfers in (out) of Level 3	-	(1,725)	(24)	-	-	-
Depreciation	-	(5,244)	(1,363)	(44)	(501)	(77)
<b>Subtotal</b>	<b>40,146</b>	<b>186,400</b>	<b>4,933</b>	<b>344</b>	<b>752</b>	<b>1,451</b>
Revaluation	6,971	-	-	-	-	-
<b>Closing Balance</b>	<b>47,117</b>	<b>186,400</b>	<b>4,933</b>	<b>344</b>	<b>752</b>	<b>1,451</b>

<b>At 31 Dec 2015</b>	<b>Specialised land</b>	<b>Specialised buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Leasehold improvements</b>	<b>Land improvements</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	40,146	196,926	5,455	125	848	1,397
Purchases (sales)	-	-	923	-	891	177
Transfers in (out) of Level 3	-	1,689	-	(4)	-	-
Depreciation	-	(5,246)	(1,358)	(51)	(485)	(76)
<b>Subtotal</b>	<b>40,146</b>	<b>193,369</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>
<b>Closing Balance</b>	<b>40,146</b>	<b>193,369</b>	<b>5,020</b>	<b>70</b>	<b>1,254</b>	<b>1,498</b>

**(f) Description of significant unobservable inputs to Level 3 valuations**

	<b>Valuation technique</b>	<b>Sensitivity of fair value measurement to changes in significant unobservable inputs</b>
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Motor vehicles	Depreciated replacement cost	Cost per unit Useful life of motor vehicles
Leasehold improvements	Depreciated cost	Direct cost per square metre Useful life of leasehold improvements
Land improvements	Depreciated replacement cost	Direct cost per square metre Useful life of land improvements

The significant unobservable inputs have remained unchanged from 2015.

## 11. INTANGIBLE ASSETS

<b>Consolidated</b>	<b>Note</b>	<b>Software \$'000</b>
<b>Year ended 31 Dec 2015</b>		
Opening balance		1,749
Additions from internal developments		1,201
Amortisation charge		(798)
<b>Closing balance</b>		<b>2,152</b>
<b>Year ended 31 Dec 2016</b>		
Opening balance		2,152
Additions from internal developments		903
Amortisation charge		(1,027)
<b>Closing balance</b>		<b>2,028</b>

<b>Chisholm</b>	<b>Note</b>	<b>Software \$'000</b>
<b>Year ended 31 Dec 2015</b>		
Opening balance		1,059
Additions from internal developments		664
Amortisation charge		(516)
<b>Closing balance</b>		<b>1,207</b>
<b>Year ended 31 Dec 2016</b>		
Opening balance		1,207
Additions from internal developments		627
Amortisation charge		(598)
<b>Closing balance</b>		<b>1,236</b>

**Note:** Amortisation charged is reported as an expense from transactions in the Comprehensive Operating Statement.

Chisholm has capitalised software development expenditure for the upgrade of its STRATA software. The carrying amount of the capitalised software development expenditure is \$1.24 million (2015: \$1.21 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 \$0.79 million (2015: \$0.94 million). Its useful life is 3 years.



## 12. PAYABLES

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
<b>Contractual</b>					
Supplies and services		6,439	4,183	6,477	4,285
<b>Statutory</b>					
GST payable		138	217	239	249
FBT Payable		26	39	26	39
Other taxes payable		265	284	256	284
<b>Total current payables</b>		<b>6,868</b>	<b>4,723</b>	<b>6,998</b>	<b>4,857</b>
<b>Total payables</b>		<b>6,868</b>	<b>4,723</b>	<b>6,998</b>	<b>4,857</b>

### Notes:

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.

### Maturity analysis of contractual payables

Refer to Note 23(iii) for the maturity analysis of contractual payables.

### Nature and extent of risk arising from contractual payables

Refer to Note 23 for the nature and extent of risk arising from contractual payables.

## 13. PROVISIONS

	Note	Consolidated		Chisholm	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<b>Current provisions</b>					
<b>Employee benefits - Annual leave</b>					
Unconditional and expected to wholly settle within 12 months		1,459	1,333	1,420	1,296
Unconditional and expected to wholly settle after 12 months	(a)	195	178	191	176
<b>Employee benefits - Long service leave</b>					
Unconditional and expected to wholly settle within 12 months		1,123	910	1,123	910
Unconditional and expected to wholly settle after 12 months	(a)	5,026	5,016	5,023	5,016
<b>Employee benefits - Other</b>					
Unconditional and expected to wholly settle within 12 months		239	202	239	202
<b>Total</b>		<b>8,042</b>	<b>7,639</b>	<b>7,996</b>	<b>7,600</b>
<b>Provisions for on-costs</b>					
Unconditional and expected to wholly settle within 12 months		449	370	443	364
Unconditional and expected to wholly settle after 12 months	(a)	842	830	841	831
<b>Total</b>		<b>1,291</b>	<b>1,200</b>	<b>1,284</b>	<b>1,195</b>
<b>Total current provisions</b>		<b>9,333</b>	<b>8,839</b>	<b>9,280</b>	<b>8,795</b>
<b>Non-current provisions</b>					
Employee benefits	(a)	489	629	479	622
Employee benefits on-costs	(a)	78	100	77	99
<b>Total non-current provisions</b>		<b>567</b>	<b>729</b>	<b>556</b>	<b>721</b>
<b>Total provisions</b>		<b>9,900</b>	<b>9,568</b>	<b>9,836</b>	<b>9,516</b>
<b>Movement in provisions</b>					
Movement in provisions during the financial year are set out below:		<b>Employee Provisions</b>	<b>On-costs</b>	<b>Employee Provisions</b>	<b>On-costs</b>
<b>Carrying amount at the start of the year</b>		<b>8,268</b>	<b>1,300</b>	<b>8,222</b>	<b>1,294</b>
Additional provisions recognised		5,465	740	5,361	724
Additions due to transfer in		15	2	-	-
Reductions arising from payments/other sacrifices of future economic benefits		(4,887)	(586)	(4,796)	(572)
Unwind of discount and effect of changes in the discount rate		(330)	(87)	(312)	(85)
<b>Carrying amount at the end of the year</b>		<b>8,531</b>	<b>1,369</b>	<b>8,475</b>	<b>1,361</b>

a) Employee benefits and on costs

	Consolidated		Chisholm	
	2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000
<b>Current employee benefits</b>				
Annual leave		1,654	1,511	1,611
Long Service Leave		6,149	5,926	6,146
Other		239	202	239
<b>Non-current employee benefits</b>				
	(a)			
Long Service Leave		489	629	479
<b>Total employee benefits</b>		<b>8,531</b>	<b>8,268</b>	<b>8,475</b>
<b>On costs</b>				
Current on costs		1,291	1,200	1,284
Non current on costs		78	100	77
<b>Total on costs</b>		<b>1,369</b>	<b>1,300</b>	<b>1,361</b>
<b>Total employee benefits and on costs</b>		<b>9,900</b>	<b>9,568</b>	<b>9,836</b>

**Note:**

(a) Amounts are measured at present values.

Employee benefits consist of annual leave, long service leave, performance payments and time of in lieu.

On costs such as superannuation, payroll tax and worker's compensation insurance are not employee benefits and are reflected as a separate provision.

## 14. BORROWINGS

	Note	Consolidated		Chisholm	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Advances from Government	(a)	351	-	351	-
<b>Total current borrowings</b>		<b>351</b>	<b>-</b>	<b>351</b>	<b>-</b>
<b>Non Current</b>					
Advances from Government	(a)	1,575	2,214	1,575	2,214
<b>Total non-current borrowings</b>		<b>1,575</b>	<b>2,214</b>	<b>1,575</b>	<b>2,214</b>
<b>Total borrowings</b>		<b>1,926</b>	<b>2,214</b>	<b>1,926</b>	<b>2,214</b>

### Note:

(a) Unsecured loans which bear no interest. Repayment of the loan commenced on 1 June 2016 with annual instalments of \$351,450. The loan is held at amortised cost per policy note 1.11.

### Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

## 15. OTHER LIABILITIES

### Current

Revenue in advance	3,038	3,169	3,031	3,169
<b>Total current other liabilities</b>	<b>3,038</b>	<b>3,169</b>	<b>3,031</b>	<b>3,169</b>

### Maturity analysis of borrowings and other liabilities

Refer to Note 23(iii) for maturity analysis of borrowings and other liabilities.

### Nature and extent of risk arising from borrowings and other liabilities

Refer to Note 23 for the nature and extent of risk arising from borrowings and other liabilities.

