

Chisholm

**ANNUAL
REPORT
2020**

TAFE VICTORIA



1300 244 746 chisholm.edu.au

Our vision

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

Our purpose

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

Our values

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

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

WOMIN DJEKA, WELCOME TO CHISHOLM

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

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



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About This Report

This document reports on the 2020 operations of Chisholm Institute, TAFE Online (trading as Chisholm Online) and the Caroline Chisholm Education Foundation.

It provides a consolidated financial statement, performance statement and other information required under the Standing Directions 2020 under the *Financial Management Act 1994*.

It is based on the model Annual Report issued with the guidelines, in accordance with the Financial Management Act, the Standing Directions, Australian Accounting Standards, Statement of Accounting Concepts, authoritative pronouncements of the Australian Accounting Standards Board and other legislative requirements.

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

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



STEPHEN VARTY

Director and Chief Executive Officer

Date: 24 February 2021

Place: via remote audio-visual meeting,
State of Victoria



TONIANN STITZ

Chief Finance Officer

Date: 24 February 2021

Place: via remote audio-visual meeting,
State of Victoria





About Chisholm

At Chisholm, we're leading the way for what a modern TAFE can and should be. We exist to inspire success and transform lives by providing quality education and training throughout Victoria, nationally and internationally through our strategic partnerships.

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

In 2020, we employed more than 1700 staff and enrolled almost 34,000 students across our campus locations at Dandenong, Frankston, Berwick, Cranbourne, Mornington Peninsula and

Bass Coast, including Chisholm Online, workplace training and offshore. Student numbers through Chisholm Online increased by more than 50 per cent on 2019 as students looked for more flexible study options to improve their employment opportunities.

With a range of qualifications including certificates, diplomas, degrees and postgraduate study, we deliver more than 300 courses designed to be accessible, flexible and relevant for students, employers, industry and our

community. We are turning our focus to short industry-led credential courses, to ensure our training is relevant and reliable and provides the skills that employers are looking for.

We're one of the largest training providers in Victoria, committed to supporting and enhancing culturally diverse communities in Melbourne's fast-growing south east region.

We're providing outstanding education and training programs, creating opportunities now and for the future.



Board Chair's Message

It is with pleasure that I present the Institute's Annual Report for 2020.

This year was more challenging than most, as Chisholm worked diligently to overcome the challenges of a devastating bushfire season, followed closely by a major global health pandemic and the impact of COVID-19 on the local, national and international communities. Working closely with the Victorian Government, we responded quickly and efficiently to the challenges of 2020, particularly the impact of COVID-19, to maintain full operations. Technology and resources were upgraded and staff were supported to work remotely. Classes moved to remote and flexible learning, and students were supported with loan laptops, wi-fi dongles and academic support to continue in a remote environment.

As a result, greater emphasis was placed on blended and flexible modes of delivery to support students into the future and provide greater options for learning. Additionally, we have used this time to strategically invest in a range of projects designed to improve academic governance, upgrade facilities and enhance the student experience.

This year was also the final year of the 2017–2020 Strategic Plan. The plan was a significant piece of work, which established a solid grounding for future development. Our Board worked

steadfastly to achieve our Institute's 2020 vision of becoming an institute, partner and workplace of choice, with a number of distinct plans to direct priorities and investment. This year, with the launch of the first Student Experience Plan, we intensified the focus on all students and are firmly committed to putting students and clients at the centre of everything we do. Significant work was undertaken on the next Strategic Plan, designed to direct and steer priorities over the next three years. Our commitment to our staff during this unique operating year was demonstrated through our People Plan, support of staff working in a remote environment and creation of a Wellbeing Hub with targeted content for employees as the pandemic unfolded during 2020.

I would like to thank all Board members for their input and support during the year. We are fortunate to have a dedicated, strong and cohesive Board committed to the interests of Chisholm, its staff and students.

On behalf of the Board I would like to thank our CEO, Stephen Varty, for his leadership through 2020. The successes achieved in a very complex and challenging year for the sector are testament to his commitment, professionalism and dedicated leadership.

I would also like to thank the Institute's Executive and all our staff, the lifeblood of Chisholm, who worked tirelessly to support our students and realise Our strategic objectives. I have been inspired by their shared and unwavering commitment to providing positive outcomes for Our students and partners.

Finally, to our students and industry partners, without whom we would not exist, I thank you for choosing Chisholm. As we continue to be a leader in vocational education in Victoria, I trust that we have achieved our goals of providing our students and partners with a quality education and a robust experience that meets and exceeds their expectations, and supports their future success.

STEPHEN G. MARKS
Board Chair

Date: 24 February 2021



CEO's Message

Despite the challenges of 2020, we welcomed thousands of new students who enriched our student cohort and joined their peers on their academic journey. I am exceptionally proud of the resilience shown by our staff and students and their commitment to pursuing educational excellence in the face of adversity.

We began the academic year following one of the most destructive bushfire seasons in recent memory. This led into the challenges of a global health pandemic with the introduction of COVID-19 into Australia. In line with recommendations from the Department of Education and Training, on-campus operations were quickly transformed into the virtual space, with staff working remotely and over 33,000 students learning from home. Despite the challenges, complexity and uncertainty, 2020 was a significant and inspiring year for our Institute.

2020 marked the end of our 2017–2020 four year Strategic Plan, which outlined our objectives and priorities. Our performance in relation to our Strategic Plan placed us in a strong position and our staff, students and community will benefit in the years to come.

This year through our Strategic Plan's dual priorities of a Sustainable and High Performing Chisholm, we worked tirelessly to proactively meet the needs of our students, industry and community partners as we responded to the Victorian Government's requirements to be efficient and effective as an essential service. Our Institute's Vision 2020, a 10 year journey culminating in the 2017–2020 strategy, served as a guide that shepherded to becoming the Institute, Partner and Workplace of Choice in the south east of Melbourne.

Throughout 2020, we focused on achieving our vision, alongside our international partners. As a result, I am

proud to say that we were recognised at this year's World Federation of Colleges and Polytechnics Awards by winning gold in the Access to Learning and Employment category for our TVET Reform Program, in partnership with the Government of Vietnam.

We were also honoured through the Victorian Government's International Education Awards, as we received the Excellence in Innovation in Partnerships and International Engagement award for our work in Vietnam, along with the Premier's award for International Provider of the Year.

On the home front, I was pleased to usher in a new era in higher education with the creation of a Higher Education College. The College was established to support our pursuit of excellence in higher education, while increasing our ability to offer innovative pathways from vocational studies to degrees and postgraduate study, providing greater opportunities for students and employers in south east Melbourne and beyond.

In support of our focus on high quality education and training provision, the Victorian Government announced a capital funding allocation of \$6.8 million to activate two long-awaited infrastructure projects at our Dandenong campus. The refurbishment of several trades buildings at our Dandenong campus will enable the consolidation of trade delivery to create the Dandenong Trades Centre. With year-on-year growth in student numbers at the Dandenong campus, the funding will also support a new Student Hub. The Hub will provide a student-focused environment to access student support services, and will support informal student activities and groups. These initiatives align with the Student Experience Plan, designed to put students at the centre of all that we do.

The Victorian Government also announced significant funding for our Frankston Learning Innovation Precinct Stage 2, which will provide new learning hubs for courses that respond to our growing local industry and community needs.

Through our People Plan, our commitment to supporting diversity and realising a fully inclusive and safe working environment is on a very positive trajectory, with a focus on staff wellbeing. The results of the annual staff survey were very pleasing, with significant increases in staff satisfaction and engagement over the previous year.

Significant project work was also undertaken this year, addressing family violence issues, supporting Koorie students and engaging with the local Koorie community. Further support was provided for LGBTQIA+ students and students with a disability, with specialised training provided for staff around equity and inclusion.

I would like to thank Mr Stephen Marks, our Board Chair and the Chisholm Board Members for their unwavering support and guidance throughout this year of diverse challenges. It is with great pride that I acknowledge the passion, commitment and tireless effort throughout 2020 of the Executive team and wider Chisholm community, who continue to ensure our Institute remains a high quality, high performing and progressive education and training organisation.

I look forward to leading the next stage of Chisholm's journey and to welcoming a new era with our 2021–2023 Strategic Plan.

STEPHEN VARTY
Director and Chief Executive Officer
 Date: 24 February 2021

Rapidly Responding to Change

2020 was a year like many have never experienced, and one that required an adaptive and resilient workforce to steer us through a range of challenges to support students and the broader community.

As an essential service, our Institute worked closely with the Victorian Department of Education and Training and the Department of Health and Human Services to plan for, and respond to, the impact of COVID-19, and remained operational all year. At the time of the pandemic outbreak, we had almost 27,000 students to manage both onshore and offshore, along with our staff, partner organisations, employers, local schools and the broader community.

Our student numbers at the time included:

- > 26,899 total students onshore and offshore
- > 21,115 onshore students, which included 3557 VET delivered to secondary school students (VETDSS) in partnership with 124 schools across south east Melbourne
- > 200 courses, of which 30 were delivered to VETDSS.

We also supported all staff, including full-time, part-time and casual teachers, professional administration support staff, managers and Executive staff.

REMOTE WORKING, HEALTH AND SAFETY

We rapidly created, consulted on and managed the implementation of a series of new safety protocols to create a COVIDSafe plan. This included hosting more than 1200 Zoom or eLearning training sessions to cover the required safety protocols, mandatory social distancing, correct use of face masks, hand sanitisation, infection control and general safe work practices to prevent the introduction or potential spread of COVID-19. The protocols reflected the staged approach to maintaining community safety as guided by the Victorian Government and departments.

Employees whose roles were usually onsite and could no longer be actively engaged were retrained as Learning Facilitators. The Learning Facilitators were introduced across all campuses to support teaching staff and students permitted to attend on-campus delivery, and ensured that new COVID safety protocols were well understood and followed at all times. They provided a reassuring presence, and enabled

teachers to focus on delivery while assisting students to feel safe and supported throughout the uncertainty.

Wherever possible teaching and learning was delivered remotely, and all staff were supported to work flexibly and adhere to the required pandemic safety measures. An average of 90 per cent of our workforce worked flexibly during the second half of 2020, under new temporary flexible working arrangements. Remote work was enabled by the secure technology platform and use of online collaboration tools.

PROFESSIONAL DEVELOPMENT STRATEGY

The Professional Educator College designed a three-stage strategy to assist educators in transitioning to remote delivery. The stages reflected the professional development journey of educators' progression through during the year.

REMOTE WORKING ENGAGEMENT: A SNAPSHOT

Temporary flexible working arrangements were negotiated and the majority of staff members worked remotely throughout 2020. Support for staff included:

- > access to laptops and other work equipment, internet access and negotiation of the combination of annual leave, carers leave and other arrangements to support childcare arrangements, home schooling and caring arrangements
- > increased demand on the Employee Assistance Program
- > a Wellness Hub for staff including access to the Springday app

- > regular consultation with unions
- > guidelines for working remotely and resuming delivery on campus
- > business continuity, pandemic and recovery plans
- > a COVID communication group to keep all areas of our Institute informed of actions being undertaken
- > regular communication to all staff through newsletters distributed three times per week
- > extensive Zoom, Moodle and online delivery training provided to teaching staff, with an operational plan implemented to ensure all staff were sufficiently trained to support students in an online environment.

- > Stage 1: Focus on building online delivery capacity with an emphasis on core Zoom skills.
- > Stage 2: Transition into professional development programs that provided teachers with skills and knowledge to enhance their use of online technologies.
- > Stage 3: Start the process of assisting educators to maintain their remote delivery for an extended period.

FACILITIES, HEALTH, HYGIENE AND INFORMATION TECHNOLOGY SUPPORT

Extensive work was undertaken across all campuses to ensure the health, safety and welfare of staff, students and the broader community. Activities were consolidated at the four main campuses, and to specific buildings on each campus. Hand sanitiser, antiseptic wipes and disposable gloves were purchased and made available as required.

Once staff and students were working remotely, cafes and library spaces were closed. Strict social distancing regimes were implemented in areas that remained open with floor and wall signage erected.

Remote IT support was set up to support students and staff with any IT issues experienced by working remotely. In the first few weeks of transitioning to remote capability, our Information Technology Services (ITS) area received and processed over 13,000 support calls assisting staff and students.

ITS fast-tracked several initiatives and accelerated operational activities to support staff and students transitioning to remote teaching, learning and working from home.

These included:

- > rapid deployment of hundreds of laptops and broadband connection dongles

- > rapid deployment of additional Zoom capability
- > substantial increase in Office 365 and Teams usage
- > rapid deployment of cloud call centres and cloud telephony
- > substantial increase in remote access capacity with cloud platform increase and virtual private network increase.

The gradual return to campus mid-year required agility and responsiveness to manage the COVIDSafe protocols at each campus, including social distancing in training spaces, cleaning, defined entry and exit points, density limits, signage and careful management of timetabling to support staff and students in their need to adhere to the new safety protocols.

INTERNATIONAL STUDENT SUPPORT

The challenges posed by the COVID-19 crisis led to a significant decrease in international student enrolments after March outside Australia. However, this was in part offset by onshore (students already in Australia) enrolments in Semester 2.

Supporting and retaining continuing students during 2020 and into 2021 continued to be challenging. A payment plan system to allowing students to make fortnightly payments of fees was introduced. Additional support was provided via the Victorian Government's International Student Emergency Relief Fund, laptop loans, food vouchers and educational counselling.

The uncertainty in the last quarter of 2020 regarding the travel of international students led to a cooperative effort between International Student Operations and the Higher Education College to implement remote delivery of the (CRS1201286) Bachelor of Engineering Technology and the (CRS1201285) Bachelor of Mental Health comma Alcohol and Other Drugs.

STUDENT SUPPORT AND SERVICES

All Student Support and Engagement area services continued to operate, to ensure that students stayed connected with specialised support.

Student check-ins: Students with high support needs were contacted by the specialist area and provided with the information they needed to receive services and continue their studies.

Connection – online social clubs and workshops: The Student Life team quickly moved activities online, with regular sessions to maintain student connections, including mindfulness, trivia, movie clubs and crafternoons.

Laptop and dongle loan program: Staff worked with ITS to set up a streamlined program for students to access loan technology that allowed them to continue to study remotely.

Keeping balance and focus during COVID-19: A four-week program was developed to focus on the unique challenges faced during the extended lockdown. Topics covered included 'emotional resilience and self-care', and 'staying on track with study goals'.

Crisis support guidelines staff resource: Step-by-step instructions were developed on how to initially respond and access support for students in crisis, for both on-campus and remote learning. The guidelines work in conjunction with the urgent student support hotline and ensure students in crisis are quickly and safely linked in with a counsellor for immediate assessment and support.



ONLINE STUDY RESOURCES

Library services moved to remote delivery, with student support available via phone, Zoom and WebChat. We extensively promoted Library eResources and saw uplift across a number of online databases and support mechanisms including Studiosity, which provides live chat sessions and writing feedback submission after hours. Year-On-year comparison in the first few weeks of remote learning saw an increase in demand of over 150 per cent.