## 16. EQUITY

	Consolidated		Chisholm		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	\$'000
<b>(a) Contributed capital</b>					
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>
<b>(b) Accumulated surplus/(deficit)</b>					
Balance at 1 January		163,745	157,667	167,354	158,967
Net result for the year		13,445	6,078	15,889	8,387
<b>Balance at 31 December</b>		<b>177,190</b>	<b>163,745</b>	<b>183,242</b>	<b>167,354</b>
<b>(c) Physical asset revaluation surplus</b>					
Balance at 1 January		50,709	50,709	50,709	50,709
Movements in reserves	(a)	9,804	-	9,804	-
<b>Balance at 31 December</b>		<b>60,513</b>	<b>50,709</b>	<b>60,513</b>	<b>50,709</b>
<b>Total Equity</b>		<b>323,090</b>	<b>299,841</b>	<b>329,142</b>	<b>303,450</b>
<b>Movement in reserves</b>					
<b>Asset revaluation reserve - Land</b>					
Balance at 1 January		31,482	31,482	31,482	31,482
Revaluation increment on non-current asset		7,870	-	7,870	-
<b>Balance at 31 December</b>		<b>39,352</b>	<b>31,482</b>	<b>39,352</b>	<b>31,482</b>
<b>Asset revaluation surplus - Buildings</b>					
Balance at 1 January		19,227	19,227	19,227	19,227
Reversal of building impairment	10(b)(i)	1,934	-	1,934	-
<b>Balance at 31 December</b>		<b>21,161</b>	<b>19,227</b>	<b>21,161</b>	<b>19,227</b>



## 17. CASH FLOW INFORMATION

	Consolidated		Chisholm	
	2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000
Reconciliation of operating result to net cash flows from operating activities				
<b>Net result for the year</b>		<b>13,445</b>	<b>6,078</b>	<b>15,888</b>
			<b>15,888</b>	<b>8,387</b>
<b>Non cash movements</b>				
Depreciation & amortisation of non-financial assets		8,344	8,067	7,872
Net (gain)/loss on sale of non-financial assets		4,390	64	4,390
Greener Government loan discount		64	(199)	64
				(199)
<b>Movements in assets and liabilities</b>				
Decrease/(increase) in receivables		1,338	7,720	(1,051)
Decrease/(increase) in inventories		(38)	21	(15)
Decrease/(increase) in other assets		(701)	117	(691)
Increase/(decrease) in payables		2,437	(720)	2,766
Increase/(decrease) in provisions		332	(550)	320
Increase/(decrease) in other liabilities		(132)	(2,325)	(138)
<b>Net cash flows from/(used in) operating activities</b>		<b>29,479</b>	<b>18,273</b>	<b>29,405</b>
Per cash flow statement		29,479	18,273	29,405
				20,889

## 18. EX-GRATIA EXPENSES

Compensation for economic loss	78	-	78	-
<b>Total ex-gratia payments</b>	<b>78</b>	<b>-</b>	<b>78</b>	<b>-</b>

All ex-gratia payments made during 2016 related to departing employee. Chisholm made no ex-gratia payments during 2015.

## 19. COMMITMENTS FOR EXPENDITURE

Note	Consolidated		Chisholm	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000

### a. Capital expenditure commitments payable

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

#### Payable:

Within one year	1,743	2,117	1,743	2,117
Later than one year but not later than five years	916	1,523	916	1,523
<b>Total capital expenditure commitments</b>	<b>2,659</b>	<b>3,640</b>	<b>2,659</b>	<b>3,640</b>
GST reclaimable on the above	242	331	242	331
<b>Net capital expenditure commitments</b>	<b>2,417</b>	<b>3,309</b>	<b>2,417</b>	<b>3,309</b>

### b. Non-cancellable operating lease commitments payable

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

#### Payable:

Within one year	3,256	3,531	2,845	3,531
Later than one year but not later than five years	4,882	8,095	4,240	8,095
<b>Total operating lease commitments</b>	<b>8,138</b>	<b>11,626</b>	<b>7,085</b>	<b>11,626</b>
GST reclaimable on the above	740	1,057	644	1,057
<b>Net operating lease commitments</b>	<b>7,398</b>	<b>10,569</b>	<b>6,441</b>	<b>10,569</b>

### c. Other expenditure commitments

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

#### Payable:

Within one year	2,403	5,061	2,395	5,061
Later than one year but not later than five years	-	2,395	-	2,395
<b>Total other expenditure commitments</b>	<b>2,403</b>	<b>7,456</b>	<b>2,395</b>	<b>7,456</b>
GST reclaimable on the above	218	678	218	678
<b>Net other expenditure commitments</b>	<b>2,185</b>	<b>6,778</b>	<b>2,177</b>	<b>6,778</b>

## 20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities at 31 December 2016 (2015: nil) that may have a material effect on the financial operations of Chisholm.

## 21. LEASES

Chisholm leases out certain land and buildings, which are excess to current requirements, at current market rates.

### Non-cancellable operating lease receivables

	Consolidated		Chisholm	
	2016	2015	2016	2015
Note	\$'000	\$'000	\$'000	\$'000
<b>Receivable:</b>				
Within one year	111	121	111	121
Later than one year but not later five years	292	612	292	612
<b>Total lease receivables</b>	<b>403</b>	<b>733</b>	<b>403</b>	<b>733</b>
GST payable on the above	37	67	37	67
<b>Net operating lease receivables</b>	<b>366</b>	<b>666</b>	<b>366</b>	<b>666</b>

## 22. SUPERANNUATION

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

Chisholm 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 Operating Statement of Chisholm.

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

	Consolidated		Chisholm	
	2016	2015	2016	2015
Note	\$'000	\$'000	\$'000	\$'000
<b>Paid Contribution for the Year</b>				
<b>Defined benefit plans:</b>				
State Superannuation Fund - revised and new	297	346	297	346
<b>Total defined benefit plans</b>	<b>297</b>	<b>346</b>	<b>297</b>	<b>346</b>
<b>Defined contribution plans:</b>				
VicSuper	2,824	2,988	2,735	2,923
Other	2,079	1,856	1,933	1,760
<b>Total defined contribution plans</b>	<b>4,903</b>	<b>4,844</b>	<b>4,668</b>	<b>4,683</b>
<b>Total paid contribution for the year</b>	<b>5,200</b>	<b>5,190</b>	<b>4,965</b>	<b>5,029</b>
<b>Contribution outstanding at year end</b>				
<b>Defined benefit plans:</b>				
State Superannuation Fund - revised and new	-	28	-	28
<b>Total defined benefit plans</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>28</b>
<b>Defined contribution plans:</b>				
VicSuper	230	244	223	239
Other	178	154	166	145
<b>Total defined contribution plans</b>	<b>408</b>	<b>398</b>	<b>389</b>	<b>384</b>
<b>Total contribution outstanding at year end</b>	<b>408</b>	<b>426</b>	<b>389</b>	<b>412</b>

There have been no loans made from the funds. 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.

## 23. FINANCIAL INSTRUMENTS

### Financial risk management

#### (i) Financial risk management objectives

Chisholm's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements.

Chisholm's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, and price risk), credit risk and liquidity risk.

Chisholm'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. Chisholm 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.

Risk management is carried out by Financial Services under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

The carrying amount of Chisholm's contractual financial assets and financial liabilities, by category are disclosed below:

	Consolidated		Chisholm	
	2016	2015	2016	2015
Note	\$'000	\$'000	\$'000	\$'000
<b>Cash and deposits</b>	<b>57,161</b>	<b>57,181</b>	<b>56,285</b>	<b>56,102</b>
<b>Loans and receivables</b>				
Trade receivables	1,559	2,352	1,559	2,352
Other receivables	1,357	3,061	4,769	3,977
Revenue receivable	5,714	4,517	5,585	4,442
<b>Investment and other financial assets</b>				
Investment in subsidiary	-	-	6,000	5,000
Term deposits	21,107	108	20,000	-
<b>Total loans and receivables</b>	<b>29,737</b>	<b>10,038</b>	<b>37,913</b>	<b>15,771</b>
<b>Total Financial Assets</b>	<b>86,898</b>	<b>67,219</b>	<b>94,198</b>	<b>71,873</b>
<b>Financial Liabilities at amortised cost</b>				
<b>Payables</b>				
Supplies and services	6,439	4,183	6,477	4,285
<b>Borrowings</b>				
Advances from Government	1,926	2,214	1,926	2,214
<b>Total financial liabilities at amortised cost</b>	<b>8,365</b>	<b>6,397</b>	<b>8,403</b>	<b>6,499</b>
<b>Total financial liabilities</b>	<b>8,365</b>	<b>6,397</b>	<b>8,403</b>	<b>6,499</b>



## (ii) Credit risk

Credit risk applies to contractual financial assets of Chisholm, which comprise cash and deposits and non-statutory receivables. Chisholm's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Chisholm.

Credit risk is measured at fair value and is monitored on a regular basis by the Audit and Risk Management Committee. The Audit and Risk Management Committee monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet Chisholm's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balance at 31 December 2016 and 31 December 2015 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

Chisholm minimises credit risk in relation to student loans receivable through the engagement of an external billing and collections agency, Debit Success. Students seeking credit enter into a direct debit agreement with Debit Success.

In addition, Chisholm 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's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Chisholm will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Institute'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 past due nor impaired

Consolidated	Note	Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
		\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Cash and deposits		4,929	52,232	-	57,161
Receivables	(a)	8	5,944	2,678	8,630
Investments and other financial assets		-	20,605	502	21,107
<b>Total contractual financial assets</b>		<b>4,937</b>	<b>78,781</b>	<b>3,180</b>	<b>86,898</b>
<b>2015</b>					
Cash and deposits		2,106	55,066	9	57,181
Receivables	(a)	-	5,839	4,091	9,930
Investments and other financial assets		-	-	108	108
<b>Total contractual financial assets</b>		<b>2,106</b>	<b>60,905</b>	<b>4,208</b>	<b>67,219</b>
<b>Chisholm</b>					
Chisholm	Note	Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
		\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Cash and deposits		4,053	52,232	-	56,285
Receivables	(a)	5	5,587	6,321	11,913
Investments and other financial assets		-	20,000	6,000	26,000
<b>Total contractual financial assets</b>		<b>4,058</b>	<b>77,819</b>	<b>12,321</b>	<b>94,198</b>
<b>2015</b>					
Cash and deposits		1,028	55,065	9	56,102
Receivables	(a)	-	5,766	5,005	10,771
Investments and other financial assets		-	-	5,000	5,000
<b>Total contractual financial assets</b>		<b>1,028</b>	<b>60,831</b>	<b>10,014</b>	<b>71,873</b>

**Note:** (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

**Ageing analysis of financial assets**

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. The following tables discloses the ageing analysis for Chisholm's financial assets.

	Note	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
				Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000
<b>Consolidated</b>							
<b>2016 Financial Assets</b>							
<b>Receivables</b>	(a)						
Trade receivables		1,559	1,134	53	372	-	-
Other receivables		1,357	1,357	-	-	-	-
Revenue receivables		5,714	5,714	-	-	-	-
<b>Investments and other financial assets</b>							
Term deposits		21,107	21,107	-	-	-	-
<b>Total 2016 financial assets</b>		<b>29,737</b>	<b>29,312</b>	<b>53</b>	<b>372</b>	<b>-</b>	<b>-</b>
<b>2015 Financial Assets</b>							
<b>Receivables</b>	(a)						
Trade receivables		2,352	530	1,613	160	49	-
Other receivables		3,061	3,061	-	-	-	-
Revenue receivables		4,517	4,517	-	-	-	-
<b>Investments and other financial assets</b>							
Term deposits		108	108	-	-	-	-
<b>Total 2015 financial assets</b>		<b>10,038</b>	<b>8,216</b>	<b>1,613</b>	<b>160</b>	<b>49</b>	<b>-</b>
<b>Chisholm</b>							
<b>2016 Financial Assets</b>							
<b>Receivables</b>	(a)						
Trade receivables		1,559	1,134	53	372	-	-
Other receivables		4,769	4,769	-	-	-	-
Revenue receivables		5,585	5,585	-	-	-	-
<b>Investments and other financial assets</b>							
Term deposits		20,000	20,000	-	-	-	-
Investment in subsidiary		6,000	6,000	-	-	-	-
<b>Total 2016 financial assets</b>		<b>37,913</b>	<b>37,488</b>	<b>53</b>	<b>372</b>	<b>-</b>	<b>-</b>
<b>2015 Financial Assets</b>							
<b>Receivables</b>	(a)						
Trade receivables		2,352	530	1,613	160	49	-
Other receivables		3,977	3,977	-	-	-	-
Revenue receivables		4,442	4,442	-	-	-	-
<b>Investments and other financial assets</b>							
Investment in subsidiary		5,000	5,000	-	-	-	-
<b>Total 2015 financial assets</b>		<b>15,771</b>	<b>13,949</b>	<b>1,613</b>	<b>160</b>	<b>49</b>	<b>-</b>

**Note:** (a) Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

### (iii) Liquidity Risk

Liquidity risk is the risk that Chisholm would be unable to meet its financial obligations as and when they fall due. Chisholm operates under 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's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

The responsibility for liquidity risk management rests with Chisholm's governing body, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity requirements. Chisholm manages liquidity risk by maintaining adequate short term reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Chisholm'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's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

### Maturity Analysis of financial liabilities

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, represents the Institute's maximum exposure to liquidity risk.

The following tables discloses the contractual maturity analysis for financial liabilities.

	Note	Maturity dates						
		Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000	5+ years \$'000
<b>2016 Financial Liabilities</b>								
<b>Payables</b>	<b>(a)</b>							
Supplies and services		6,439	6,439	5,737	418	-	284	-
<b>Borrowings</b>								
Advances from Government		1,926	1,926	-	-	351	1,575	-
<b>Total 2016 financial liabilities</b>		<b>8,365</b>	<b>8,365</b>	<b>5,737</b>	<b>418</b>	<b>351</b>	<b>1,859</b>	<b>-</b>
<b>2015 Financial Liabilities</b>								
<b>Payables</b>	<b>(a)</b>							
Supplies and services		4,183	4,183	3,174	84	9	916	-
<b>Borrowings</b>								
Advances from Government		2,214	2,214	-	-	-	2,214	-
<b>Total 2015 financial liabilities</b>		<b>6,397</b>	<b>6,397</b>	<b>3,174</b>	<b>84</b>	<b>9</b>	<b>3,130</b>	<b>-</b>

**Note:** (a) Excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

Chisholm	Note	Maturity dates						
		Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000	5+ years \$'000
<b>2016 Financial Liabilities</b>								
<b>Payables</b>	<b>(a)</b>							
Supplies and services		6,477	6,477	5,801	392	-	284	-
<b>Borrowings</b>								
Advances from Government		1,926	1,926	-	-	351	1,575	-
<b>Total 2016 financial liabilities</b>		<b>8,403</b>	<b>8,403</b>	<b>5,801</b>	<b>392</b>	<b>351</b>	<b>1,859</b>	<b>-</b>
<b>2015 Financial Liabilities</b>								
<b>Payables</b>	<b>(a)</b>							
Supplies and services		4,285	4,285	4,192	84	9	-	-
<b>Borrowings</b>								
Advances from Government		2,214	2,214	-	-	-	2,214	-
<b>Total 2015 financial liabilities</b>		<b>6,499</b>	<b>6,499</b>	<b>4,192</b>	<b>84</b>	<b>9</b>	<b>2,214</b>	<b>-</b>

Note: (a) Excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

#### (iv) Market risk

Chisholm in its daily operations is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of Chisholm. These market risks primarily relate to foreign currency and interest rate risk.

The Board ensures that all market risk exposure is consistent with Chisholm's business strategy and within the risk tolerance of Chisholm. Regular risk reports are presented to the Board.

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

#### (v) Foreign currency risk

Chisholm is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian dollar, and payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

Chisholm does not have any foreign currency bank accounts denominated in foreign currency at 31 December 2016.

Chisholm's exposures are mainly against the Chinese Yuan Renmimbi (RMB) and are managed through continuous monitoring of movements in exchange rates against the RMB, and by ensuring availability of funds through rigorous cash flow planning and monitoring. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Institute to enter into any hedging arrangements to manage foreign currency risk.

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



#### (vi) Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to change the expected net interest earnings in the current reporting period and in future years, or cause a fluctuation in the fair value of the financial instruments.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Chisholm does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Chisholm has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Chisholm manages cash flow interest rate risk through a mixture of short term and longer term investments, and undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management monitors movement in interest rates on monthly basis.

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

Interest rate movements have not been sufficiently significant during the year to have an impact on Chisholm's year end result.

Chisholm's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis tables below.

#### Financial instrument composition and interest rate exposure as at 31 December 2016

		Interest rate exposure				Non-interest bearing
		Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	
Consolidated	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		1.131%	57,161	57,161	-	-
<b>Receivables (a)</b>						
Trade receivables			1,559	-	-	1,559
Other receivables			1,357	-	-	1,357
Revenue receivables			5,714	-	-	5,714
<b>Investments and other financial assets</b>						
Term deposits		2.087%	21,107	21,107	-	-
<b>Total financial assets</b>			<b>86,898</b>	<b>78,268</b>	-	<b>8,630</b>
<b>Financial liabilities</b>						
<b>Payables (a)</b>						
Supplies and services			6,439	-	-	6,439
<b>Borrowings</b>						
Advances from Government			1,926	-	-	1,926
<b>Total financial liabilities</b>			<b>8,365</b>	-	-	<b>8,365</b>

**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

		Interest rate exposure				
		Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Chisholm	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		1.242%	56,285	56,285	-	-
<b>Receivables (a)</b>						
Trade receivables			1,559	-	-	1,559
Other receivables			4,769	-	-	4,769
Revenue receivables			5,585	-	-	5,585
<b>Investments and other financial assets</b>						
Investment in subsidiary			6,000	-	-	6,000
Term deposits		2.173%	20,000	20,000	-	-
<b>Total financial assets</b>			<b>94,198</b>	<b>76,285</b>	<b>-</b>	<b>17,913</b>
<b>Financial liabilities</b>						
<b>Payables (a)</b>						
Supplies and services			6,477	-	-	6,477
<b>Borrowings</b>						
Advances from Government			1,926	-	-	1,926
<b>Total financial liabilities</b>			<b>8,403</b>	<b>-</b>	<b>-</b>	<b>8,403</b>

**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

Financial instrument composition and interest rate exposure as at 31 December 2015