CAROLINE CHISHOLM EDUCATION FOUNDATION

Extensive work was undertaken by the Caroline Chisholm Education Foundation The Foundation to support existing scholarship holders and domestic students suffering from financial hardship. The Foundation contacted scholarship holders to advise of supports available, and received many referrals for assistance. Scholarship recipients increased by 6 per cent compared to 2019.

CHISHOLM ONLINE

A Chisholm Online marketing campaign was quickly deployed in response to increased interest in online learning. The success of our campaign, 'Stay Home and Chase Your Calling', was beyond expectations. Call centre technology was upgraded and staff re-allocated to respond to enquiries and support the enrolment process. Underpinned by the Working for Victoria Initiative, we introduced six Free TAFE courses entirely online.

URGENT NEED FOR NEW SKILL SETS

By August, the need for more formal education, training and skills to address the pandemic had grown. Responding to a request by the Department of Education and Training, we developed the (BSBSS00095) –

Cross-Sector Infection Control Skill Set course. By mid-September, we were in-market with the course and receiving the first enrolments. All TAFE Institutes in Victoria received the assessments and courseware.

Strategic Direction

OPERATIONAL PLANS

The re-imagining of our organisation's direction will be a priority heading into 2021, as the current strategy 2017–2020 comes to an end. Work commenced on the planning phases in the latter half of this year, with staff consultation a significant component in the development of the new strategy, vision and values.

It is envisaged that the future structure will include foundational and enabling pillars to underpin the breadth of the strategic intent and will include our campus management and environs, our financial performance and a focus on our communities and industry.

The current Education, People and Student Experience Plans – along with the developing Business Development, Community and Industry Engagement, ITS and Infrastructure–Plans, and the Finance Strategy will provide the roadmap that will support our intention to continue to be a high-performing Institute.

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

EDUCATION PLAN

The Education Plan provides the foundations to ensure that learning at our Institute is:

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

STUDENT EXPERIENCE PLAN

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

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



PEOPLE PLAN

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

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

INFRASTRUCTURE PLAN

The Infrastructure Plan will identify our infrastructure requirements to ensure we have:

- > fit for purpose facilities
- > safe and inviting spaces for staff and students
- > campuses that connect with industry and community.

The Infrastructure Plan is also providing a Consolidated Strategic Masterplan project, which is an over-arching framework that envisions the future development of our main campuses at Dandenong, Berwick, Cranbourne and Frankston.

Key inputs to the project include demographic and demand analysis, a current state (physical) assessment of the campuses and our long-term education delivery and commercial strategies, including as they relate to partnerships.

The project will also align with and respond to the key outputs of the Chisholm Strategic Plan, the Macklin Review and relevant government policy settings.

INFORMATION TECHNOLOGY STRATEGY

The IT Strategy will identify our technology requirements to ensure we have:

- > an IT Strategy to support strategic initiatives and business growth
- > connected data and core systems, enabling ease of access and use
- > technology enabled learning solutions to enhance the staff and student experience.

Awards and Achievements

Recognition of organisational, educational and individual excellence was an important a celebration, as we and its community continued to share in national and state awards delivered by the Victorian Government, Department of Education and Training, industry and our Institute.

Awards recognise the successful nominee's achievements and for our educators they also highlight sustained professional excellence in a chosen field. For our students, the annual Chisholm Education Awards are an opportunity to acknowledge the extraordinary work and dedication they give to their education and training and their valued contribution to our community.

CHISHOLM'S INTERNATIONAL EDUCATION AND PARTNERSHIPS RECEIVE PREMIER'S AWARD AND EXCELLENCE IN INNOVATION

Our Institute Won two prestigious awards at Study Melbourne's 2020 Victorian International Education Awards.

The highly coveted Premier's Award recognised Chisholm as the International Provider of the Year overall for our work in going 'above and beyond' to deliver a great business model for vital international partners.

The Excellence in Innovation in Partnerships and International Engagement Award recognised the Vietnam TVET Reform Program that resulted in teacher training for more than 350 Vietnamese vocational teachers, 12 Australian qualification packages aligned to Vietnamese industry needs, and successful trials across 25 vocational colleges throughout Vietnam.

GOLD AT THE INTERNATIONAL AWARDS OF EXCELLENCE

We won gold at the 2020 World Federation of Colleges and Polytechnics Awards of Excellence, held virtually as part of the Federation's 2020 World Congress.

Our Institute won the Access to Learning and Employment category for our role in the Vietnam TVET Reform Program, designed to enhance the vocational education and training (VET) system and develop a skilled workforce to service Vietnam's workforce needs.

We were was honoured to be a finalist in the bi-annual awards that included 113 nominations worldwide.

The award win was made possible by our close partnership with the Government of Vietnam through the Department of Vocational Education and Training and our in-country partner – AIC Vietnam.

BRINGING SCULPTURE TO LIFE

Chisholm Visual Arts teacher Shane Nicholas won the Tom Bass Art Prize 2020 for his work Scanned Figure with Arms Outstretched.

The Victorian artist's life-size figurative sculpture was a 3D print from plant-based PLA plastic.

The work was made from polylactide and pigmented polyurethane. The sculpture was produced from a 3D scan of the artists' body. Every

distortion in form was directly caused through errors that occurred in the scanning process.

The Tom Bass Prize is the first national Australian prize for figurative sculpture.

Shane's journey through the art world began when he left school and explored his artistic talents through a Diploma of Visual Arts where he developed the fundamental painting, printmaking, sculpture, and design skills.





“The COVID environment has been very challenging, but I decided that I would do my best and make use of the time. I jumped into every form of professional development possible; online masterclasses, virtual make-up shows and expos, practising my skills, reading and listening to make-up podcasts. I also enrolled in a dual qualification in vocational education and training, and training design and development. – Industry award winner and teacher, Jane Truong.

BEST IN BRIDAL

The beauty industry recognised Jane Truong’s work as the best in the nation and named the successful businesswoman and teacher the Bridal Make-up Artist of the Year 2020 at the Australian Make-up Industry Awards.

A teacher at both Dandenong and Frankston campuses, Jane’s work has featured in bridal publications across Australia, and internationally.

VICTORIAN TRAINING AWARDS: TRAINEE OF THE YEAR FINALIST

After Nicholas Steer completed a Certificate IV in Business at Chisholm, he gained a traineeship with Expressions Australia. This is just one of many significant achievements in his career and personal life.

Deaf from the age of three, Nicholas has become an advocate for the deaf and hearing-impaired communities.

He was Student of the Year – Trainee in the 2019 Chisholm Education Awards. After graduating, Nicholas became an Australian Delegate at the World Federation of the Deaf Youth Section General Assembly in Paris, France. He also held the role of Youth Governor for the YMCA Victoria Youth Parliament Program.

CHISHOLM EDUCATION AWARDS

We recognised the outstanding achievements and contributions made by members of our student and staff community across diverse fields of academic endeavour with an online awards event. A pre-recorded ceremony, led by CEO Stephen Varty, announced the winners in the following award categories:

- > Apprentice of the Year – Dale Pryor, (CPC30211) Certificate III In Carpentry
- > Bill Norling Award for Outstanding Automotive Apprentice – Michael Mowat, (AUR31116) Certificate III In Heavy Commercial Vehicle Mechanical Technology
- > Educator of the Year – Dr Cosimo Chiera
- > Higher Education Student of the Year – Rebecca Wilkin, (LATBNUR) (HBNENK/HBNENF) Bachelor Of Nursing (La Trobe University partnership)
- > International Student of the Year – Anuj Mittal, (CRS1201286) Bachelor Of Engineering Technology
- > Koorie Student of the Year – Elijah Hopkins, (AUR30616) Certificate III In Light Vehicle Mechanical Technology

- > Secondary School Student of the Year – Louis Celer, VCAL Senior, and Sammy Treklis, VCAL Senior
- > Trainee of the Year – Rainsley Gregory, (CHC33015) Certificate III In Individual Support
- > Vocational Student of the Year – Emma Edwards, (AHC31416) Certificate III In Conservation And Land Management and (AHC40916) Certificate IV In Conservation And Land Management.

CHISHOLM STARS: STAFF REWARD AND RECOGNITION

Our organisational recognition program, Chisholm Stars, continued to flourish despite the year’s challenges. Of the 200 nominations received, 40 ‘Shining Stars’ awards recognised staff achievement and dedication across a range of categories.

Student Support and Engagement

Student Support and Engagement staff provide a wide range of support services and assist students by being responsive and accessible, and by developing and implementing early intervention activity.

During 2020, the needs of students increased due to isolation, financial and family pressures and our staff adapted quickly to provide a full range of services remotely via phone, Zoom, WebChat and email.

A wraparound support model was introduced to support students in achieving their study goals, engaging in student life, balancing their wellbeing needs, and enhancing their employability and career readiness. Diversified service offerings gave students the option to engage through various channels.

The response from students was overwhelming throughout 2020 with a range of outcomes and activities conducted and introduced.

TAFE SPECIALIST EMPLOYMENT PARTNERSHIP PILOT

The TAFE Specialist Employment Partnership pilot is a new partnership between Disability Employment Service providers and our Institute. This strategic partnership will support job-ready students with a disability, mental health or medical condition to align their study and employment outcomes with their career and pathway aspirations. Our team worked with local Disability Employment Service providers and the National Disability Coordination Officer Program to expand the offerings, with a disability employment officer supporting our Institute's services remotely and on-campus.

GROUP SUPPORT

In 2020 group support was provided to more than 18,700 students, with more than 700 events, workshops and class/group sessions conducted.

INDIVIDUAL SUPPORT

During the year more than 14,000 individual support interactions were held with students, representing a 64 per cent increase on 2019 demand and 176 per cent increase compared to 2018.

THE STUDENT PERSPECTIVE

The student experience plays a pivotal role in shaping our aspiration to be a preferred tertiary education provider in Melbourne's south east.

The Student Experience Plan outlines the need to ensure appropriate student experience governance by creating and maintaining a Student Experience Committee with student and staff representation across our institute, making recommendations directly to the Executive Director Group.

The Student Experience Committee had its inaugural meeting in October. It provides an additional channel for the student voice to engage with us, and for our Institute to better understand the priorities and feedback from students. The student representatives (voted for by their peers) received training in conducting and chairing meetings and participated in networking activities that included an invitation to attend the announcement of Frankston Stage 2 funding with The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.



STUDENT SUCCESS AND RETENTION SUPPORT MODEL

The Student Success and Retention Support model, launched in 2020, provides additional support, connecting with the student through the entirety of the student journey.

The model provides dedicated, tailored support in five main areas to either priority courses or 'at risk' streams including Aboriginal and Torres Strait Islander students, international students, students with a disability, scholarship recipients and members of the LGBTQIA+ community.

1. Orientation and transition to study.
2. Regular check-ins.
3. Life skills education (e.g. money management, careers, wellbeing).
4. Social connection and engagement (sense of belonging and connection).
5. Academic support.

This model guides our intensive support programs and aligns resources and skillsets for maximum support and engagement throughout the student journey.

EQUITABLE LEARNING AND DISABILITY SUPPORT

The Equitable Learning and Disability Support team expanded its service offerings to enquiry or drop-in appointments available to students. Historically, registration and a medical diagnosis were required, but the new service welcomes enquiry appointments before students complete their registration.

2020 EVENT HIGHLIGHTS

Preparing our students for success

A four-week campaign was introduced to engage students between the time of enrolment and course commencement. The program aimed to increase retention and improve the student experience through informative and relevant workshops and communications. More than 250 students took part, with 90 per cent of attendees saying the program was beneficial. The campaign will continue into 2021.

NAIDOC Week

More than 1100 people attended the online events held throughout NAIDOC Week in November. Sessions included bush food talks, a native wildlife live tour and yidaki healing.

Wear it Purple Day Celebrations: first LGBTQIA+ event

A range of digital events celebrated the importance of Wear It Purple Day for staff and students. Members of the Chisholm LGBTQIA+ community shared their lived experience to raise awareness of creating an inclusive, safe, welcoming and supportive environment at Chisholm. The Minister for Training and Skills and Minister for Higher Education, The Hon. Gayle Tierney MP, the online launch event.

DIGITAL AND INFORMATION LITERACY

The Library provides orientation sessions onsite and via Zoom, introducing students to on-campus and online library facilities. Our five campus library services continued through 2020 with online resources and support available 24 hours per day, seven days a week, giving students access to online databases, eBooks and online streaming videos. A significant increase in the use of eBooks and eResources occurred during 2020, with a 14 per cent increase in traffic to the Library website.

Library staff provide support on campus via one-on-one, group and class sessions. Students also accessed support via WebChat, email and Zoom. In 2020, the Library hosted 154 classes in library orientation reaching 4405 students and 26 information literacy sessions attended by more than 500 students.



Caroline Chisholm Education Foundation

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

The scholarships enable students who are experiencing personal hardship to obtain a rewarding outcome and make positive changes that impact on their future education or employment opportunities. Students are able to build their self-esteem and self-worth, providing meaningful role models for family and community.

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

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

Our fundraising capacity was severely impacted by COVID-19 with the cancellation of the annual charity golf day and a reduction in donations. However, the Foundation was successful in a number of grants, including those from Mornington Shire Council, Connected Communities Melbourne

(Bendigo Bank) and the Rye & District Community Financial Services (Bendigo Bank). In total \$60,000 was received.

During the year the Foundation, in conjunction with our Institute provided 258 devices, laptops and dongles to support students with their remote learning.

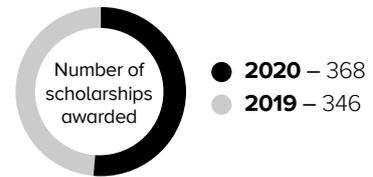
GOVERNANCE

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

In 2020, the Foundation's Board of Trustees included:

- > David Willersdorf (Chair)
- > David Mann AM (Chisholm Board)
- > Aleksandar Vasiljevic OAM
- > Robert Hill APM
- > Ian Predl AM
- > Billie Stapleton
- > Stephen Varty (CEO of Chisholm)
- > Jane McLennan
- > Trish Wilson.

ACHIEVEMENTS FOR 2020



Number of laptop and dongle loans – **258 devices.**

Nick, 38, worked in hospitality and had his own successful bookkeeping business before moving to Melbourne. But his life took a couple of unexpected turns and he became homeless, forced to live in his car.

Thanks to a scholarship from the Caroline Chisholm Education Foundation, he was able to pay for textbooks to continue his studies.

“Over the last couple of years, I’ve been struggling with some personal issues, including substance abuse and failed investments. I discovered that all you need to do is to make a few bad decisions and you can become completely lost.

Only two weeks after I started my (FNS40217) Certificate IV in Accounting, I had to move out of where I was staying. When it came to buying my books for second term, I had to choose between paying for textbooks and finding a

home, as I couldn’t afford a bond and rent as well as books. Without the help of the Foundation and the financial support to pay for my textbooks, I wouldn’t have had any money to pay for accommodation. It was great to know that someone believed in me enough to give me a scholarship.

Thanks to the help I received, I managed to pass all my Certificate IV subjects. I found somewhere to live, started my (FNS50217) Diploma of Accounting and got a good part-time job.

I’d like to thank the Foundation for all the help I received because it changed my life. It was the first time I’ve been homeless, and I don’t plan for it to ever happen again.

I hope one day I can be in a position to become a donor to the Foundation so that others can have the same opportunities that I’ve been given.”

Delivery Initiatives and Innovation

STUDENT-CENTRED COMMUNICATIONS

A new communication channel from the Marketing and Communications area enjoyed its first anniversary of publication.

The Chisholm blog is part of a long-term, inbound marketing strategy to attract, engage and inform prospective students, influencers, industry and the community. The blog drives traffic to our website, helps with conversion,

increases social media engagement and establishes our authority by using Chisholm subject matter experts (staff and students) in the articles.

Articles are published each week, and topics are chosen to align with strategic business activity or priorities. Each article is shared across our social media channels and further amplified through our Student News publications and MyChisholm app. The blog also anchored content for the mid-year and end of year brand campaign with positive results.

Almost 60 articles were published across five categories: Career (21), Community and Culture (3), Lifestyle (16), News (4) and Study (14).

Since launching, the most sought-out article was 'The future's most in demand jobs', with 3510 unique page views. The chisholm.edu.au/blog received close to 29,000 unique page views throughout 2020.

Highest performing articles 2020

| Title | Category | Unique page views |
|---|-----------------------|-------------------|
| The future's most in demand jobs | Career | 3510 |
| Motivational tips for e-learners | Study | 1001 |
| Seven small habits that can make a big environmental difference | Community and Culture | 880 |
| How to test drive your new career | Career | 831 |
| Are you having a quarter-life crisis? | Lifestyle | 804 |
| Five hacks to reduce your weekly grocery spend | Lifestyle | 797 |
| Less stress and more success: What every new apprentice needs to know | Study | 613 |
| How to afford study as a mature age student | Study | 494 |
| Work and play: A day in the life of a childhood educator | Career | 374 |

LIVE IN THE APP STORES



The year-long project to develop the official MyChisholm app required the collaboration and expertise from across our organisation.

Designed for easy access to important, timely and relevant information for students and staff, MyChisholm was the preferred name chosen by student vote. It was enhanced with on-brand design and logo creation.

MyChisholm uses Moodle Mobile to deliver a whole-of-journey student experience to provide information directly, and in real-time to students. Offering a seamless transition between desktop and mobile, MyChisholm delivers information on-the-go including events and activities, student support, one-click contact for counselling services and security

contacts, access to Chisholm news and campus maps, real-time updates, announcements and notifications.

MyChisholm accesses the student's Moodle profile to provide them with timetabling details, course and units information, assignment and assessment submission, results and educator messages. Students can also find resources to support their study, including library access and IT help.

Students can access one-click to call emergency numbers and a self-booking system to manage counselling sessions, event attendance and registrations.

MyChisholm was delivered to students and staff in December and promises strong uptake and engagement in the year ahead.

Skills and Jobs Centre

Employment through collaboration: the Chisholm Skills and Jobs Centre

In a challenging yet productive year, the Chisholm Skills and Jobs Centre (CSJC) led several collaborative initiatives. Throughout 2020 we strengthened relationships and partnerships with the many organisations throughout south east Melbourne. These included more than 100 employment support agencies (Job Actives), 30 community groups and 15 Learn Local and Community Houses, as well as the many partnerships across Victorian and Australian Government departments.

In February, CSJC and the City of Greater Dandenong hosted the launch of a partnership with the not-for-profit organisation Groomed-to-Go and its pop-up store located at the Centre in Lonsdale Street, Dandenong.

Groomed-To-Go offers a styling and clothing service for people who do not have access to appropriate attire for life events such as job interviews, funerals or court appearances, and women impacted by family violence. The partnership has proved mutually beneficial, connecting each service with those who need the continuum of support.

Minister for the Prevention of Family Violence, Minister for Women and Minister for Aboriginal Affairs, the Hon. Gabrielle Williams MP attended the partnership and store launch, and a pilot of the Employment Readiness Scale.

The Employment Readiness Scale is an internationally recognised job-ready assessment and tracking tool that helps jobseekers identify their strengths and challenges in becoming employment ready by measuring change over time. It provides regular customised reports to track a jobseeker's progression to readiness for work.

In March, the CSJC further celebrated the partnership with Groomed-to-Go, co-hosting two International Women's Day functions and welcoming Rosie Batty, a former Chisholm student, as guest speaker.

The International Women's Day events supported 20 disadvantaged women, each receiving a hair and beauty makeover courtesy of hair and beauty students, outfits and accessories by Groomed-to-Go and career counselling from the CSJC team.

The CSJC team transitioned the free job-ready services online. In the nine months to December, the Centre's staff had supported 720 job seekers in their search for work, enrolment into vocational training or transition to a new career. They led more than 600 career counselling sessions and facilitated 215 job-ready workshops.

The CSJC was consistent in fulfilling urgent employer requests for casual employees for roles in facemask production, and at the 2021 Australian Open and Hilton Manufacturing.

The year also saw the first of the CSJC funded and created employer-ready online workshops promoted to local organisations through our

Workforce Solutions team in partnership with Mission Australia. The employer-ready modules were highly successful, attracting revenue for our Institute.

Topics covered:

- > Bias-free recruitment
- > Cultural diversity
- > Managing conflict
- > Mental health at work.

To address the expected rise of unemployment in the south east region in the year ahead, we will introduce new workshops and services specifically designed for those experiencing redundancy. The aim is to move job-ready clients back to work quickly while continuing to deliver ongoing programs for our students and community-based jobseekers needing specialist support.





Chisholm Online

Our online learning delivery arm, Chisholm Online, saw significant growth in student numbers throughout 2020. The introduction of Free TAFE in 2019 continued to influence demand and, when combined with the impact of COVID-19 in 2020, student enrolments increased by more than 50 per cent.

Due to these factors, the course that saw the greatest enrolment increase was the (CHC50113) Diploma Of Early Childhood Education And Care, up by 81 per cent. Other notable increases were in the (CHC33015) Certificate III In Individual Support with 62 per cent, and the (CHC43115) Certificate IV n Disability with 44 per cent.

To build on new confidence in online learning across many sectors, we expanded our capability to deliver a broader range of courses to support industry, particularly for those where onsite learning became a limited option.

These included a series of traineeships in the health and community services sector offered to the Victorian Council of Social Service, Mable Support Services and Opal Aged Care.

We also piloted a range of online industry short courses in learning management systems. Demand for these arose out of industry needing to continue training employees in their working from home environment.

The piloted suite of courses covered:

- > Emotional intelligence in the workplace
- > Manage conflict in the workplace
- > Bias-free recruitment
- > Succeeding in business
- > New and emerging leaders.

Responding to the need for our inquiry and student experience teams to work from home, a new telephony system, PureCloud, was implemented to measure service delivery and capability more accurately. Projects to upgrade the customer relationship management (CRM) system, WebChat and a customer service knowledge management system also commenced, with delivery scheduled for 2021.

Higher Education College

A FOCUS ON HIGHER EDUCATION

Our Institute has delivered a small suite of higher education courses for several years. These include our own (CRS1201286) Bachelor of Engineering Technology, (CRS1201285) Bachelor of Community Mental Health, Alcohol and Other Drugs and (CRS1400479) Graduate Certificate of Family Violence, and courses in collaboration with other providers such as our longstanding partnership with La Trobe University. At the beginning of 2020, the Board commissioned a strategic plan to identify opportunities to expand the higher education provision. Dr Andy Bridges, previously Deputy Vice-Chancellor at Central Queensland University, was appointed in May as a consultant to develop the plan presented to the Board in August.

The plan proposed significant expansion and investment in higher education and all recommendations were accepted by the Board. As a result, a new Higher Education College was formed, with operations to commence in January 2021. In an external competitive process, Dr Bridges was appointed as the inaugural Dean to lead our College.

With a breadth of taught provision, world-class facilities and highly qualified staff, our Institute is extremely well positioned to offer new pathways from vocational study to qualifications at AQF Level 6 and above such as associate degrees, bachelor's degrees and graduate certificates.

In the first instance, new higher education developments will build on existing strengths in health, community services, education, business and applied technology. These will encompass top-up pathways from diplomas or certificates, full degrees and flexible short courses or micro-credentials. The first new courses will be available in late 2021 and early 2022.

In November and December, new partnerships were signed with Federation University and Deakin University respectively. The agreements will expand the pathway options for our vocational students to transition to higher education. The partnerships also have the scope to develop jointly badged courses and explore shared research and scholarship opportunities.

In December, we were awarded Commonwealth supported higher education places for the first time. These

are part of the government's agenda to help jobseekers access short courses to retrain or upskill. Our allocation comprises 20 places in undergraduate certificates in community mental health and engineering, and a further 20 places in the Graduate Certificate in Family Violence.

To raise the profile of the Higher Education College, a Chisholm seminar series was launched. The series formed part of the scholarship base underpinning the Higher Education College and delivered the latest research to our students and interested members of our broader community. The sessions reflected themes from the Bachelor of Community Mental Health and Graduate Certificate of Family Violence, specifically substance addiction, gambling behaviour and family violence prevention.

The seminar series was delivered in webinar format and enabled the College to extend its attendance invitations to a wide range of participants, including students, staff and local community groups. The sessions received audiences of up to 500 delegates per event and feedback was overwhelmingly positive.



The Professional Educator College

The Professional Educator College (PEC), developed to fulfil Chisholm's strategic initiative, focuses on building educational excellence through quality educational programs and practices that meet both student and industry needs.

Underpinning the College's vision is the Professional Educator Framework that informs the focus and operation of the College and builds on the following principles:

- > Integrated in its focus, ensuring that the framework addresses the development needs of all our educators across the senior secondary school, VET and higher education sectors
- > Centred on identifying the needs of diverse student cohorts, promoting the design of responsive learning and assessment programs and ensuring a positive and meaningful student learning experience
- > Designed to build the capability of teaching staff at our Institute with attention to the needs of the 21st century educator
- > Offering a strong value proposition to attract staff to work our Institute
- > Encouraging the long-term career development of the professional educator.

In its fifth year of operations, our PEC saw significant growth in the uptake in its professional programs and embedding of its Educator Passport system. To build educator capability through quality professional programs and practices that meet both student and industry needs, focus on achieving meaningful change in educator practice by providing real and sustainable capability-building strategies across the VET workforce.

Underpinned by the Professional Educator Framework, it mirrors the student life cycle through sound educational planning and design, holistic assessment, engaging facilitation in multiple delivery modes, embedding support strategies, increasing digital capability and ongoing continuous improvement practices. The professional practice domain provides new educators with an understanding of the broader VET sector and their role as a professional educator.

Embedded in the framework are critical capability statements that describe the attributes expected of a modern educator. Educators self-assess their skills against the capability statements using a skills summary profiling tool that is also benchmarked to an ideal capability response. The purpose of the self-assessment is to ensure that we have educators undertaking training in the areas of most need so we can build workforce capability. Educators choose professional development based on their profiling outcomes.

Learning Journey programs are delivered over three to six months and consist of workshops, online activities and an action-based project. Elective programs focus on meeting the needs of the just-in-time educator requirements and have shorter timeframes from start to completion.

One of the key objectives of the PEC and the Educator Passport is to build the capability of VET teaching staff with attention to the needs of the 21st century educator.

In 2020 the needs of the modern educator changed rapidly, requiring them to deliver quality, timely and flexible training and assessments to their students remotely.

We quickly responded to these needs and provided support to educators in the form of professional development sessions. These were scheduled during non-teaching times to give educators the best opportunity to participate. The sessions covered a range of topics over various capability levels.

The successes of 2020 encouraged us and our partner institutes to integrate and embed the Educator Passport system into other important business systems. This will provide our educators with a one-stop-shop for planning and maintaining their VET teaching currency and for keeping a record and log of evidence to meet their vocational currency requirements. An annual points system is used to assist our educators to meet these requirements.

Education managers welcomed the opportunity to discuss capabilities with their staff and work with them to develop professional development plans to address any gaps.

The 2021 release of the Educator Passport will include new educator leadership capabilities to acknowledge and encourage career pathways. Technical enhancements will also see the Educator Passport being available on a desktop device.

2020 MILESTONES

- > 1,351 profiles were completed across our partners, with the greatest capability gaps identified in digital literacy.
- > 919 professional development programs were delivered with 1,405 educators completing one or more workshops.
- > Feedback from educators was extremely positive with one Institute recording that 93 per cent

of educators agreed or strongly agreed that they will change their teaching behaviour as a result of attending the workshop.

- > Educator motivation and engagement grew 108 per cent in 2020 when 3,258 registrations were received across all Educator Passport programs.
- > Many of these programs focused on digital literacy and the skills required to deliver training using online tools and formats.

The number of our educators who had vocational currency activities recognised through the Educator Passport increased by almost 87 per cent in 2020. Innovative examples included attending online webinars offered by industry associations, online training and attendance at online conferences.

EDUCATOR PASSPORT: A SHARING OF RESOURCES

Educators who complete the minimum requirements/points for keeping their professional currency and vocational currency updated are awarded an Educator Passport. The Educator Passport system was developed for scalability and flexibility anticipating a common need and requirement across the sector.

The system was adopted by four Victorian TAFE institutes: TAFE Gippsland, Bendigo Kangan Institute, Suni TAFE and The Gordon. The Gordon and Bendigo Kangan Institute adopted a similar delivery framework to build educator excellence.

We conduct and lead regular meetings with the Educator Passport partners to share existing and future professional development requirements.

This collaboration prevents duplication across each institute and provides workshops that can be contextualised to each institute. Quarterly strategic meetings provide opportunity for leaders in the partner institutes to set direction for continuous improvement based on current government and sector priorities. Monthly peer support operational meetings help all partners to keep abreast of the latest updates and opportunities.

An outstanding example of collaboration occurred during 2020 with the need to support educators to move to remote delivery. Educator Passport partners held frequent meetings to discuss a shared strategy to guide and support educators during this rapid transition. Professional development workshops, presentations and educator materials were shared, and staff collaborated to achieve the network that was required at short notice to support staff in their move to remote delivery.

Foundation College

EMPOWERING LIVES THROUGH ENGLISH LANGUAGE STUDIES

English Language Studies delivered English programs to 2253 students in 2020, including 1971, studying English as an additional language (EAL) across the south east and Mornington Peninsula, and 282 studying English language intensive courses for overseas students either onshore or offshore in China.

The successful move to remote delivery saw increasing re-engagement of Commonwealth-funded Adult Migrant English Program (AMEP) students and Skills First funded English as an Alternative Language students who had disengaged following the initial COVID disruption in Term 2. In addition, 556 new AMEP students were registered and assessed over the year, ensuring they could engage in the program.