	Interest rate exposure					
	Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing	
	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>						
<b>Financial assets</b>						
Cash and deposits		2.058%	57,181	57,181	-	-
<b>Receivables (a)</b>						
Trade receivables			2,352	-	-	2,352
Revenue receivable			3,061	-	-	3,061
Other receivables			4,517	-	-	4,517
<b>Investments and other financial assets</b>						
Term deposits		3.040%	108	108	-	-
<b>Total financial assets</b>			<b>67,219</b>	<b>57,289</b>	<b>-</b>	<b>9,930</b>
<b>Financial liabilities</b>						
<b>Payables (a)</b>						
Supplies and services			4,183	-	-	4,183
<b>Borrowings</b>						
Advances from Government			2,214	-	-	2,214
<b>Total financial liabilities</b>			<b>6,397</b>	<b>-</b>	<b>-</b>	<b>6,397</b>
<b>Chisholm</b>						
<b>Financial assets</b>						
Cash and deposits		2.059%	56,102	56,102	-	-
<b>Receivables (a)</b>						
Trade receivables			2,352	-	-	2,352
Revenue receivable			3,977	-	-	3,977
Other receivables			4,442	-	-	4,442
<b>Investments and other financial assets</b>						
Investment in subsidiary			5,000	-	-	5,000
<b>Total financial assets</b>			<b>71,873</b>	<b>56,102</b>	<b>-</b>	<b>15,771</b>
<b>Financial liabilities</b>						
<b>Payables (a)</b>						
Supplies and services			4,285	-	-	4,285
<b>Borrowings</b>						
Advances from Government			2,214	-	-	2,214
<b>Total financial liabilities</b>			<b>6,499</b>	<b>-</b>	<b>-</b>	<b>6,499</b>

**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

### (vii) Sensitivity analysis and assumptions

Chisholm's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant.

The following movements are 'reasonably possible' over the next 12 months:

- a movement of 50 basis points up and down (2015: 50 basis points up and down) in market interest rates (AUD); and
- a proportional exchange rate movement of 15 per cent down (2015: 10 per cent, depreciation of AUD) and 15 per cent up (2015: 5 per cent, appreciation of AUD) against the RMB, from the year-end rate of 5.06 (2015: 5.04).

The following tables show the impact on Chisholm's net result and equity for each category of financial instrument held by the Institute at the end of the reporting period as presented to key management personnel, if the above movements were to occur.

### (vi) Sensitivity Analysis

	Note	Interest rate risk					Foreign exchange risk			
		Carrying amount	-50 basis points		+50 basis points		-15%		+15%	
			Result	Equity	Result	Equity	Result	Equity	Result	Equity
<b>Consolidated 2016</b>		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual Financial assets</b>										
Cash and deposits		57,161	(286)	(286)	286	286	-	-	-	-
Receivables	(a)	8,630	-	-	-	-	(65)	(65)	65	65
<b>Total increase/(decrease) financial assets</b>			<b>(286)</b>	<b>(286)</b>	<b>286</b>	<b>286</b>	<b>(65)</b>	<b>(65)</b>	<b>65</b>	<b>65</b>

### Contractual Financial liabilities

<b>Total increase/(decrease)</b>			<b>(286)</b>	<b>(286)</b>	<b>286</b>	<b>286</b>	<b>(65)</b>	<b>(65)</b>	<b>65</b>	<b>65</b>
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**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

	Note	Interest rate risk					Foreign exchange risk			
		Carrying amount	-50 basis points		+50 basis points		-10%		+5%	
			Result	Equity	Result	Equity	Result	Equity	Result	Equity
<b>Consolidated 2015</b>		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual Financial assets</b>										
Cash and deposits		57,181	(286)	(286)	286	286	-	-	-	-
Receivables	(a)	9,930	-	-	-	-	(250)	(250)	125	125
<b>Total increase/(decrease) financial assets</b>			<b>(286)</b>	<b>(286)</b>	<b>286</b>	<b>286</b>	<b>(250)</b>	<b>(250)</b>	<b>125</b>	<b>125</b>

### Contractual Financial liabilities

<b>Total increase/(decrease)</b>			<b>(286)</b>	<b>(286)</b>	<b>286</b>	<b>286</b>	<b>(250)</b>	<b>(250)</b>	<b>125</b>	<b>125</b>
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**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

Consolidated 2016	Note	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
			-50 basis points		+50 basis points		-15%		+15%	
			Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual Financial assets</b>										
Cash and deposits		56,285	(281)	(281)	281	281	-	-	-	-
Receivables	(a)	11,913	-	-	-	-	(65)	(65)	65	65
<b>Total increase/(decrease) financial assets</b>			<b>(281)</b>	<b>(281)</b>	<b>281</b>	<b>281</b>	<b>(65)</b>	<b>(65)</b>	<b>65</b>	<b>65</b>

<b>Contractual Financial liabilities</b>										
<b>Total increase/(decrease)</b>			<b>(281)</b>	<b>(281)</b>	<b>281</b>	<b>281</b>	<b>(65)</b>	<b>(65)</b>	<b>65</b>	<b>65</b>

**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

Consolidated 2015	Note	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
			-50 basis points		+50 basis points		-10%		+5%	
			Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual Financial assets</b>										
Cash and deposits		56,102	(281)	(281)	281	281	-	-	-	-
Receivables	(a)	10,771	-	-	-	-	(250)	(250)	125	125
<b>Total increase/(decrease) financial assets</b>			<b>(281)</b>	<b>(281)</b>	<b>281</b>	<b>281</b>	<b>(250)</b>	<b>(250)</b>	<b>125</b>	<b>125</b>

<b>Contractual Financial liabilities</b>										
<b>Total increase/(decrease)</b>			<b>(281)</b>	<b>(281)</b>	<b>281</b>	<b>281</b>	<b>(250)</b>	<b>(250)</b>	<b>125</b>	<b>125</b>

**Note:** (a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

#### (viii) 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 manages funding risk by continuing to diversify and increased funding from commercial activities, both domestically and offshore.

There has been no significant change in Chisholm'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.



**(ix) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Chisholm considers that the carrying amount of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value, and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

For other assets and other liabilities the fair value approximates their carrying value. Financial assets where the carrying amount exceeds fair values have not been written down as the Institute intends to hold these assets to maturity.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

Consolidated	Note	2016		2015	
		Carrying amount	Net fair value	Carrying amount	Net fair value
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and deposits		57,161	57,161	57,181	57,181
<b>Receivables</b>					
Trade receivables		1,559	1,559	2,352	2,352
Other receivables		1,357	1,357	3,061	3,061
Revenue receivable		5,714	5,714	4,517	4,517
<b>Investments and other financial assets</b>					
Term Deposits		21,107	21,107	108	108
<b>Total financial assets</b>		<b>86,898</b>	<b>86,898</b>	<b>67,219</b>	<b>67,219</b>
<b>Financial liabilities</b>					
<b>Payables</b>					
Supplies and services		6,439	6,439	4,183	4,183
<b>Borrowings</b>					
Advances from Government		1,926	1,926	2,214	2,214
<b>Total financial liabilities</b>		<b>8,365</b>	<b>8,365</b>	<b>6,397</b>	<b>6,397</b>

Chisholm	Note	2016		2015	
		Carrying amount	Net fair value	Carrying amount	Net fair value
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
<b>Cash and deposits</b>		56,285	56,285	56,102	56,102
<b>Receivables</b>					
Trade receivables		1,559	1,559	2,352	2,352
Other receivables		4,769	4,769	3,977	3,977
Revenue receivable		5,585	5,585	4,442	4,442
<b>Investments and other financial assets</b>					
Investment in Subsidiary		6,000	6,000	5,000	5,000
Term Deposits		20,000	20,000	-	-
<b>Total financial assets</b>		<b>94,198</b>	<b>94,198</b>	<b>71,873</b>	<b>71,873</b>
<b>Financial liabilities</b>					
<b>Payables</b>					
Supplies and services		6,477	6,477	4,285	4,285
<b>Borrowings</b>					
Advances from Government		1,926	1,926	2,214	2,214
<b>Total financial liabilities</b>		<b>8,403</b>	<b>8,403</b>	<b>6,499</b>	<b>6,499</b>

Chisholm did not have any financial instruments that are measured subsequent to initial recognition at fair value as at 31 December 2016.

## 24. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

### Responsible persons related disclosures

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons and executive officers for the reporting period.