The AMEP develops English language, settlement and work-ready skills to help transition students into employment and further study. Throughout the year, our support teams and external organisations worked closely with us to ensure that students could continue to access relevant information and expertise. Essential to this arrangement was maintaining relationships with the Country Fire Authority, Life-Saving Victoria, Legal Aid, Services Australia, Victorian Electoral Commission, Australian Taxation Office, Multicultural Centre for Women's Health and Fit2Drive, among many others.

Throughout the year, Pathways Officers held more than 600 individual conversations as well as themed classroom sessions. Themes included settlement, referral to internal and external service providers, employment opportunities targeted at culturally and linguistically diverse workers and new arrivals, services to help recognise international qualifications, negotiating visa status, eligibilities for education, and other funding and support for scholarship applications.

In a year that significantly impacted already vulnerable cohorts, two-thirds of all onshore English students were women, many of whom were mothers, carers, and with limited social or community connections. Access to educators, pathways officers, Chisholm services, and referral assistance to external service providers supported student engagement.

Specific youth-focused programs attracted almost 400 students aged between 18 and 25. Collaboration with the Centre for Multicultural Youth and Foundation House also continued remotely. Through Foundation House, the 10-week UCAN2 program that supports young people aged 16 to 25 from refugee backgrounds with recovery from trauma, social inclusion and settlement saw many successful Chisholm graduates.

A further highlight of the year was the online AMEP South East Melbourne Employment Trends Forum, coordinated by education and pathways staff. As well as Chisholm students preparing to enter employment, 63 industry organisations and community groups also registered to attend. Five organisations presented, focusing on current and future employment trends, regional job opportunities, and industry pathways and volunteering. Chisholm Skills and Jobs Centre, Coca Cola Amatil, South East Learn Local and Employment Network, Komak, Monash Health, Refugee Health and Wellbeing and Migrant Workers Centre contributed to a localised and thorough insight into employment in the south east. Foundation College alumni also spoke about the journey from learning English to finding work and offered a valuable perspective.

The Foundation Studies arm of the College delivered literacy and numeracy programs to students in 2020 across four campuses in the south east and the Mornington Peninsula.

ACADEMIC LEARNING SKILLS UNIT

The Academic Learning Skills Unit supported 1383 students across our Institute who needed additional literacy and numeracy support to complete their vocational studies successfully. In addition to this, language, literacy and numeracy (LLN) specialists worked across Dandenong, Frankston and Berwick campuses to support 55 students through a drop-in service and email. The academic skills help in libraries is a service staffed by qualified teachers experienced in providing LLN skills support to students. It operates at Berwick, Dandenong and Frankston campuses for approximately three hours per day, each weekday.

The embedded program brings an LLN teacher into vocational classrooms to support students in a co-delivery model. The model aims to help students and the ongoing development of all staff in supporting LLN needs. In 2020 co-delivery models operated across plumbing, early childhood education, community services, hair and beauty, cyber security, education support and health.

WORK EDUCATION

In Work Education, 93 students enrolled in certificates designed for people with specific learning needs or disabilities. The move to remote delivery at the end of Term 1 saw new benefits for this cohort. It enabled a combination of groups that would generally not work together successfully in a face-to-face environment. With remote delivery, students were able to strengthen their social skills and confidence without embarrassment. It created a sense of connectedness, and often parents joined the Zoom classes to offer support.

Work Education introduced a program of incursions and workshops by the Student Services team and external guest speakers. The program's themes included coping strategies, self-esteem, mindfulness and meditation, respectful relationships and financial fundamentals. Representatives from Student Support and Engagement and external organisations worked closely with the foundation programs to ensure that students could continue to access relevant information and services.

COMMUNITY COLLABORATION

RECONNECT networks also continued to build relationships with youth, justice and community networks throughout the south east and Mornington Peninsula. Through the RECONNECT program, high-needs learners are encouraged to remain engaged in their education to develop their literacy, numeracy and study skills. The program provides specialist support services in health, personal relationships, mentoring and accommodation, connecting with external services and programs, such as the Centre for Multicultural Youth, Southern Migrant & Refugee Centre, and Mission Australia. Clients receive referrals to the Chisholm Jobs and Skills Centre.

EMPLOYABILITY SKILLS TRAINING

Employability skills training is conducted in two three-week blocks and aims to prepare people for the workforce. In 2020, 236 students were referred and participated. Attendance in online classes was strong and feedback from participants was positive. Outcomes were excellent, with approximately 25 per cent of participants gaining employment.

GENERAL EDUCATION

The Certificates in General Education for Adults develop literacy and numeracy skills. Foundation VCAL provides an entry point for young people who prefer an alternative setting to the traditional school setting and wish to complete their education at TAFE. In 2020, 306 learners engaged in the general education programs, with 85 per cent of students continuing to participate via remote delivery. The remaining 15 per cent applied for a study break until face-to-face delivery returns.

In 2020 there was a significant increase in the number of mature age learners who joined the program to build confidence and skills to volunteer or work in the

community. Mixed-age classes were introduced at Frankston and Dandenong campuses, and younger students benefited from other learners' maturity.

A highlight for the General Education and Work Education programs was the celebration of Indigenous culture during NAIDOC week. Other incursions included topics such as 'Sexual health', presented by Peninsula Health, 'Sex, young people and the law' and 'Police powers' presented by Victoria Police.

Life Saving Victoria completed the year's incursions with a session called 'Meet a lifeguard'. Students received valuable water safety advice.

Family Violence Prevention, Awareness, Response

Our Institute takes a stance against family violence, and in 2020 we continued the development and implementation of a series of projects to raise awareness of family violence throughout our community, and as a lead institution for the VET sector.

The Victorian Government introduced of a range of projects across the state in response to the 2016 Royal Commission into Family Violence that highlighted the need for increased workforce training and capacity building to effectively prevent and respond to family violence disclosures from both students and staff. Our Institute was tasked with leading the training system to improve workforce capability and exemplify best practice in family violence prevention and response.

PRIMARY PREVENTION OF FAMILY VIOLENCE

We are building internal organisational capacity to be a workplace that is actively engaged with the primary prevention of family violence and all forms of violence against women. The project addresses the attitudes, beliefs and behaviours that lead to family violence and violence against women.

In 2020, the pilot reached 950 students and 1833 internal and external stakeholders through a range of activities including:

- > International Women's Day Morning Tea

- > staff professional development and inductions
- > primary prevention and gender equality workshops with People, Culture and Safety, and early years education
- > Hope Assistance Local Tradies Workshop with Foundation College students
- > inclusive learning environment workshop in collaboration with Tradeswomen Australia
- > COVID-19, gender and recovery webinar in collaboration with Women's Healthcare in the South East and Gender Equality Victoria
- > creation of a primary prevention intranet page with resources for staff.

FAMILY VIOLENCE RESPONSE

We are training all staff to build awareness of family violence and understand the external referral points available to support students and staff.

With the increased risk of family violence occurring due to COVID-19, we prioritised the following work:

- > creation, endorsement and publication of a Chisholm Family Violence Policy and Practice Guide
- > recruited and provided initial training to Family Violence Contact Officers
- > created an intranet page for family violence response, which includes contact details of specialist response agencies
- > 224 staff completed family violence awareness training: training was tailored to different cohorts,

and incorporated an understanding of the impact of COVID-19 on family violence

- > assisted the No to Violence organisation with developing a non-accredited skill set on men who use violence and piloting this to students through our Community Services delivery area
- > participation on the Industry Taskforce Qualification Subgroup run by Family Safety Victoria, which oversees the sector's mandatory qualification rollout
- > established a cross-functional Project Control Group to oversee both projects and to help raise awareness across our Institute
- > partnered with our Community Services delivery area to resource a dedicated role to roll out accredited training to further build awareness and capability within the workforce.

Projects

CUSTOMER SUCCESS PROGRAM

With a focus on the student experience, several projects supported improvements to the customer journey, including completing the CRM project. WebChat and telephone integration features enabled a seamless enquiry process for prospective students. For current students, improved enquiries access led to more efficient response and resolution times.

Online enrolment was successfully piloted and extended to 25 courses, enabling a prospective student to complete their application, enrolment and payment via the website. An upgrade to the web content management system created excellent site management capability, marketing automation, and an analytics capability.

OUR NEW CAMPUS NETWORK

We are leveraging our new campus network (completed late 2019) and migration to the cloud (completed early 2020) to deliver next-generation courseware, while also improving team productivity through enhanced communication and collaboration tools. In 2020, to support remote learning for students and remote working and collaboration for staff, Unified Communications' deployment was fast-tracked. These projects will continue into 2021, as we see a permanent shift to blended learning and remote collaboration. Our strategic investments in a new network and migration to the cloud are enabling this to happen.

IMPROVED CONNECTIVITY AND SECURITY

Our 'Smart Campus' initiative will improve student connectivity and security and aligns with our Mobile and Bring Your Own Device initiative. During 2020, we delivered a Windows Virtual Desktop solution that gives students and staff access to all of their applications via the cloud, from any location and on any device.

A systems integration and automation platform improved data flow and operational efficiencies between our Student Management System and other vital systems with this project continuing into 2021.

SERVICE DELIVERY

A new ITS operating model is transforming service delivery. The model will improve reliability and value from current IT service offerings, drive the development of a business-linked IT strategic Plan, accelerate and strengthen value from application and information projects, and be a catalyst for business operational innovation and improvement capability. This work commenced during 2020 and will continue into 2021.

ADDITIONAL PROJECT HIGHLIGHTS

Additional highlights from our 2020 program included:

- > completion of the IT Strategic Plan
- > initiatives fast-tracked to enable remote, collaborative working for staff, and remote learning for students. These solutions were all readily scalable to allow dynamic support for our Institute, with examples including network capacity increases, cloud-based contact centre expansion and rapid deployment of cloud-based telephony lines
- > deployment of the MyChisholm branded app provides students and staff with convenient access to essential information and resources
- > a refresh of PCs across all campus libraries
- > deployment of unified communications and collaboration technologies, including Microsoft Teams (project continuing into 2021)
- > a student journey mapping project that identified technology improvements and automation solutions.

Commercial

CREATING WORKFORCE SOLUTIONS THROUGH ENGAGEMENT, EDUCATION AND TRAINING

Growing our revenue through a greater diversity in how and where we source it, is a key priority in building a sustainable future.

Our focus continues to be on strengthening business-to-business offerings through extending our industry connections both in our immediate area in Melbourne’s south east and nationally through collaboration with other TAFE institutes and industry partners. This enables us to match our training offerings with our customers’ needs. Despite the challenges of 2020, we continued to build on existing partnerships and find innovative ways of meeting industry and organisational needs.

KELLOGG BROWN & ROOT (ROYAL AUSTRALIAN NAVY)

In March 2020, Kellogg Brown & Root, Scientific Management Associates and Chisholm signed a Deed of Novation,

transferring prime contract management to Kellogg Brown & Root. This new collaboration saw the Navy Technical Support training continue seamlessly.

Throughout 2020 we commenced 23 course groups, supporting over 270 students, across three vocational streams – electrical, engineering and automotive.

In 2020 a transition from the training package MEM05 was updated to reflect the requirements of the new training package MEM19.

ARMY TECHNICAL TRADE TRAINING

In collaboration with Wodonga Institute and Box Hill Institute, we continued the successful delivery of technical trade training to the Army School of Electrical and Mechanical Engineering, in the following qualifications;

- > Army Technical and Trades – (CPC32413) Plumber Certificate III In Plumbing
- > Army Technical and Trades – Vehicle Mechanic and RAAF Ground Support Equipment Fitter (AUR31116) Certificate III In Heavy Commercial Vehicle Mechanical Technology
- > (AUR20218) Certificate II In Automotive Mechanical – Air Conditioning.

WORKSAFE

In July 2020, we signed an agreement to become a partner of choice for WorkSafe Victoria, having been successfully appointed as a member of the WorkSafe Panel of Registered Training Organisations.

Membership to the panel provides us with the opportunity to bid for contracts relating to WorkSafe’s future training program requirements.

The working relationship began in 2020 online, with WorkSafe employees able to access and participate in a range of short courses as part of their professional development program.

The partnership’s early success is set to continue with plans in place for our Institute to deliver a series of four pilot short course programs in 2021 and delivery of the (TAE40116) Certificate IV In Training And Assessment through our Chisholm Online platform.

AMAZON

Amazon entered into a formal partnership with us to recognise our Institute as an education partner of choice. The agreement provides the promotion of Chisholm to their associates (employees) through the Amazon Career Choice Program. We deliver qualifications in business and information technology and offers the employment services of the Chisholm Skills and Job Centre to associates who may be seeking to transit into other work and/or industry sectors.

CROSS-SECTOR INFECTION CONTROL: ONLINE INDUSTRY COURSE

Further online innovation propelled workforce solutions industry engagement activity during 2020 to on-sell the new (BSBSS00095) Cross-Sector Infection Control Skill Set. The course targeted workers in priority industries such as building and construction, transport and logistics including distribution centres, supermarkets, food preparation and delivery, cafes, security, accommodation, childcare, allied health and aged care. In 2020, the team generated 450 industry enrolments, and aims to enrol 1000 students by the end of 2021.

PWC

PwC partnered with Chisholm and TAFE NSW to facilitate their delivery of a Higher Apprenticeship Program offering (ICT40118) Certificate IV In Information Technology in Melbourne. Delivery commenced in March with 20 participants, with the view that this program will articulate into the Diploma of Information Technology starting January 2021.

TOYOTA MATERIAL HANDLING AUSTRALIA

We completed phase one of the Toyota Material Handling Australia (TMHA) project to develop a forklift technician assessment tool to grade Toyota's forklift technicians across Australia. This assessment seeks to identify potential skills gaps to assist with categorising the classification levels of technicians.

A new phase will begin in 2021 as a tailored short online course platform utilised by Toyota nationally. The TMHA Skills Gap Training Development Program is a pilot program that will:

- > provide TMHA with a short course template on one technical discipline
- > supply TMHA and Chisholm further clarity on how to construct a broader skills gaps training program across additional key disciplines
- > Enable TMHA to determine how to implement and replicate Skills Gap training nationally that is engaging, industry-specific, and scalable.

On completion of a successful pilot program, there is further scope for program development and implementation.

OPAL

Workforce Solutions partnered with Chisholm Online to develop and launch an Online Traineeship Program with Opal Aged Care, which owns and operates 38 residential aged care facilities. In March 2020, they commenced a state-wide traineeship program for 20 online trainees in (CHC33015) Certificate III In Individual Support, which was co-delivered by our Health and Community Services area locally and Chisholm Online. This new model of training further built our Institute capabilities to offer flexible solutions during COVID-19. Its successful implementation will allow for expansion beyond 2020.

MICRO-CREDENTIALS

With a reduced capacity to deliver face-to-face delivery, the team partnered with Chisholm Online to develop micro-credentials in business skill sets. Initially purchased and trialled by Southern Program Alliance (SPA), further development is underway to support an expansion of this product offering.