#### Names

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

Position	Name	Dates of appointment
Minister of Training and Skills	The Hon. Steve Herbert, MP	1 January 2016 to 9 November 2016
Minister of Training and Skills	The Hon. Gayle Tierney MLC	9 November 2016 to 31 December 2016
Director and Chief Executive Officer (Accountable Officer)	Ms Maria Peters	1 January 2016 to 31 December 2016
Board Member	Mr Stephen G. Marks (Chair)	1 January 2016 to 31 December 2016
Board Member	Mr John Bennie	1 January 2016 to 31 December 2016
Board Member	Mr Todd Hartley	1 January 2016 to 31 December 2016
Board Member	Prof Anne Jones	1 January 2016 to 31 December 2016
Board Member	Mr David Willersdorf	1 January 2016 to 30 June 2016
Board Member	Ms Anne Fenner	1 January 2016 to 30 June 2016
Board Member	Mr David Edgar	1 January 2016 to 30 June 2016
Board Member	Dr. Mei Ling Doery	1 July 2016 to 31 December 2016
Board Member	Mr Peter Malone	1 July 2016 to 31 December 2016
Board Member	Ms Lisa Norman	13 July 2016 to 31 December 2016
Board Member	Ms Sandra Andersen	13 July 2016 to 31 December 2016
Board Member	Mr David Mann	13 July 2016 to 31 December 2016

#### Remuneration

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

Income range	2016	2015
	No.	No.
\$0	1	3
Less than \$10,000	-	5
\$10,000 - \$19,999	5	3
\$20,000 - \$29,999	2	1
\$30,000 - \$39,999	3	2
\$40,000 - \$49,999	-	1
\$70,000 - \$79,999	1	-
<b>Total number</b>	<b>12</b>	<b>15</b>
<b>Total remuneration (\$'000)</b>	<b>303</b>	<b>231</b>

Remuneration of the Minister for Higher Education and Skills is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

#### Other transactions

Other related transactions and loan requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of ministers, the register of members' interests is publicly available from: <http://www.parliament.vic.gov.au/publications/register-of-interests>

#### Remuneration of executive officers

The number of executive officers, including the CEO, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

The total annualised employee equivalent provides a measure of full time equivalent executive offices over the reporting period.

Several factors affected total remuneration payable to executives over the year including separations due to retirement, resignation or retrenchment, renegotiation of employment contract and terms of bonus payments.

Income range	Total remuneration		Base remuneration	
	2016	2015	2016	2015
	No.	No.	No.	No.
The number of executive officers whose total remuneration from the Institute exceeded \$100,000, separately identifying base remuneration and total remuneration, disclosed within the income bands of \$10,000 are as follows:				
\$10,000 - \$19,999	-	1	-	1
\$120,000 - \$129,999	-	-	2	-
\$140,000 - \$149,999	1	-	-	1
\$150,000 - \$159,999	-	-	1	2
\$160,000 - \$169,999	1	-	3	3
\$170,000 - \$179,999	-	1	-	-
\$180,000 - \$189,999	2	2	-	-
\$190,000 - \$199,999	-	1	1	-
\$200,000 - \$209,999	-	-	1	1
\$210,000 - \$219,999	1	1	-	-
\$220,000 - \$229,999	-	1	-	-
\$230,000 - \$239,999	2	-	-	-
\$250,000 - \$259,999	1	-	-	-
\$270,000 - \$279,999	-	-	-	1
\$290,000 - \$299,999	-	1	1	-
\$330,000 - \$339,999	1	1	-	-
Total number of executive officers	9	9	9	9
Total annualised employee equivalent (AEE)	8.5	8.2	8.5	8.2
Total amount of remuneration (\$'000)	1,951	1,863	1,603	1,460

(a) Annualised employee equivalent is based on a 38 ordinary hour working week over the reporting period

(b) Details of responsible persons and executives of controlled entities are disclosed in the respective financial statements of those entities.

## Other transactions

Other related transactions and loan requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### (i) Payments to other personnel

The number of contractors charged with significant management responsibilities, to whom the total expenses paid by the Institute exceeded \$100,000 per person is disclosed. These contractors are responsible for planning, directing or controlling, directly or indirectly, the Institute's activities.

The change in total expenses from 2015 to 2016 reporting period was mainly driven by the full year employment of the contractor.

	Consolidated		Chisholm	
	2016 (Ex GST)	2015 (Ex GST)	2016 (Ex GST)	2015 (Ex GST)
	No.	No.	No.	No.
Expense band				
\$170,000 - \$179,999	1	-	-	-
\$310,000 - \$319,999	1	-	1	-
Total expenses paid to other personnel (\$'000)	494	-	317	-

## 25. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 1.04.

Controlled entities	Note	Country of Incorporation	Class of Shares	2016%	2015%
TAFE Online Pty Ltd	(a)	Australian	Ordinary	100	100
Chisholm Academy Pty Ltd	(b)	Australian	Ordinary	100	100
Caroline Chisholm Education Foundation	(c)	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) Chisholm Academy Pty Ltd is a company incorporated under the *Corporations Act 2001* with share capital at \$2.

(c) 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 Institute.



## 26. REMUNERATION OF AUDITORS

	Consolidated		Chisholm	
	2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000
<b>Remuneration of the Victorian Auditor-General's Office for:</b>				
Audit of the financial statements	64	74	50	67
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>64</b>	<b>74</b>	<b>50</b>	<b>67</b>
<b>Remuneration of other auditors</b>				
Internal audit services	171	166	171	166
<b>Total remuneration of other auditors</b>	<b>171</b>	<b>166</b>	<b>171</b>	<b>166</b>
<b>Total Remuneration of auditors</b>	<b>235</b>	<b>240</b>	<b>221</b>	<b>233</b>

## 27. SUBSEQUENT EVENTS

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

## 28. ECONOMIC DEPENDENCY

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

## 29. INSTITUTE DETAILS

The registered office of and principal place of business of Chisholm is:

**Chisholm Institute**  
121 Stud Road  
Dandenong VIC 3175

# VAGO INDEPENDENT AUDITOR'S REPORT

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000

Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Board of the Chisholm Institute

<b>Opinion</b>	<p>I have audited the accompanying performance statement for 2016 of the Chisholm Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"><li>• performance statement and</li><li>• declaration by Board Chair, Chief Executive Officer, and Chief Finance and Accounting Officer.</li></ul> <p>In my opinion, the performance statement of the Chisholm Institute in respect of the year ended 31 December 2016 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. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Statement of Performance</i> section of my report.</p> <p>The Auditor-General's 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 statement of performance in Australia 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 statement of performance</b>	<p>The Board of the institute 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>

## VAGO INDEPENDENT AUDITOR'S REPORT

### Independent Auditor's Report (continued)

#### Auditor's responsibilities for the audit of the statement of performance

As required by the *Audit Act 1994*, 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 economic decisions of users taken on the basis of this financial report.

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 the 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the 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  
7 March 2017



Simone Bohan

*as delegate for the Auditor-General of Victoria*

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

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In our opinion, the accompanying Statement of Performance of Chisholm Group in respect of the 2016 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 the actual results and performance targets.

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



**STEPHEN MARKS**

**Board Chair**

Date: 01 March, 2017

Place: Dandenong



**MARIA PETERS**

**Chief Executive Officer**

Date: 01 March, 2017

Place: Dandenong



**SHEHANI MENDIS**

**Chief Finance and  
Accounting Officer**

Date: 01 March, 2017

Place: Dandenong

# PERFORMANCE STATEMENT

For the year ended 31 December 2016

## Chisholm Group

Key Performance Indicators (KPIs)	Description and Methodology	Metric	2016 Target	2016 Actual	Explanation of Variances	Note	Prior year result
Training revenue diversity	Breakdown of training revenue split by Government funded and Fee for Service	Percentage					
	<i>Government Funded</i>		50.1%	54.7%	Not Achieved	a	51.1%
	<i>Fee for Service</i>		32.1%	25.7%	Not achieved	a	31.1%
	<i>Student Fees and Charges</i>		17.8%	19.6%	Achieved	a	17.8%
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	65.0%	69.8%	Not achieved	b	67.3%
Training revenue per teaching FTE	Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs	Dollars	\$200,000	\$192,752	Not achieved	c	\$174,932
Operating margin percentage	EBIT excluding Capital Contributions) / Total Revenue (excl Capital Contributions)	Percentage	0%	1.0%	Achieved		3.4%

## KPIs against the 2016 Statement of Corporate Intent

Increase of 1% in VTG student enrolments	Number of students enrolled who qualify for the Victorian Training Guarantee.	Number of students	14,049	15,206	Achieved		13,910
Increase of 2% in FFS student enrolments	Number of students enrolled in fee for service courses.	Number of students	23,385	19,020	Not achieved	a	22,926
A positive EBITDA in 2016 (excluding capital contributions)	Earnings before income tax and depreciation/amortisation (EBITDA) (\$'000).	Dollars	\$8,000	\$9,610	Achieved		\$12,239

## Notes

- Growth in Victorian Training Guarantee (VTG) and the application of eligibility exemptions resulted in a shift in revenues from fee for service to Government funded and student fees and charges which affected full fee paying local student revenue. There was a decline in international onshore enrolments and fee for service revenue across a number of sub categories, predominately accredited training.
- Higher employment costs linked to quality assurance.
- Delivery revenue targets not achieved predominately in fee for service training.

# DISCLOSURE INDEX

## STANDARD DISCLOSURES IN THE REPORT OF OPERATIONS (2016)

A current Policy review has identified the need for a Workforce Inclusion Policy to ensure that the Institute expresses and maintains a focus of inclusion and defines the appropriate targets. This Policy should include Diversity Strategies for Indigenous, Disability and Culturally and Linguistically Inclusion. The Policy will include measurable targets, reporting mechanisms and Organisational Accountability.

Item No.	Source	Summary of reporting requirement	Page number
<b>Report of operations</b>			
<b>Charter and purpose</b>			
1	FRD 22G	Manner of establishment and the relevant Minister	3, 34
2	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	34
3	FRD 22G	Nature and range of services provided including communities served	3
<b>Management and structure</b>			
4	FRD 22G	Organisational structure and chart, including responsibilities	30-33, 35
5	FRD 22G	Names of Board members	30-32
<b>Financial and other information</b>			
6	FRD 03A	Accounting for Dividends	N/A
7	FRD 07B	Early adoption of authoritative accounting pronouncements	62-64
8	FRD 10A	Disclosure Index	108-111
9	FRD 17B	Long Service leave and annual leave for employees	60
10	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
11	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	29, 107
12	FRD 22G	Occupational health and safety statement including performance indicators, performance against those indicators. Reporting must be on the items listed at (a) to (e) in the FRD	39
13	FRD 22G	Workforce data for current and previous reporting period including a statement on employment and conduct principles and that employees have been correctly classified in the workforce data collections (see Attachment B for details of the Department's required reporting approach to all workforce data contained in Annual Reports from 2016 onwards).	22-23
14	FRD 22G	Summary of the financial results for the year including previous 4 year comparisons	29
15	FRD 22G	Summary of significant changes in financial position	29, 48
16	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	12-19
17	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods	103
18	FRD 22G	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	114
19	FRD 22G	Discussion and analysis of operating results and financial results	29
20	FRD 22G	Significant factors affecting performance	29, 107



21	FRD 22G	Where a TAFE has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	N/A
22	FRD 22G	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) – (d) in the FRD	114
23	FRD 22G	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	112
24	FRD 22G	Statement, where applicable, on the implementation and compliance with the National Competition Policy	116
25	FRD 22G	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	116
26	FRD 22G and FRD 24C	Summary of Environmental Performance including a report on office based environmental impacts	117-121
27	FRD 22G	Consultants: Report of Operations must include a statement disclosing each of the following <ol style="list-style-type: none"> <li>1. Total number of consultancies of \$10,000 or more (excluding GST)</li> <li>2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available</li> <li>3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</li> </ol> <p><b>AND</b> for each consultancy more than \$10,000, a schedule is to be published on the TAFE institute website listing:</p> <ul style="list-style-type: none"> <li>• Consultant engaged</li> <li>• Brief summary of project</li> <li>• Total project fees approved (excluding GST)</li> <li>• Expenditure for reporting period (excluding GST)</li> <li>• Any future expenditure committed to the consultant for the project</li> </ul>	114
28	FRD 22G	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
29	FRD 22G	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD)	112
30	FRD 22G	<i>An entity shall disclose the following in the report of operations:</i> <ol style="list-style-type: none"> <li>a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and</li> <li>b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> <li>(i) Operational expenditure (OPEX); and</li> <li>(ii) Capital expenditure (CAPEX).</li> </ol> </li> </ol>	114
31	FRD 25B	Victorian Industry Participation Policy Disclosures	116
32	FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
33	FRD 29A	Workforce Data Disclosures on the public service employee workforce. <b>Note:</b> TAFEs <u>must</u> report on a calendar year basis (ie not financial year basis).	22-23
34	SD 3.7.1	<i>The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.</i>	37
35	FRD 22G	An entity's report of operations shall contain general and financial information, including other relevant information, outlining and explaining an entity's operations and activities for the reporting period.	10-29
36	SD 5.2.1(a)	<i>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.</i>	2
37	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	2
38	CG 10 (clause 27)	Major Commercial Activities	113

39	CG 12 (clause 33)	Controlled Entities	36, 102
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## Financial report

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

40	SD 5.2.2(b)	<i>The financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.</i>	46
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### Other requirements under Standing Direction / *Financial Management Act 1994 (FMA)*

41	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>• the Accountable Officer;</li> <li>• subject to Direction 5.2.2(c), the CFO; and</li> <li>• for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body</li> </ul>	46
42	FRD 30C	Rounding of amounts	62
43	SD 3.2.1.1(c)	<i>The Responsible Body must establish an Audit Committee to:</i> <ul style="list-style-type: none"> <li>• 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 by the Responsible Minister</li> </ul>	34-35

### Other requirements as per financial reporting directions in notes to the financial statements

44	FRD 11A	Disclosure of ex-gratia payments	83
45	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	100-102
46	FRD 102	Inventories	69
47	FRD 103F	Non-financial physical assets	70-76
48	FRD 104	Foreign currency	61
49	FRD 105A	Borrowing costs	66
50	FRD 106	Impairment of assets	56
51	FRD 107A	Investment properties	N/A
52	FRD 109	Intangible assets	77
53	FRD 110	Cash flow statements	50
54	FRD 112D	Defined benefit superannuation obligations	55, 86
55	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	69, 102
56	FRD 114A	Financial instruments – general government entities and public non-financial corporations	87-99
57	FRD 119A	Transfers through contributed capital	48
58	FRD 120I	Accounting and reporting pronouncements applicable to the reporting period	62-64

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**Compliance with other legislation, subordinate instruments and policies**


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59	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, (and which should be listed in the Report) including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Education and Training Reform Act 2006 (ETRA)</li> <li>• TAFE institute constitution</li> <li>• Directions of the Minister for Training and Skills (or predecessors)</li> <li>• TAFE institute Commercial Guidelines</li> <li>• TAFE institute Strategic Planning Guidelines</li> <li>• Public Administration Act 2004</li> <li>• Financial Management Act 1994</li> <li>• Freedom of Information Act 1982</li> <li>• Building Act 1983</li> <li>• Protected Disclosure Act 2012</li> <li>• Victorian Industry Participation Policy Act 2003</li> </ul>	112
60	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2016	115
61	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Principles	116
62	Key Performance Indicators	<p><i>See table on page 6 of the guidelines for required formatting.</i></p> <p><i>Institutes to report against:</i></p> <ul style="list-style-type: none"> <li>• <i>KPIs set out in the annual Statement of Corporate Intent; and</i></li> <li>• <i>Employment costs as a proportion of training revenue;</i></li> <li>• <i>Training revenue per teaching FTE;</i></li> <li>• <i>Operating margin percentage;</i></li> <li>• <i>Training Revenue diversity.</i></li> </ul>	107

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**Overseas operations of Victorian TAFE institutes**


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63	PAEC and VAGO (June 2003 Special Review item 3.110)	<ul style="list-style-type: none"> <li>• Financial and other information on initiatives taken or strategies relating to the institute's overseas operations</li> <li>• Nature of strategic and operational risks for overseas operations</li> <li>• Strategies established to manage such risks of overseas operations</li> <li>• Performance measures and targets formulated for overseas operations</li> <li>• The extent to which expected outcomes for overseas operations have been achieved.</li> </ul>	26-28, 65
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# ADDITIONAL COMPLIANCE REPORTS

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Consistent with the requirements of the *Financial Management Act 1994*, Chisholm Institute has prepared materials on the following topics, which are available on request:

- statements regarding declarations of pecuniary interest
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Institute and the places where publications can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of major external reviews
- details of research and development activities undertaken by the Institute
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Institute to develop community awareness of the Institute and the programs and services provided
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- details of major committees sponsored by the Institute; the purpose of each committee and the extent to which their purposes have been achieved.

- details of all consultancies and contractors including consultants/contractors engaged; services provided; and expenditure committed for each engagement.

Enquiries regarding this information should be directed to:

### The Chief Operating Officer

Chisholm Institute  
PO Box 684 Dandenong Vic 3175  
T: +61 3 9212 5259  
E: grant.radford@chisholm.edu.au

## COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

Chisholm Institute complies with all relevant legislation and subordinate instruments, including but not limited to, the following:

- *Education and Training Reform Act 2006 (ETRA)*
- 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 1983*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*
- *Financial Management Act 1994*
- Australian Accounting Standards
- *Fair Work Act 2009 and Fair Work Regulations 2009*
- *Occupational Health and Safety Act 2004 and Occupational Health and Safety Regulations 2007*

## COMPLIANCE WITH THE BUILDING ACT 1993

### General statement

Chisholm Institute 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 Institute 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 1993* comply with those relevant standards. Chisholm Institute 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 2016, progress towards full compliance with the *Building Act 1993* is summarised as follows:

<b>Building works</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
New buildings certified for approval	1	0	3	0	0	0
Works in progress subject to mandatory inspections	2	0	2	3	0	0
New occupancy permits issued	0	0	3	0	0	4

<b>Maintenance</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Notices issued for substandard buildings requiring urgent attention	0	0	0	0	0	0
Other notices issued involving major expenditure and urgent attention	0	0	0	0	0	0

### Conforming

Number of owned buildings occupied by Chisholm (Note the numbers are buildings in their entirety; floors and levels have not been considered.)

Frankston	17*	18	18	17	17	17
Dandenong	26	27	27	27	27	27
Berwick	9*	10	10	9	9	9
Cranbourne	5	5	5	5	5	5
Bass Coast	5	5	5	4	4	5
Mornington Peninsula	7	7	11	6	6	6
<b>Total</b>	<b>69</b>	<b>72</b>	<b>76</b>	<b>68</b>	<b>68</b>	<b>69</b>

Number of buildings conforming to the standards	69	72	76	68	68	69
Number of non-conforming buildings vacated	0	0	0	0	0	0
Number of buildings not conforming to standards						

Refer to Subdivision Statement

\* Portable relocated from Dandenong campus to Frankston.

\* Buildings A & B Frankston demolished.

\* Portable removed and disposed from Berwick site.