SPA indicated that the product was valuable because:

- > it allowed SPA to train employees remotely, eliminating the need to bring them offsite and creating efficiencies in the workplace
- > skill sets were uploaded to the SPA learning management system, which brought more traffic to the system, where employees could utilise other online functions
- > ensured that the Training Department surpassed its training targets for the year through the ability to train large numbers via the online format
- > programs were designed and implemented so that new employees would utilise the training as part of their induction, streamlining the training process for the organisation.

CITY OF GREATER DANDENONG

In 2020 we were approached by the City of Greater Dandenong to deliver first aid training to 40 staff. Successful outcomes from this delivery secured ongoing training to all staff in first aid and CPR.

Additionally, we successfully secured the contract for induction training for 80 new employees as part of the Work for Victoria initiative. This training was delivered in November and December and will continue in 2021. Additional resources will be developed and contextualised to suit the required outcomes of specific job roles.

SHORT COURSES

A collaborative approach by the Short Courses staff and delivery areas introduced remote delivery to enrolled participants wherever possible throughout the year. More than 1400 expressions of interest will be re-engaged for the year ahead in line with on-campus delivery resumption.

AQUATICS RECREATION VICTORIA

During the year we entered into a sponsorship agreement with Aquatics Recreation Victoria. The partnership provides us with direct access to over 700 of their current members including local councils, leisure, sports and aquatic centres. Aquatics Recreation Victoria and Chisholm conducted regular co-branded and targeted social media marketing campaigns during 2020, promoting our fee for service, accredited and non-accredited courses, which increased pool lifeguard training enquiries.

International Projects

INTERNATIONAL ENGAGEMENT: COMMERCIAL CONNECTIONS AND COLLABORATION

International activities continued in 2020, with onshore student enrolments across a range of courses and ongoing offshore project activities.

While we quickly adapted and conquered the challenges presented by COVID-19 in delivering training to our domestic cohort, the pandemic's effects were more difficult to overcome for our international operations. We maintain several offshore partnerships that it maintains, as well as the international onshore student cohort enrolled each year; the global pandemic significantly impacted all activities.

Despite this, new international partnerships were forged and formalised in 2020, further extending our Institute as an international education provider.

CINEC CAMPUS: SRI LANKA

We signed an agreement in June with a respected educational institute in Sri Lanka, CINEC Campus, in joint partnership with alankaEd. The joint venture will deliver a range of Chisholm courses at the campus in Malabe, Colombo.

Several quality compliance activities commenced remotely to prepare for the start of the programs in April 2021. In preparation, we successfully trained 16 CINEC teachers in the full Certificate IV in Training and Assessment course utilising Zoom meetings and the Moodle learning platform. These teachers graduated in early December.

The following courses are scheduled to commence in 2021:

- > (CHC33015) Certificate III in Individual Support, (CHC43015) Certificate IV in Ageing Support, Certificate IV in Disability
- > (ICT50418) Diploma of Information Technology, (ICT60115) Advanced Diploma in Information Technology
- > (MEM30219/MEM30319) Certificate III in Engineering (Mechanical & Fabrication streams), (22478VIC) Diploma of Engineering Technology
- > (UEE30811) Certificate III in Electrotechnology Electrician, (UEE50212) Diploma ESI – Power Systems
- > (UEE30911) Certificate III in Electronics and Communications, (UEE50511) Diploma Electronics and Communications Engineering.

Additional programs will commence in late 2021.

In the first year of course provision at CINEC campus, an estimated 140 to 160 students will commence Chisholm programs. This project marks the beginning of our presence in Sri Lanka, a rapidly growing market for education providers.

CINEC campus is amongst the top private education providers in Sri Lanka, with an established reputation for high-quality training and graduates. Significant interest from local industry and the national government in revolutionising VET in Sri Lanka has our Institute extremely well-positioned to lead vocational training in this region.

CHISHOLM AND SUNITAFE: A NEW VET PATHWAY

In partnership with the Victorian TAFE Association, we signed an agreement with Sunraysia Institute (SuniTAFE) in Mildura to develop and deliver innovative international student programs. The Hybrid Pathway Program offers a unique blend of metropolitan

and regional study experiences with the option of combining vocational education and higher education studies in the hospitality and automotive fields.

Students commence the first year of studies in one of the two program areas at Certificate III level at Chisholm. They progress to Mildura to continue their second year at SuniTAFE at Certificate IV and diploma level. Hospitality students may then decide to remain in the region to continue higher education or return to Chisholm to complete a Bachelor of Business from 2022.

Scholarships will be available to students from Chisholm in the second semester of their studies via the Australian Government Destination Australia program that supports Australian and international students to study in regional Australia.

OFFSHORE ACTIVITIES

CHINA

College partnerships

We continued our partnership with 13 colleges across China in 2020 to deliver programs to more than 3100 enrolled students based in China. These partnerships provided \$2.8 million in revenue for international offshore activity.

Various qualifications are delivered including:

- > Diploma of ESI – Power Systems
- > Diploma of Engineering Technology (Mechatronics)
- > Diploma of Accounting
- > Certificate III in Individual Support.

Due to the impact of COVID-19 and resulting travel restrictions, our trainers were unable to conduct face-to-face delivery as scheduled. We implemented remote teaching modes, providing customised delivery to partner colleges as requested. More than 220 teaching weeks were delivered through remote delivery arrangements during the year.

Continuous improvement of project management, quality and compliance was maintained by remote means across relevant teaching departments together with the international project team.

The annual schedule of (TAE44016) Certificate IV in Training and Assessment training to teachers in China continued and remote delivery via Zoom was provided to our China cohort. Twenty teachers from different colleges enrolled in October with completion of studies due in early 2021.

VIETNAM

DVET Trial Implementation Project

In early 2020, we successfully completed the Directorate of Vocational Training (DVET) Trial Implementation Project which saw graduation of over 720 students across 25 colleges in Vietnam from 12 qualification streams.

Following the success of the project, we liaised with the partner colleges regarding further intakes on a student fee basis. DVET further recommended our Institute to interested vocational colleges looking to deliver the same qualifications in Vietnam.

This project received significant accolades for its successful outcomes. In late 2020 we were rewarded with gold at the World Federation of College and Polytechnics Awards, winning the Access to Learning and Employment category, which recognised the contribution the project made to Vietnam’s vocational education sector. Recognised again,

our Institute and the project secured the Excellence in Innovation in Partnerships and International Engagement award from Study Melbourne. In addition we won the Victoria Premier’s Award for International Provider of the Year, which was in recognition of a great business model and service to international partners, particularly Vietnam.

Lao Cai College

We designed and delivered a non-accredited Hospitality Teacher Training Program to a group of teachers at Lao Cai College (LCC). In Northern Vietnam the program aimed to improve the skills and knowledge of LCC teachers, and, advise and assist in developing a short course Hospitality program at LCC. More than 300 local women participated, creating better job opportunities.

This program was initially designed for block delivery face to face, but at the client’s request was adjusted to a remote delivery model with practical training delivered by a local Chisholm-qualified hospitality trainer.

MIDDLE EAST

Qatar Technical School

Delivery of Certificate II in Engineering programs at Qatar Technical School continued. However, students could not complete their qualification due to the year’s disruptions. A total of 139 students received a Statement of Attainment for completed units. A total of 172 students commenced in October, to continue into 2021.

STRATEGIES TO MANAGE RISKS

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

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

Our leadership and management carefully review and evaluate the mitigation measures for all risks so they can respond to the changing nature of international education and training. This includes Australian Skills Quality Authority requirements for offshore delivery and the requirements of the *Education Services for Overseas Students Act 2000*.

Management undertakes to:

- > implement activities to deliver on the approved Chisholm Commercial Plan
- > provide regular reports to the Board regarding offshore activities
- > undertake frequent consultation with senior management and relevant government departments on strategic direction to minimise potential risk factors.

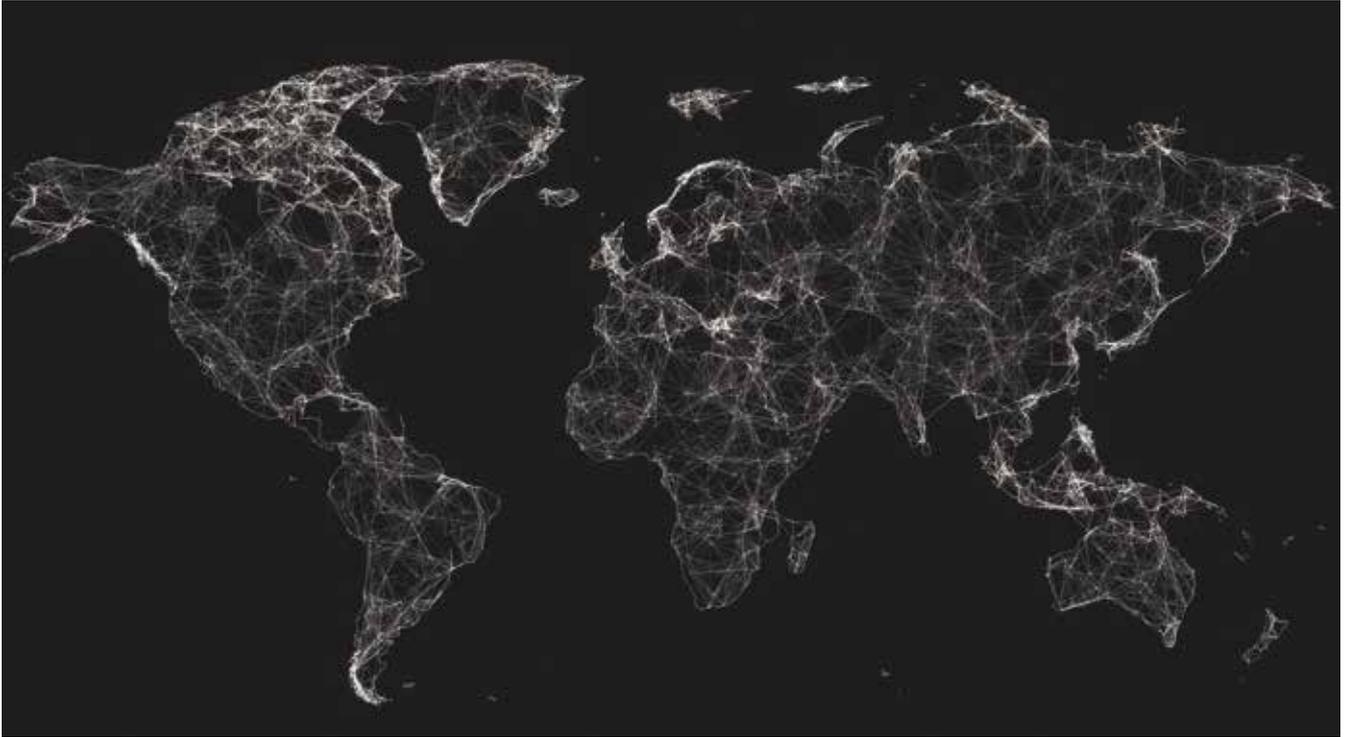
PERFORMANCE MEASURES AND TARGETS

Strict quality and project management environments determine offshore opportunities and contracted partnership projects. Assessments and reviews are undertaken at all stages of a project’s lifecycle to promote optimum performance and outcomes.

A strong focus on quality assurance supports the expansion of international project operations and provides opportunities for strengthening partnerships and building upon existing international activities.

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

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



- > build a short, medium, and long-term pipeline of activities to ensure ongoing international presence and business viability
- > develop business cases that outline new major international activities to the Executive team (and the Board depending on delegation) for consideration and approval before the activity commences
- > undertake continuous scanning of the business environment in each of the countries where we operate to identify change to the risk situation.

In 2020 we increased activities focused on quality review, redevelopment of offshore delivery, and improving transnational compliance requirements.

We worked with the Professional Educator College to ensure delivery of (TAE40116) Certificate IV In Training And Assessment to our partners in Sri Lanka, Qatar and China were undertaken successfully, particularly during the move to remote delivery. We focus on ensuring that our offshore partner colleges have met the compliant and qualified trainers/ assessors' requirements.

ENGAGING INTERESTS

In line with our Commercial Plan, we continued to explore opportunities in Vietnam, China, Sri Lanka, Indonesia, Korea and Latin America. As expected, we experienced significantly curtailed activity across all markets.

During the year, our focus was on maintaining relationships with our international partners and networks as well as forming new contacts and networks wherever possible.



Frankston Learning and Innovation Precinct

Frankston Learning and Innovation Precinct – Stage Two



Building B Frankston campus

Campuses

A MASTERPLAN TAKES SHAPE

Investment by the Victorian Government and our Institute in campus infrastructure was significant. While planning commenced for all projects, some works were almost complete by the year’s close. We will fully realise the benefits of the redesigned student enrolment and support areas and the new modernised open plan staff spaces in the months and years ahead.

We will seek to finalise the Infrastructure Plan and shape the Campus Masterplan in 2021, focusing on student experience, staff engagement, teaching and learning requirements, and the commercial and strategic directions for the facilities. Sustainable development for the four main campuses – Dandenong, Berwick, Frankston and Cranbourne – will also be a priority.

Frankston Learning and Innovation Precinct: Stage One completion

The second phase of our \$85 million Learning and Innovation Precinct at the Frankston campus reached completion in mid-2020. Additional enhancements were completed throughout 2020 to increase the usability and student experience aspects of the project.

Located throughout the precinct are modern, multi-use workstations and study zones installed and extended to outdoor areas to complement the student experience.

The additional works replaced the Building B original roofline so that the entire precinct now sits under a new structure.

“We designed the areas around the student experience. These spaces are now adaptable, modular and suit the needs of the student of today.” Chief Operating Officer, David Colliver.

Frankston Learning and Innovation Precinct: Stage Two

In November, The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education visited Frankston campus to formally announce the \$67.6 million investment by the Victorian Government. For Stage Two of the campus redevelopment, the funding will provide students with a modern, cutting-edge, multi-level learning facility.

The demolition of the two oldest buildings on the campus will make way for a three-storey learning facility on the campus’s south east corner. The redevelopment will see the Frankston campus become one of Australia’s most advanced and innovative training and skills facilities.

Stage Two will connect with the \$85 million Stage One Frankston Learning and Innovation Precinct. It will include new contemporary learning hubs that will enhance the delivery of community services, business, IT and cyber security, Foundation College, art and design, and sport and recreation.

A Student Experience Centre, Student Hub, Showcase Gallery, food and beverage outlets, and staff work areas will complement the learning spaces. Works will commence in July 2021 and create 136 local construction jobs.

“This is how you get people back into education and employment – you give them the very best learning experience possible so they can have faith that the training they are getting is the most up-to-date and relevant available.” The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

DANDENONG CAMPUS

Dandenong Trades Centre

In September, the Victorian Government announced \$6.8 million in funding to enable the consolidation of trade delivery and create the Dandenong Trades' Centre. The redesign and refurbishment will align the Dandenong campus facilities with the newly developed Frankston Trades Building, which Premier Daniel Andrews officially opened in 2019.

Buildings A and B

Built Environment Services commissioned a refurbishment program within Dandenong Buildings A and B to provide improved student facilities supporting the Student Experience Plan, establishing a clear, visible and accessible entry and experience for potential students and clients.

In addition, the new spaces will provide improved staff facilities to support our People Plan and increased interaction and consolidation of business and support staff.

BERWICK CAMPUS

Complementing student enrolment works previously undertaken at Dandenong and Frankston campuses, the Board approved funding for the refurbishment of Berwick Building A in July.

The Berwick campus project refreshed the student enrolment, enquiry and engagement area with improved spaces for the many services provided to prospective and current students. It will also be home to a large, multi-use auditorium and meeting place. The Student Services and Support Hub is due for completion in January 2021.



Student Support and Engagement Hubs

In addition to the Dandenong Trades Centre redevelopment, the \$6.8 million funded the outdated student area's replacement with a fit-for-purpose Student Hub. It will provide a dedicated space for student counselling, equitable learning services, apprenticeship support and a student lounge. The Hub will also create an environment for students to learn about, and engage with, the Indigenous Engagement Unit to better connect services, culture, and community.

Casey Tech School

The Casey Tech School, located at the Berwick campus, continued to inspire and connect young people to the future world of study and work in Melbourne’s south east.

In a year of COVID-related challenges, Casey Tech School had the opportunity to innovate in the delivery and reach of its programs, resources and professional development offerings. Our advanced science, technology, engineering, arts, and mathematics facilities and resources were accessed by 5600 students face-to-face and remotely from across the region and state. The establishment of a Casey Tech School YouTube channel enabled remote learning for 25,000 students and teachers, and we delivered free, remote

professional development programs to more than 100 primary, secondary and tertiary teachers.

Our value to the community was also embedded as more than 500 members of the public, including children, teenagers, adults and elderly groups, accessed free, remote-learning programs after school hours or during the holidays.

Casey Tech School’s professional and teaching staff appreciate Chisholm’s governance and support and the

Victorian Government’s Department of Education and Training and we also recognise the many industries and community partners’ who contributed expertise to the development and delivery of our curriculum programs to meet employers’ existing and future needs.





Apprenticeship Hub

FIRST-YEAR ACHIEVEMENTS FOR APPRENTICESHIP HUB

In its first full 12-month cycle, our Apprenticeship Hub successfully navigated the unexpected challenges of 2020 including the new Victorian Registration and Qualifications Authority Apprenticeship Registration system.

The Hub's focused and centralised model has allowed business and delivery areas from across our Institute to benefit from its assistance and guidance.

The onset of COVID-19 restrictions enabled the Apprenticeship Hub to realise longer-term goals, including software enhancements. The enforced processing of student enrolments remotely led to improved employer and apprentice experience that required less downtime from the worksite.

The Apprenticeship Hub responded to 38,956 phone calls, with two-thirds of those being inbound calls from apprentices, employers and other parties. Prior to 2020 and the Hub's introduction, more than 23,000 inbound enquiries were recorded with responsibility for responding falling to department administrators and education managers.

The main priority for the Hub was resolution at first contact and improved communications. Achieving the aim, with a first contact resolution rate above 78 per cent, also consolidated the significant insights into the challenges experienced by employers and apprentices.

Feedback was regularly sought from employers and apprentices during the year, with very positive responses. All cohorts reported that they received increased support and view the new enquiry response model to be more efficient and tailored to their needs. The Hub's improvement of the employer and student experience delivers on our strategic intent.

Work continued on a range of technology-based projects. These include a refresh of the employer portal, support for employers' sign-off on units, improvements to timely enrolment, and fully automated uploading of EPSILON registrations.

Improved communication flows between the Hub and departments, and streamlined access to information, is the Hub's focus in its second year. The major technological projects, including platform integration, will support the vision for an efficient and effective customer-centred operation.

INITIATIVES

- > Introduction of our first WebChat function, identifying reasons for calls using the PureCloud phone system
- > Remote enrolment utilising IT systems including Green ID
- > Automated segments of enrolment and communication flow utilising workflows in CRM; examples include automated communications post-enrolment
- > Technological migration of two CRMs and two SharePoint databases into a succinct CRM system for departments
- > Creation of dashboards to track pipelines and enrolments in real time
- > A centralised system for training plan management to ensure compliance of first-year initial training plans.

Statistical Overview

CHISHOLM CONSOLIDATED (INCLUDES CHISHOLM ONLINE)

| Student numbers | 2020 | 2019 |
|---|---------------|---------------|
| Government funded accredited programs | 18,587 | 19,707 |
| Fee for service programs | 16,148 | 22,974 |
| (Less) student enrolments in both government accredited programs and fee for service programs | -874 | -1,448 |
| Total net student numbers | 33,861 | 41,233 |

| Student contact hour delivery | 2020 | 2019 |
|--|-------------------|-------------------|
| Government funded accredited programs | 6,222,672 | 7,624,209 |
| Fee for service programs | 4,966,989 | 5,966,277 |
| Total student contact hour delivery | 11,189,661 | 13,590,486 |

| Student numbers by age | 2020 | | 2019 | |
|------------------------|-----------------|---------------|-----------------|---------------|
| | Student numbers | Per cent | Student numbers | Per cent |
| Under 15 | 168 | 0.5% | 193 | 0.5% |
| 15–19 | 11,633 | 34.4% | 12,300 | 29.8% |
| 20–24 | 8,080 | 23.9% | 9,643 | 23.4% |
| 25–39 | 8,253 | 24.4% | 10,754 | 26.1% |
| 40–64 | 5,542 | 16.4% | 7,980 | 19.4% |
| Over 65 | 185 | 0.5% | 360 | 0.9% |
| Not stated | - | 0.0% | 3 | 0.0% |
| Total | 33,861 | 100.0% | 41,233 | 100.0% |

| Student numbers by gender | 2020 | | 2019 | |
|--------------------------------------|-----------------|---------------|-----------------|---------------|
| | Student numbers | Per cent | Student numbers | Per cent |
| Female | 14,475 | 42.7% | 17,590 | 42.7% |
| Male | 19,186 | 56.7% | 23,479 | 56.9% |
| X Indeterminate/Intersex/Unspecified | 200 | 0.6% | 164 | 0.4% |
| Total | 33,861 | 100.0% | 41,233 | 100.0% |

Course enrolment and student contact hours by campus

| Campus | 2020 | | | | 2019 | | | |
|---|--------------------|---------------|-----------------------|---------------|--------------------|---------------|-----------------------|---------------|
| | Course enrolments* | Per cent | Student contact hours | Per cent | Course enrolments* | Per cent | Student contact hours | Per cent |
| Frankston | 8,074 | 20.7% | 2,234,630 | 20.0% | 9,493 | 19.0% | 2,664,102 | 19.6% |
| Dandenong | 7,474 | 19.1% | 1,806,285 | 16.1% | 11,835 | 23.7% | 2,693,031 | 19.8% |
| Offshore Delivery | 5,982 | 15.3% | 2,795,208 | 25.0% | 7,730 | 15.5% | 3,381,889 | 24.9% |
| Berwick | 5,551 | 14.2% | 1,645,925 | 14.7% | 6,198 | 12.4% | 2,002,194 | 14.7% |
| Chisholm Online | 4,361 | 11.2% | 979,449 | 8.8% | 2,776 | 5.6% | 576,783 | 4.2% |
| Workplace | 3,666 | 9.4% | 838,149 | 7.5% | 4,720 | 9.5% | 833,770 | 6.1% |
| Cranbourne | 1,422 | 3.6% | 303,575 | 2.7% | 2,536 | 5.1% | 460,360 | 3.4% |
| Auspiced Schools | 768 | 2.0% | 138,806 | 1.2% | 681 | 1.4% | 135,210 | 1.0% |
| Mornington Peninsula | 555 | 1.4% | 140,149 | 1.3% | 942 | 1.9% | 194,543 | 1.4% |
| Springvale | 437 | 1.1% | 77,084 | 0.7% | 1,029 | 2.1% | 129,574 | 1.0% |
| Adult Migrant English Program (AMEP) campuses | 347 | 0.9% | 64,380 | 0.6% | 865 | 1.7% | 98,572 | 0.7% |
| 3rd Party | 184 | 0.5% | 90,801 | 0.8% | 676 | 1.4% | 280,390 | 2.1% |
| Bass Coast | 157 | 0.4% | 63,250 | 0.6% | 239 | 0.5% | 99,865 | 0.7% |
| Geelong | 50 | 0.1% | 11,552 | 0.1% | 62 | 0.1% | 13,968 | 0.1% |
| Chisholm @ 311 | 4 | 0.0% | 398 | 0.0% | 63 | 0.1% | 14,477 | 0.1% |
| City Campus – Lonsdale Street | 1 | 0.0% | 20 | 0.0% | 73 | 0.1% | 11,758 | 0.1% |
| Total | 39,033 | 100.0% | 11,189,661 | 100.0% | 49,918 | 100.0% | 13,590,486 | 100.0% |

*individual students can choose to enrol at multiple campuses.

Board and Committees

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

Our Institute is structured to encourage innovative and responsive leadership from within and across all levels. Teaching and professional business areas are organised in business groups under the responsibility of members of the Executive Directors Group.

2020 BOARD MEMBERS

| Full name | Category | Term |
|-------------------|---|-----------|
| Stephen Marks | Ministerial Appointed Director, Elected Board Chair | Full year |
| Stephen Varty | Director and Chief Executive Officer | Full year |
| John Bennie | Ministerial Appointed Director | Full year |
| Dr Anne Jones | Ministerial Appointed Director | Full year |
| Dr Mei Ling Doery | Ministerial Appointed Director | Full year |
| Prue Digby | Ministerial Appointed Director | Full year |
| Peter Malone | Staff Elected Director | Full year |
| Lisa Norman | Board Co-opted Director | Full year |
| David Mann | Board Co-opted Director | Full year |
| Geoffrey Cullen | Board Co-opted Director | Full year |



STEPHEN G. MARKS

Ministerial Appointed Director, Elected Board Chair

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



STEPHEN VARTY MAICD

Director and Chief Executive Officer

Stephen has extensive experience in vocational education and has for many years worked closely with government, industry and community to meet and deliver on the strategic needs and objectives of the VET and higher education sectors. Before being appointed CEO of Chisholm Institute, Stephen held the position of Chief of Education, having joined Chisholm in 2015 from Victoria University where he was Director of Innovation and Engagement. Stephen has held a number of senior leadership and managerial positions across VET and higher education sectors, both in the UK and Australia. Stephen holds a Bachelor of Education – VET, a Graduate Certificate in Educational Leadership and a Master of Education, and is a graduate of the Australian Institute of Company Directors.



PRUE DIGBY

Ministerial Appointed Director

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



DR MEI LING DOERY

Ministerial Appointed Director

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



DR ANNE JONES

Ministerial Appointed Director

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



JOHN BENNIE PSM

Ministerial Appointed Director

John has been CEO of Greater Dandenong City Council since 2006. He was previously CEO of Manningham City Council. He is a former director of the South East Melbourne Manufacturers' Alliance; past Chair of the Southern Melbourne Regional Development Australia Committee; past President of LGPro; and past National President of Local Government Managers Australia. He is presently a non-executive Director of MAV Insurance; Deputy Chair of MannaCare Inc.; and, Secretary of the Rotary Club of Templestowe.



LISA NORMAN

Board Co-opted Director

Lisa is CEO of St John of God South East Melbourne Hospitals. This includes St John of God Berwick Hospital, Frankston Rehabilitation Hospital and Pinelodge Clinic in Dandenong. Lisa has worked in the health industry for over 30 years and in executive leadership roles for 19 years. Initially gaining qualifications as a registered nurse, she went on to gain qualifications in critical care nursing specialising in emergency and trauma nursing. She also has a Graduate Certificate in Catholic Leadership and Culture. Lisa has been appointed by the Department of Health and Human Services to the Victorian Clinical Council and is a board member of The Bays Healthcare Group.



DAVID MANN AM FAICD

Board Co-opted Director

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



GEOFFREY CULLEN

Board Co-opted Director

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

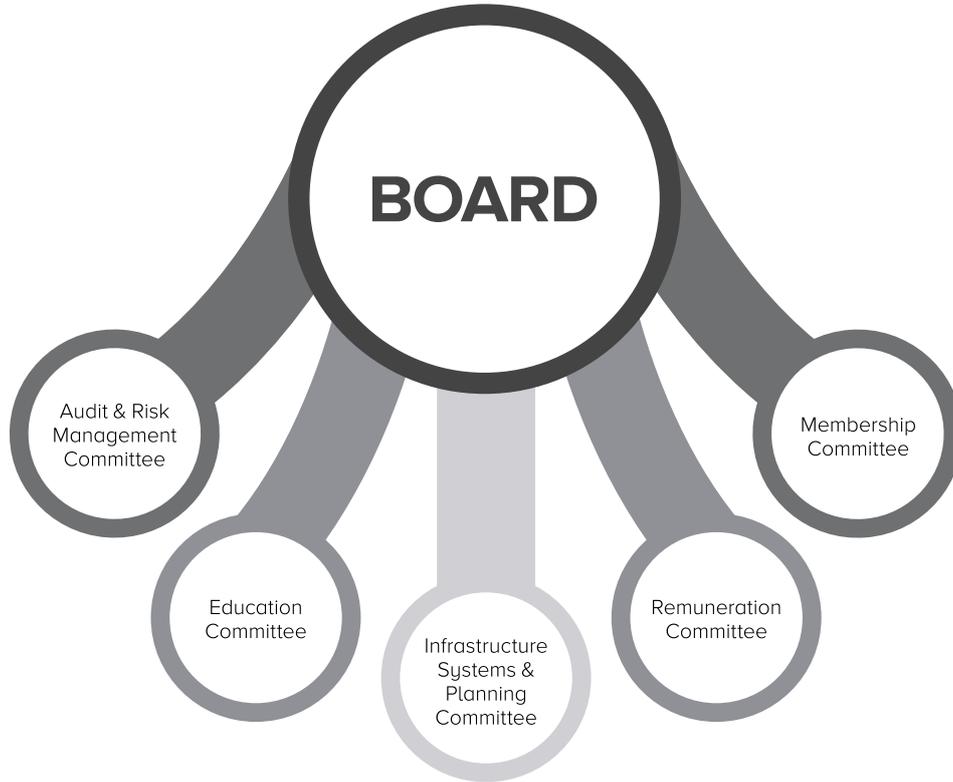


PETER MALONE

Staff Elected Director

Peter recently retired from the Royal Australian Navy after having served over 30 years as an officer both full time and in the Reserves. He performed duties such as Executive Officer and Director of Studies Defence International Training Centre (RAAF Williams), Training Development Manager (HMAS Cerberus) and as an Indonesian linguist and interpreter in Australia, overseas and on foreign warships. Peter has a diverse background including research assistant at CSIRO, teaching English as another language (EAL Monash University), foreign language teaching (Indonesian Swinburne University), many fields of science and technology (pure and applied), manager of a multimedia development centre, curriculum developer and project manager for a number of major materials development projects. Peter has a Bachelor of Applied Science, Graduate Diploma in Education, Master of Education, Graduate Certificate in Computing, Graduate Diploma in TESOL and Graduate Certificate in Indonesian.