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 are counted as one building.

Institute buildings R and S at Dandenong are counted as one building.

**Subdivision 1** of the Building Regulations is related to all new buildings or section of existing buildings altered after 1 July 1994. There are approximately eight buildings out of the 69 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 requires all buildings to be provided with this document and subsequent Annual Essential Safety Measures Reports prior to 13 June 2009.

Building works undertaken by Chisholm during the year ended 31 December 2016 were as follows:

- Frankston Redevelopment Project, demolition of building A and B, and refurbishment of FGH—\$70M

- the Efficient Government Buildings (EGB) program was completed in 2015; monitoring and verifying the energy data is in progress with energy usage reduced and energy bill reduced compared to previous years.
- quarterly inspections completed by an accredited external consultant to ensure that all essential service requirements are met for the safety of occupants.

## REPORT ON MAJOR COMMERCIAL ACTIVITY

There was no major commercial activity conducted by Chisholm in this reporting period.

## ADVERTISING 2016

Details of government advertising expenditure (campaigns with a media spend of \$100,000 or greater)

Name of campaign	Campaign summary	Start/ end date	Advertising (media) Expenditure (excluding GST)	Creative and campaign development Expenditure (excluding GST)	Research and evaluation Expenditure (excluding GST)	Print and collateral Expenditure (excluding GST)	Other Campaign Expenditure (excluding GST)
January 2016 Recruitment	Main acquisition campaign of the calendar year	1/01/2016-	\$240,685	-	\$9950	-	-
Mid-year Recruitment	Integrated acquisition campaign for mid-year enrolment.	6/6/2016-11/7/2016	\$232,850	-	-	-	-
2017 Recruitment campaign	Acquisition campaign	1/10/2016-31/12/2016	\$180,000	-	\$1500	-	-
Chisholm Online acquisition	Integrated campaign to drive January enrolments	1/1/2016-1/2/2016	\$156,000	\$30,000	-	-	-

## ICT EXPENDITURE

During 2016, the Information Technology Services Business Area has the availability of over 4000 devices to staff and students, assisted in the decant of staff and students from Buildings A and B in preparation for the demolition works at the Frankston campus, upgraded its entire corridor printer fleet with new hardware and updated software and renewed the Microsoft and Adobe site licences.

Total Entity ICT BAU expenditure for the full 12 month reporting period	\$9,926,892
Total Entity ICT Non-BAU expenditure for the full 12 month reporting period - OPEX	\$1,229,148
Total Entity ICT Non-BAU expenditure for the full 12 month reporting period - CAPEX	\$2,110,575

## APPLICATION OF THE FREEDOM OF INFORMATION ACT 1982

Chisholm Institute 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 1982*.

General enquiries about Chisholm Institute should be addressed to:  
Chisholm Institute  
PO Box 684, Dandenong Vic 3175  
or [www.chisholm.edu.au](http://www.chisholm.edu.au)

All Freedom of Information requests should be forwarded to:  
Freedom of Information Officer  
Chisholm Institute  
PO Box 684, Dandenong Vic 3175

Chisholm Institute 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 2016, Chisholm did not receive any applications for access to documentary information under Section 17 of the *Freedom of Information Act 1982*.

## ENGAGEMENT OF CONSULTANTS

For the year ended 31 December 2016

The Financial Reporting Directions and guidance FRD 22G defines 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; and/or
- development of a written report or other intellectual output.

## Details of consultancies

For the year ended 31 December 2016, there were 23 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2016 in relation to these consultancies was \$1,565,933 (excl. GST). Details of individual consultancies can be viewed at [www.chisholm.edu.au/about-us/publications](http://www.chisholm.edu.au/about-us/publications)

There was a total of five other consultants engaged in the same period where the total fees were less than \$10,000. The total expenditure incurred during 2016 in relation to these consultancies was \$21,506 (excl. GST).

During the year ended 31 December 2015, there were 37 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015 in relation to these consultancies was \$2,601,265 (excl. GST).



## COMPULSORY NON-ACADEMIC STUDENT FEE INCOME STATEMENT

For the year ended 31 December 2016

Chisholm has a range of fees and charges for programs and services offered by the Institute. For 2016, the fees and charges included:

- Tuition fees for eligible Victorian Training Guarantee students. These ranged between \$0.00 and \$11.50 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 \$1560).
- Students who were ineligible for the Victorian Training Guarantee paid tuition fees of up to \$15.30 per hour.
- A compulsory student services and amenities fee charged for the purpose of providing student services and amenities. This fee of \$175 (or \$75 for concession card holders studying at Certificate IV level or below) applied for the 2016 calendar year.
- An ancillary fee of \$25 was charged in 2016. The fee was used to assist in provision of information and communications technology equipment and providing access to students.
- A non-compulsory materials fee for eligible Victorian Training Guarantee students to cover the actual cost of providing materials or services used or retained by a student in a particular 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 Victorian Training Guarantee students who held valid concession cards (Commonwealth Health Care Card, Pensioner Concession Card and Veteran's Gold Card) received an 80 per cent discount on tuition fees and paid a maximum of \$75 for the services and amenities fee (at Certificate IV level and below).
- 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.



**GRANT RADFORD**

Chief Operating Officer  
24 February 2017

## VICTORIAN PUBLIC SECTOR TRAVEL PRINCIPLES

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In accordance with the Victorian Public Sector Travel Principles - 22. Application of Travel Principles to Public Sector Bodies, Chisholm Institute has a travel policy and corresponding procedures that govern both international and domestic travel.

Directly linked to the travel policy are policies involving Staff code of conduct, Fraud, Due Diligence, Health and safety, Child safety and use of Chisholm property including intellectual property.

Development of a comprehensive International Induction Package, to inform staff of the Institute's expectations and measures to ensure staff safety, was a focus during the latter part of 2016. It is expected that this revised package will be rolled out early in 2017.

Review of the travel policy was undertaken during the second half of 2016 to ensure that it responds to current government imperatives and the global travel environment. A revised policy is expected to be rolled out in 2017.

A review of the Institute's current travel service provider was conducted in the second half of 2016 with view to going out to the market in early 2017.

This procurement will follow state procurement guidelines and be undertaken in a transparent and competitive tender process.

## APPLICATION AND OPERATION OF THE PROTECTED DISCLOSURE ACT 2012

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Chisholm has implemented a policy and procedural framework to encourage and facilitate the making of protected disclosures of improper conduct by Chisholm's officers and employees.

Chisholm's procedure provides protection and support for persons who made a disclosure and establishes a system for matters to be investigated and, where necessary, corrective actions to be taken.

For the year ended 31 December 2016:

- There were no matters raised with Chisholm under the Protected Disclosure Act 2012.
- There were no matters referred to Chisholm for investigation by the Ombudsman in 2016.

There were no matters referred to Chisholm Institute which the Institute declined to investigate.

## REPORT ON THE IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP)

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The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public sector bodies are required to apply VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, or \$1 million or more for procurement activities in regional Victoria.

Chisholm has complied with the *Victorian Industry Participation Policy Act 2003*. In 2016, there were no applicable projects that related to this Act.

## NATIONAL COMPETITION POLICY

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Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs
- the objectives of the legislation can only be achieved by restricting competition.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if they are not in the public interest. Chisholm has implemented costing and pricing models to take into account any competitive advantage that Chisholm may have. Government businesses are required to cost and price these services as if they were privately owned and be fully cost reflective. Competitive neutrality policy provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Chisholm has developed costing and pricing models that apply to Chisholm costs including overhead, infrastructure and other indirect costs, where appropriate, to take into account any competitive advantage that Chisholm may have.

This enables Chisholm to comply with National Competition Policy, including the requirements of the government policy statement, 'Competitive neutrality: A Statement of Victorian Policy', the "Victorian Government Timetable for the Review of Legislative Restrictions" and subsequent reforms.

Chisholm is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the National Reform Agenda.

# ENVIRONMENTAL PERFORMANCE

Chisholm seeks to integrate sustainability principles into all aspects of the organisation so that it is recognised as a leader in the design and delivery of sustainable education and training for social, environmental and economic prosperity, and understanding through lifelong education, training and community capacity building.

Chisholm recognises its own sustainability is interconnected with the sustainability of its activities, which require coherence and congruence between sustainability, education delivery and assessment, campus operations and development, values, policy and procedures, behaviour and culture.

Chisholm's core business is vocational education and training and the direct environmental impacts of this have been identified resulting in targets being set around greenhouse gas emissions, energy, water, waste, onsite renewable generation and embedding sustainability into Institute business and education. Further to this Chisholm is committed to actions relating to green procurement and education for sustainability, which will support the Chisholm 2020 target of 50 per cent reduction in the Chisholm sustainability index.