Board Committees Chart and Membership



AUDIT AND RISK MANAGEMENT COMMITTEE

Prue Digby

Board Director and Committee Chair

Robert Comelli

Board Co-opted Independent Member

Geoff Cullen

Board Director

Geoff Harry

Board Co-opted Independent Member

Dr Anne Jones

Board Director

EDUCATION COMMITTEE

Dr Anne Jones

Board Director and Committee Chair

Bas Baskaran

Co-opted Independent Member
(from 2/9/20)

Peter Malone

Board Director

Stephen Varty

Board Director and CEO

INFRASTRUCTURE, SYSTEMS AND PLANNING COMMITTEE

Lisa Norman

Board Director and Committee Chair

John Bennie

Board Director

Dr Mei Ling Doery

Board Director

Robert Johnson

Board Co-opted Member

John Papatheohari

Board Co-opted Member

REMUNERATION COMMITTEE

Stephen Marks

Board Chair and Committee Chair

John Bennie

Board Director

Dr Anne Jones

Board Director

MEMBERSHIP COMMITTEE

Stephen Marks

Board Chair and Committee Chair

Dr Anne Jones

Board Director

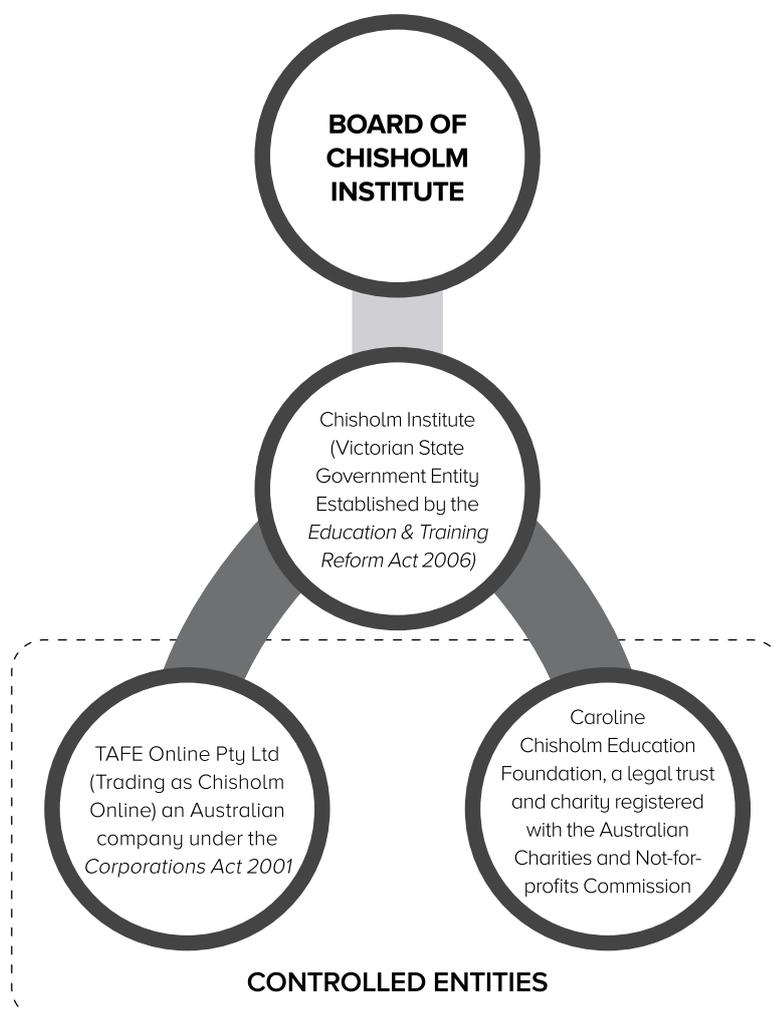
David Mann

Board Director

Stephen Varty

Board Director and CEO

Controlled Entities



DIRECTORS OF TAFE ONLINE PTY LTD (CHISHOLM ONLINE)

Dr Mei Ling Doery
Director

Stephen Marks
Chisholm Online Chair

Stephen Varty
Managing Director

TRUSTEES OF CAROLINE CHISHOLM EDUCATION FOUNDATION

David Willersdorf
Chair

David Mann AM
Chisholm Board Member

Stephen Varty
Chisholm Institute CEO

Robert Hill APM
Community Member

Jane McLennan
Chisholm Institute staff member

Ian Predl AM
Community Member

Billie Stapleton
Community Member

Trish Wilson
Chisholm Institute staff member

Aleksandar Vasiljevic OAM
Community Member

Corporate Governance

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

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

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

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

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

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

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

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

The functions of Chisholm are:

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

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

the functions, duties and obligations conferred or imposed on the Institute by:

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

Executive Directors Group

Chief Executive Officer

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

1 January 2020 – 31 December 2020:
Stephen Varty

Chief Financial Officer

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

1 January 2020 – 31 December 2020:
Toniann Stitz

Chief People Officer

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

19 July 2020 – 31 December 2020:
Delia McIver

Executive Director – People, Culture and Safety

1 January 2020 – 18 July 2020:
Delia McIver

Chief Operating Officer

The Chief Operating Officer develops and improves our Institute's core operating systems to enable the achievement of our Strategic Plan and Operational Plans. The role is responsible for ensuring we achieve our strategic directions by being a key driver of infrastructure for facilities and IT.

1 January 2020 – 31 December 2020:
David Colliver

Chief of Education

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

31 August 2020 – 31 December 2020:
Sandra Walls (interim)

1 January 2020 – 30 August 2020:
(Vacant)

Chief of Staff

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

1 January 2020 – 31 December 2020:
Caitlin Crosby

Chief Commercial Officer

The Chief Commercial Officer is accountable for providing strategic and operational leadership to our commercial functions, both domestically and internationally. The role identifies business opportunities aligned to our Institute's vision to drive growth and deliver revenue targets. The role focuses on business development, operational delivery and management of projects, and plays a key role in supporting international students.

1 January 2020 – 14 April 2020:
Noel Lyons

3 August 2020 – 31 December 2020:
David Saunders (interim)

15 April 2020 – 2 August 2020: (Vacant)

Chief of Student Success and Support

The Chief of Student Success and Support has a key focus on ensuring seamless and enriching end-to-end student service provision. The role drives revenue growth and student retention in an increasingly competitive national and international marketplace, with focus aligned to our vision. The role covers the full range of functions covered in Student Enquiry and Enrolment Services, Marketing and Communication, Student Support and Engagement and Academic Administration.

20 July 2020 – 31 December 2020:
Jane McLennan

Executive Director – Student Success and Support

1 January 2020 – 19 July 2020:
Jane McLennan

People, Culture & Safety

Our People Plan 2019–2021 is well underway, and we made excellent progress towards priority initiatives during 2020.

WORK HEALTH, SAFETY AND WELLBEING

Under the People Plan theme of Safe & Well we focused on delivering initiatives to support workplace health, safety and wellbeing.

- > Respectful Workplace Behaviours training reaffirmed all employees' professional expectations to enjoy an inclusive and diverse workplace.
- > Online, straightforward and quick reporting for hazards, incidents and injuries enabled us to capture 124 events and ensure we can respond proactively to prevent further harm or injury.
- > Regular Occupational Health and Safety Committee meetings and an active health and safety representative group ensured our consultation processes are well utilised. We continued to foster the dialogue between management and employees to improve safety for all.
- > We introduced new emergency communication software to broadcast relevant health and safety or active threat messages to employees in real time and enable timely and managed responses to events.
- > Mental health first aid training was attended by 70 employees, increasing our awareness of what to look for and how to respond to mental health conditions in the workplace.
- > Our partnership with the Springday Community Hub brought many new opportunities for all employees to get involved in a range of body, mind and spirit programs designed and delivered by industry professionals; 247 active users access the resources and participate in the monthly wellbeing campaigns.
- > We purchased a new online, safety audit tool to facilitate the thorough and timely assessment of workplace

risks and enable mitigation actions to be undertaken to protect all employees from injury or harm.

- > We implemented a dedicated employee relations case management solution to enable better business reporting and data analysis for continuous learning and improvement of our policies and workplace practices.
- > An early intervention program, inclusive of policy and procedures, was developed and embedded to reduce the impact of workplace incidents and injuries.
- > We delivered focused education about the industrial manslaughter laws enacted by WorkSafe Victoria during October and November to ensure all senior managers and executives know their occupational health and safety responsibilities.
- > We made regular content updates to the Wellbeing Hub that included current information on My Safety, My Supports and My Wellbeing with a special section on COVID-19 supports and information. Employees frequently used the site (over 20,000 hits in eight months) to access a range of curated resources to enhance their wellbeing. Popular topics included leadership, resilience and adaptability.

WORKFORCE CAPABILITY

Within the People Plan theme of Develop & Grow, we designed and delivered a suite of programs to invest in our employees. The programs included remote delivery of.

- > Via our HR Kiosk portal, we offered 56 professional development workshops, including on business writing skills, managing teams remotely and cultural awareness training.
- > Tailored development programs facilitated for established leaders, two new and emerging leadership

programs, a business partner program and an administrative support program.

- > RUOK? Day was acknowledged through a series of workshops including on mental health at work and managing wellbeing while remote working so that our employees could increase their health literacy and be educated about early intervention.
- > A Workforce Capability Strategy was developed to enable workforce excellence. A Leadership Capability Framework is at the design phase. These will both be embedded in all relevant people processes and initiatives in 2021.

EMPLOYEE EXPERIENCE

Our People Matter Survey results from October, administered by the Victorian Public Sector Commission, revealed substantial increases in two key employee advocacy indices: our Employee Engagement score increased by 6 per cent and our Employee Satisfaction increased by 9 per cent. We believe these results were due to our investment in leadership training and our People Plan initiatives such as the Wellbeing Hub.

Remote and flexible work created new challenges for regular and meaningful communication and ways to maintain engagement and performance. In response, a series of webinars and other forums were introduced, together with frequent communication updates across a range of channels. To monitor employee experience, we distributed a short internal pulse survey during late June. The survey response confirmed employees were receiving timely and relevant information about working during the pandemic and felt well supported by their colleagues and our Institute.

The Victorian Public Service Commission focused on wellbeing in the centrally administered, People Matter Survey during October. Our results for 2020 also revealed that employees felt well informed and supported during the pandemic and had been able to adjust

to, and often benefit from, the changes to the ways of working.

Although our much anticipated annual staff conference was cancelled due to the pandemic, we invested in online webinars through our Wellbeing Hub,

and encouraged team chat and connect sessions. Staff became mindful of the need for regular check-ins with each other including wellbeing events such as RUOK day.

HAZARDS, INCIDENTS AND WORKCOVER

| | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-----------|-------------|
| Total hazard and incident reports* | 124 | 287 | 312 | 306 |
| Total 'lost time' standard WorkCover claims | 10 | 5 | 7 | 8 |
| Total cost of all 'lost time' WorkCover claims** | \$1,433,030 | \$173,843 | \$401,005 | \$171,392 |
| Number of hazard and incident reports*** | 11.28 | 25.72 | 31.45 | 34.15 |
| Number of 'lost time' standard WorkCover claims**** | 0.91 | 0.45 | 0.71 | 0.89 |
| Accepted WorkCover claims | 12 | 9 | 8 | 8 |
| Accepted and rejected WorkCover claims | 13 | 11 | 9 | 13 |
| Total cost of WorkCover claims ***** | \$2,179,272 | \$1,517,774 | \$968,718 | \$1,309,198 |
| Average costs per WorkCover claim | \$68,102 | \$16,888 | \$44,556 | \$14,964 |

Notes:

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

** Total cost includes total compensation paid and Statistical Case Estimate (SCE)

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

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

***** All premium sensitive claims

Of the 12 accepted claims in 2020, only one claimant has not returned to work and continues to receive active claims and injury management support.

Our WorkCover employer performance rating improved from 12.0049% below the industry comparator (2019–2020) to 1.8993% below the industry comparator (2020–2021).

Our continuing focus on early and proactive injury management (including personal injury) will drive further improvement in WorkCover performance for 2020–2021.

2020

| | |
|---------------------------------------|----|
| Number of new claims for WorkCover | 13 |
| Accepted claims | 12 |
| Rejected claims | 1 |
| Pending WorkCover decisions | - |
| Conciliation after rejection of claim | 1 |

On a rolling average, the number of premium sensitive claims at the end of 2020 was 32.