Key sustainability priorities for 2016 included the following:

## ENVIRONMENTAL (RESOURCESMART) STRATEGY

The Chisholm Resource Smart Strategy covers the following targets, relative to 2007 base year)

Target (baseline 2007)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Emission reduction	-15%	-20%	-25%	-30%	-35%	-40%	-43%	-45%	-48%	-50%
Energy reduction	-15%	-20%	-25%	-30%	-35%	-40%	-43%	-45%	-48%	-50%
GreenPower purchase	20%	20%	25%	30%	35%	40%	45%	50%	55%	60%
Renewable generation	5%	8%	10%	12%	15%	18%	20%	25%	28%	30%
Water reduction	-15%	-25%	-35%	-55%	-65%	-70%	-75%	-80%	-85%	-90%
Waste recycling	25%	35%	45%	50%	55%	60%	65%	70%	75%	80%

The Chisholm ResourceSmart strategy not only covers the above but also green purchasing, built environment design, transportation, education for sustainability and embedding of sustainability throughout the business.

## ENVIRONMENTAL SUSTAINABILITY INDEX

The Environmental Sustainability Index aligns with the original ResourceSmart strategy targets, and is calculated using weighted emissions, energy and water consumption against students (EFTSL) plus staff (EFT). This single measure enables Chisholm to take a holistic view of sustainability.

A summary of the index follows:

### Chisholm Environmental Sustainability Index 2010–2016

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	-1.6%
2009	1.55	-5%	1.41	-13%
2010	1.46	-10%	1.39	-15%
2011	1.38	-15%	1.41	-13%
2012	1.30	-20%	1.43	-12%
2013	1.20	-26%	1.26	-22%
2014	1.11	-32%	1.23	-24%
2015	1.04	-36%	1.28	-21%
2016	1.03	-37%	1.31	-20%

## SUSTAINABILITY PERFORMANCE

Chisholm monitors its sustainability performance against ResourceSmart targets quarterly.

The 2016 performance summary follows:

### 2016 (Jan - Dec) VS 2007 baseline (Jan - Dec)

Impacts/indicators	Measure	Baseline 2007	Actual 2016	% ('07 vs '16)
Square metres (mth avg)	M <sup>2</sup>	98,784	129,633	31.2 %
Student contact hours (enrolled)	SCH	9,250,627	11,090,121	19.9%
Student enrolments	#	40,329	33,514	-16.9%
Staff EFT (avg)	EFT	956	697	-27.1%
Student EFTSL (SCH/720)	EFTSL	12,848	15,403	19.9%
Student (EFTSL) + staff (EFT)	EFTSL + EFT	13,805	16,100	16.6%

### 2011 Targets

T1 - Emissions reduction (40%)	t Co2e	14,257	14,017	-15.7%
	t CO2e/EFTSL+EFT	1.03	0.87	
T2 - Energy reduction (40%)	MJ	61,636,903	52,979,638	-26.3%
	Total MJ/EFTSL+ EFT	4,465	3,291	
T3 - GreenPower purchase (40%)	MJ	3,187,044	0	-9.8%
	%	9.8%	0%	
T4 - Renewable energy (18%) – 2008 benchmark	MJ	11,286	112,298	0.7%
	%	0.03%	0.7%	
T5 - Water reduction (70%)	kL	36,744	26,049	-39.2%
	kL/EFTSL+ EFT	2.66	1.62	
T6 - Waste to landfill reduction (60%)	t	847	1,091	10.5%
	t/EFTSL+ EFT	0.06	0.07	
	% recycled	13.3%	25.0%	

### Notes:

There are a number of variables that impacted on Chisholm achieving its sustainability targets. Impacts include:

the square metres (m<sup>2</sup>) of building area increased by 31.2 per cent in 2016 compared to 2007, but dropped from the 2015 figure due to the Frankston redevelopment

the enrolled student contact hours (SCH) increased by 19.9 per cent in 2016 compared to 2007, but dropped 6.3 per cent from 2015.

Chisholm operating hours generally remained about the same as 2015 in line with the existing delivery.

## 2016 ENVIRONMENTAL DATA

### Energy use

Total energy usage segmented by primary source, including GreenPower (megajoules)	Electricity	29,633,644
	Natural gas	18,292,045.87
	GreenPower	0
	<b>Total</b>	<b>42,848,781.23</b>
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tonnes CO <sub>2</sub> e)	Electricity (S2)	9,549
	Electricity (S3)	1,152
	Natural gas (S1)	1,200
	Natural gas (S3)	91
	GreenPower	0
	<b>Total</b>	<b>11,992</b>
Percentage of electricity purchased as GreenPower (%)		0
Units of energy used per full time employee – EFT value used (megajoules per FTE)		61,476
Units of energy used per unit of office area (megajoules per m <sup>2</sup> )		330

### Waste production

Total units of office waste disposed of by destination (t per year)	Landfill	1,091
	Recycled	364
	<b>Total</b>	<b>1,455</b>
Units of office waste disposed of per FTE by destination (kg per FTE)		2,088
Recycling rate (% of total waste by weight)		24.4
Greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> e)		1200

### 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. A3 paper usage has not been included.	Corridor printers*	17,447
	Print room	11,843
	<b>Total</b>	<b>29,290</b>
Units of A4 equivalent copy paper used per FTE (reams per FTE)		42.4
Percentage of recycled content in copy paper purchased (%)	Recycled content	0
	Carbon neutral	39.0
	FSC/PEFC accredited	59.2
Percentage of publications available electronically		100%



### Water consumption

Total units of metered water consumed by water source (kilolitres)	31049
Units of metered water consumed in offices per FTE (kilolitres per FTE)	44.5
Units of metered water consumed in offices per unit of office area (kilolitres per m <sup>2</sup> )	.23

### Transportation

Total energy consumption by vehicle fleet segmented by vehicle type (L)	Diesel	8,058
	LPG	7,736
	Petrol	88,315
	<b>Total</b>	<b>104,109</b>
Total vehicle travel associated with entity operations (km)		1,233,025
Greenhouse gas emissions from vehicle fleet (tonnes CO <sub>2</sub> e) segmented by vehicle type - total and per 1000 km	Diesel (S1+3)	23.3
	LPG (S1+3)	13.2
	Petrol (S1+3)	219.6
	<b>Total</b>	<b>266.4</b>
Total distance travelled by air (km)		914,735
Percentage of employees regularly using public transport, cycling, walking etc.		4% <sup>†</sup>

### Greenhouse gas emissions

Total greenhouse gas emissions associated with energy use (tonnes CO <sub>2</sub> e)	13073
Total greenhouse gas emissions associated with vehicle fleet (tonnes CO <sub>2</sub> e)	252
Total greenhouse gas emissions associated with air travel (tonnes CO <sub>2</sub> e)	552
Total greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> e)	1200
Greenhouse gas emission offsets purchased (CO <sub>2</sub> e)	None

### Procurement

Chisholm chooses to partner with environmentally responsible suppliers by incorporating sustainability as part of the tender evaluation process. All tender applicants are required to provide details of strategies that will be adopted to contribute to Chisholm's commitment to sustainability.

<sup>†</sup> Sample size - 27 people.

## GREENER GOVERNMENT BUILDINGS INITIATIVE

The implementation of the Energy Performance Contract, part of the Department of Treasury and Finance's Greener Government Building Program, was completed earlier this year. The improvements saw the energy demand fall, then plateau over the last two years. There was a slight increase in the overall energy performance this year, due to student enrolment patterns (the performance calculation is based on the ratio of student and staff EFT hours). Chisholm is working with the Department to obtain resources for further improvement projects in 2017.

Next year, there will be increases in gas and electricity costs due to changes occurring within the National Energy Market. Chisholm will be faced with challenges to further streamline operations to minimise the impact of these increases.

# ACRONYMS

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This listing is prepared to assist in the understanding of the Annual Report and related materials.

<b>AAS</b>	Australian Accounting Standard	<b>GST</b>	Goods and services tax
<b>AASB</b>	Australian Accounting Standards Board	<b>IFRS</b>	International Financial Reporting Standards
<b>AEE</b>	Annualised employee equivalent	<b>LSL</b>	Long service leave
<b>ARR</b>	Accounting rate of return	<b>NEXT</b>	New Employment Exchange and Training Centre
<b>CCEF</b>	Caroline Chisholm Education Foundation	<b>PAEC</b>	Decision of Public Accounts and Estimates Committee of Parliament December 1997
<b>CEO</b>	Chief Executive Officer	<b>PPE</b>	Personal protective equipment
<b>EBITDA</b>	Earnings before interest, taxes and amortisation	<b>SCH</b>	Student contact hours
<b>EFT</b>	Equivalent full time (when referring to staffing)	<b>SD</b>	Standing Directions of the Minister for Finance issued under the Financial Management Act 1994
<b>EFTSL</b>	Equivalent full time student load	<b>STEM</b>	Science, technology, engineering and mathematics
<b>ETRA</b>	Education and Training Reform Act 2006	<b>TVET</b>	Company owned by the Ministerial Council for Tertiary Education and Employment
<b>FBT</b>	Fringe benefits tax	<b>UIG</b>	Urgent Issues Group
<b>FFS</b>	Fee-for-service	<b>VCAL</b>	Victorian Certificate of Applied Learning
<b>FMA</b>	Financial Management Act 1994	<b>VCE</b>	Victorian Certificate of Education
<b>FMCF</b>	Financial Management Compliance Framework	<b>VET</b>	Vocational education and training
<b>FRD</b>	Financial Reporting Directions		
<b>FSC</b>	Forest Stewardship Council		
<b>FTE</b>	Full time employee		







*Chisholm*

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

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