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|------|------|------|------|------|
| No. of accepted claims | 3 | 8 | 8 | 9 | 12 |

Workforce Data

Performance and Accountability Framework Full Time equivalent (FTE) Table (January 2019 – December 2020)

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

| Dec 2020 | Full time | | Part time | | Teacher | Casual | Total |
|--------------|--------------|--------------|--------------|-------------|--------------|-----------|-------------|
| | Ongoing | Fixed term | Ongoing | Fixed term | | Other | |
| PACCT staff | 171.4 | 199.6 | 45.7 | 27.5 | - | 22 | 466.2 |
| Executive | - | 6.7 | - | 0.2 | - | - | 6.9 |
| Other | - | - | - | - | - | - | - |
| Teacher | 221.1 | 78.1 | 65.1 | 12.8 | 248.8 | - | 625.9 |
| Total | 392.5 | 284.4 | 110.8 | 40.5 | 248.8 | 22 | 1099 |

| Dec 2019 | | | | | | | |
|--------------|--------------|--------------|--------------|-------------|--------------|-------------|---------------|
| Dec 2019 | Full time | | Part time | | Teacher | Casual | Total |
| | Ongoing | Fixed term | Ongoing | Fixed term | | Other | |
| PACCT staff | 164.4 | 170.2 | 40.4 | 22.6 | NA | 25.8 | 423.4 |
| Executive | - | 10.1 | - | 0.2 | NA | - | 10.3 |
| Other | - | - | - | - | NA | - | - |
| Teacher | 222.8 | 115.1 | 66.3 | 11.4 | 266.5 | NA | 682.1 |
| Total | 387.2 | 295.4 | 106.7 | 34.2 | 266.5 | 25.8 | 1115.8 |

Workforce Disclosures Headcount (December 2019 – December 2020)

| Dec 2020 | All employees | | | | Ongoing | Fixed term and casual | |
|------------------------|-----------------------|---------------|--------------------------|--------------------------|--------------|-----------------------|--------------|
| | Number (headcount) | FTE | Full time (headcount) | Part time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | |
| Women executives | 5 | 4.2 | 4 | 1 | - | 5 | 4.2 |
| Women (total staff) | 1080 | 647.0 | 224 | 155 | 291.0 | 701 | 356.0 |
| Men executives | 4 | 2.7 | 4 | - | - | 4 | 2.7 |
| Men (total staff) | 691 | 451.9 | 214 | 32 | 211.6 | 445 | 240.4 |
| Self-described | - | - | - | - | - | - | - |
| Age | | | | | | | |
| 15–24 | 49 | 19.2 | - | 2 | 0.8 | 47 | 18.4 |
| 25–34 | 260 | 156.2 | 43 | 21 | 50 | 196 | 106.3 |
| 35–44 | 421 | 257.2 | 107 | 37 | 111 | 277 | 146.2 |
| 45–54 | 496 | 325.9 | 139 | 50 | 156.6 | 307 | 169.3 |
| 55–64 | 427 | 278.5 | 121 | 54 | 147.4 | 252 | 131.1 |
| Over 64 | 118 | 61.9 | 28 | 23 | 36.8 | 67 | 25.1 |
| Total employees | 1771 | 1098.9 | 438 | 187 | 502.6 | 1146 | 596.4 |

Workforce Disclosures Headcount (December 2019 – December 2020) (CONTINUED)

| Dec 2019 | All employees | | | | Ongoing | Fixed term and casual | |
|------------------------|-----------------------|---------------|--------------------------|--------------------------|--------------|-----------------------|--------------|
| | Number (headcount) | FTE | Full time (headcount) | Part time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | |
| Women executives | 10 | 6 | 10 | - | - | 10 | 6 |
| Women (total staff) | 1075 | 636 | 226 | 145 | 287.9 | 704 | 348.2 |
| Men executives | 7 | 5 | 7 | - | - | 7 | 5 |
| Men (total staff) | 752 | 479.8 | 217 | 34 | 206 | 501 | 273.7 |
| Self-described | - | - | - | - | - | - | - |
| Age | | | | | | | |
| 15–24 | 55 | 19.2 | 4 | 2 | 2.8 | 49 | 16.4 |
| 25–34 | 261 | 144.4 | 45 | 18 | 44.9 | 198 | 99.5 |
| 35–44 | 419 | 258.1 | 106 | 36 | 113.3 | 277 | 144.7 |
| 45–54 | 522 | 337.6 | 134 | 47 | 150 | 341 | 187.5 |
| 55–64 | 437 | 287.7 | 129 | 58 | 151.8 | 250 | 135.9 |
| Over 64 | 133 | 68.9 | 25 | 18 | 31.2 | 90 | 37.7 |
| Total employees | 1827 | 1115.8 | 443 | 179 | 493.9 | 1205 | 621.9 |

Notes: Our workforce FTE remained relatively stable during 2020 and did not alter significantly from 2019. We are pleased to have maintained employment continuity for our employees during the pandemic, flowing through to as much continuity for our students as possible. The small reduction in Executive FTE resulted from a restructure of Executive roles during mid-2020.

Our workforce data is measured in two ways, FTE (the number of individuals who worked hours considered equivalent to full-time in the period) and Headcount (all individuals who were employed in any capacity - full-time, part-time or casual at a point in time snapshot or an annualised view for the period).

GENERAL STATEMENT ON INDUSTRIAL RELATIONS

To strengthen our support processes for employees, we introduced new policies for resolving general concerns, and an informal approach to workload review. These complement the formal dispute resolution procedures in our Industrial Agreements, and we continue to take an early intervention approach wherever possible. Our Code of Conduct and Conflict of Interest policies were updated to reflect contemporary practices and we maintained productive working relationships with our union

partners, the Australian Education Union and the National Tertiary Education Union. A Speaking Up Awareness program was designed in 2020 and will be delivered in 2021 to guide and support all employees to express their ideas and concerns constructively and openly.

PUBLIC SECTOR EMPLOYMENT AND CONDUCT PRINCIPLES

Our employment policies and processes are based on the principle of merit, relevant awards, enterprise agreements, statutory requirements

and best practice public sector approaches. Enhancements to our online recruitment and onboarding processes were introduced to improve how we attract talent and position new employees to succeed. Our induction programs are tailored for teachers and professional employees and we are committed to enhancing the employee experience through equal opportunity and fair and transparent processes. In 2020 we offered new temporary flexible working arrangements and policy to better support our people's lifestyles and wellbeing.

Financial Performance Summary

Chisholm Group, comprising Chisholm Institute, TAFE Online Pty Ltd (trading as Chisholm Online) recorded a net surplus of \$9.5 million (2019: \$0.9 million surplus) compared to a Board-approved budget net deficit of \$10.6 million and Caroline Chisholm Foundation.

The financial outcome in 2020 was due to COVID-19 funding provided by the State government, additional once-off grants, staff utilisation and lower expenses achieved through cost constraint. COVID-19 business continuity and crisis funding enabled Chisholm

Group to maintain training revenue levels which was used to sustain staffing and COVID-19-related expenses.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | | |
| Summary of financial results | | | | | |
| Total income from transactions | 175,726 | 174,449 | 175,735 | 165,564 | 141,123 |
| Total expenses from transactions | 166,370 | 173,607 | 150,205 | 132,216 | 121,724 |
| Net result from transactions (net operating balance) | 9,356 | 842 | 25,530 | 33,348 | 19,399 |
| Other economic flows included in net result | 101 | 58 | (23) | (156) | (5,954) |
| Net result | 9,457 | 900 | 25,507 | 33,192 | 13,445 |
| Other economic flows – other comprehensive income | - | - | - | 18,325 | 9,804 |
| Comprehensive result | 9,457 | 900 | 25,507 | 51,517 | 23,249 |

As at 31 December 2020, Chisholm Group's consolidated net assets were \$410.5 million, up from \$401.0 million in 2019. The increase in net assets is primarily due to the cash position, offset by increased leave provisions as staff reduced their leave taken throughout 2020.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | | |
| Summary of financial position | | | | | |
| Total assets | 455,183 | 443,268 | 431,765 | 396,949 | 344,822 |
| Total liabilities | 44,713 | 42,255 | 31,652 | 22,343 | 21,732 |
| Net assets | 410,470 | 401,013 | 400,113 | 374,606 | 323,090 |

Attestations

I, Stephen G Marks, on behalf of the Responsible Body, certify that for the period 1 January 2020 to 31 December 2020, Chisholm Institute has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



STEPHEN G MARKS

Board Chair, Chisholm Institute

Date: 24 February 2021

Place: via remote audio-visual meeting,
State of Victoria

Consolidated Financial Statements

For the year ending 31 December 2020

VAGO Independent Auditor's Report



Independent Auditor's Report

To the Board of Chisholm Institute

| | |
|--|--|
| Opinion | <p>I have audited the consolidated financial report of Chisholm Institute (the institute) and its controlled entities (together the consolidated entity) which comprises the:</p> <ul style="list-style-type: none">• consolidated entity and institute balance sheet as at 31 December 2020• consolidated entity and institute comprehensive operating statement for the year then ended• consolidated entity and institute statement of changes in equity for the year then ended• consolidated entity and institute cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Declaration by the Chair of the Board, Chief Executive Officer and Chief Finance Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the institute as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Board's responsibilities for the financial report | <p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute 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.</p> |

VAGO Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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.



Declaration by Chair of the Board, Chief Executive Officer and Chief Finance Officer

We certify that the attached financial statements for Chisholm Institute and the consolidated entity have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Standards including interpretations, 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 accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended

31 December 2020 and financial position of the Institute and the Consolidated Group as at 31 December 2020.

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

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



STEPHEN G MARKS

Board Chair

Date: 24 February 2021

Place: via remote audio-visual meeting, State of Victoria



STEPHEN VARTY

Director and Chief Executive Officer

Date: 24 February 2021

Place: via remote audio-visual meeting, State of Victoria



TONIANN STITZ

Chief Finance Officer

Date: 24 February 2021

Place: via remote audio-visual meeting, State of Victoria

COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2020

| | Notes | Consolidated | | Chisholm | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Continuing operations | | | | | |
| Revenue and income from transactions | | | | | |
| Government contributions | 2.1 | 125,057 | 111,013 | 114,513 | 105,486 |
| Revenue from fees, charges and sales | 2.2 | 49,412 | 61,139 | 48,175 | 60,159 |
| Other income | 2.3 | 1,257 | 2,297 | 3,761 | 2,878 |
| Total revenue and income from transactions | | 175,726 | 174,449 | 166,449 | 168,523 |
| Expenses from transactions | | | | | |
| Employee benefits | 3.1.1 | 109,332 | 107,411 | 103,041 | 103,097 |
| Depreciation and amortisation | 3.6 | 12,668 | 11,725 | 12,345 | 11,405 |
| Supplies and services | 3.3 | 33,517 | 37,995 | 33,370 | 37,894 |
| Finance costs – right of use assets | 3.5 | 67 | 89 | 67 | 89 |
| Other operating expenses | 3.4 | 10,786 | 16,387 | 10,647 | 16,240 |
| Total expenses from transactions | | 166,370 | 173,607 | 159,470 | 168,725 |
| Net result from transactions | | 9,356 | 842 | 6,979 | (202) |
| Other economic flows included in net result | 9.1 | 101 | 58 | 100 | 58 |
| Net result | | 9,457 | 900 | 7,079 | (144) |
| Comprehensive result | | 9,457 | 900 | 7,079 | (144) |

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

BALANCE SHEET

As at 31 December 2020

| | Notes | Consolidated | | Chisholm | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | |
| Financial assets | | | | | |
| Cash on hand and at call | 6.1 | 68,205 | 54,908 | 64,526 | 54,099 |
| Receivables | 5.1 | 4,450 | 7,039 | 6,521 | 9,365 |
| Contract assets | 5.2 | 11,967 | 9,622 | 11,738 | 9,237 |
| Investments and other financial assets | 4.4 | 522 | 516 | 6,000 | 6,000 |
| Total financial assets | | 85,144 | 72,085 | 88,785 | 78,701 |
| Non-financial assets | | | | | |
| Property, plant and equipment | 4.1 | 356,498 | 360,932 | 356,498 | 360,932 |
| Right of use assets | 4.1 | 1,722 | 1,640 | 1,722 | 1,640 |
| Intangible assets | 4.2 | 8,235 | 6,196 | 7,422 | 5,388 |
| Other non-financial assets | 5.3 | 3,584 | 2,415 | 3,561 | 2,400 |
| Total non-financial assets | | 370,039 | 371,183 | 369,203 | 370,360 |
| Total assets | | 455,183 | 443,268 | 457,988 | 449,061 |
| Liabilities | | | | | |
| Employee provisions | 5.6 | 15,239 | 12,388 | 15,050 | 12,276 |
| Payables | 5.4 | 9,751 | 9,389 | 10,691 | 10,336 |
| Borrowings | 6.2 | 1,008 | 1,009 | 1,008 | 1,009 |
| Lease liabilities | 6.4 | 1,676 | 1,631 | 1,676 | 1,631 |
| Contract liabilities | 5.5 | 17,039 | 17,838 | 16,443 | 17,768 |
| Total liabilities | | 44,713 | 42,255 | 44,868 | 43,020 |
| Net assets | | 410,470 | 401,013 | 413,120 | 406,041 |
| Equity | | | | | |
| Accumulated surplus | | 246,245 | 236,788 | 248,895 | 241,816 |
| Contributed capital | 6.3 | 85,387 | 85,387 | 85,387 | 85,387 |
| Reserves | 9.2 | 78,838 | 78,838 | 78,838 | 78,838 |
| Net worth | | 410,470 | 401,013 | 413,120 | 406,041 |

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 2020

| | Note | Physical assets revaluation surplus | Accumulated surplus | Contributions by owners | Total equity |
|------------------------------------|----------|--|------------------------|----------------------------|-----------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | | |
| At 1 January 2019 | | 78,838 | 235,888 | 85,387 | 400,113 |
| Net result for the year | | - | 900 | - | 900 |
| Year ended 31 December 2019 | | 78,838 | 236,788 | 85,387 | 401,013 |
| Net result for the year | | - | 9,457 | - | 9,457 |
| Year ended 31 December 2020 | 6.3, 9.2 | 78,838 | 246,245 | 85,387 | 410,470 |
| Chisholm | | | | | |
| At 1 January 2019 | | 78,838 | 241,960 | 85,387 | 406,185 |
| Net result for the year | | - | (144) | - | (144) |
| Year ended 31 December 2019 | | 78,838 | 241,816 | 85,387 | 406,041 |
| Net result for the year | | - | 7,079 | - | 7,079 |
| Year ended 31 December 2020 | 6.3, 9.2 | 78,838 | 248,895 | 85,387 | 413,120 |

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

CASH FLOW STATEMENT

For the year ended at 31 December 2020

| | Notes | Consolidated | | Chisholm | |
|--|--------------|------------------|------------------|------------------|------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | | |
| Receipts | | | | | |
| Government contributions | | 135,834 | 120,341 | 124,069 | 114,814 |
| User fees and charges received | | 51,151 | 71,976 | 49,853 | 71,918 |
| Goods and services tax recovered | | 321 | - | 531 | - |
| Interest received | | 347 | 901 | 335 | 873 |
| Other receipts | | 999 | 1,648 | 3,517 | 2,257 |
| Total receipts from operating activities | | 188,652 | 194,866 | 178,305 | 189,862 |
| Payments | | | | | |
| Payments to employees | | (106,482) | (108,172) | (100,267) | (102,963) |
| Payments to suppliers | | (58,565) | (62,790) | (57,637) | (62,545) |
| Goods and services tax paid | | - | (734) | - | (688) |
| Interest paid – lease liability | | (67) | (89) | (67) | (89) |
| Total payments from operating activities | | (165,114) | (171,785) | (157,971) | (166,285) |
| Net cash flows from / (used in) operating activities | 6.1.1 | 23,538 | 23,081 | 20,334 | 23,577 |
| Cash flows from investing activities | | | | | |
| Redemptions of / (payments for) investments | | (5) | 25,871 | - | 25,000 |
| Payments for non-financial assets | | (9,021) | (28,700) | (8,693) | (28,154) |
| Proceeds from sales of non-financial assets | | 35 | 11 | 35 | 11 |
| Net cash flows from / (used in) investing activities | | (8,991) | (2,818) | (8,658) | (3,143) |
| Cash flows from financing activities | | | | | |
| Repayment of borrowings | | - | (351) | - | (351) |
| Payment of lease liabilities | | (1,250) | (1,342) | (1,250) | (1,342) |
| Net cash flows from / (used in) financing activities | | (1,250) | (1,693) | (1,250) | (1,693) |
| Net increase / (decrease) in cash and cash equivalents | | 13,297 | 18,570 | 10,426 | 18,741 |
| Cash and cash equivalents at the beginning of the financial year | | 54,908 | 36,338 | 54,100 | 35,358 |
| Cash and cash equivalents at end of the financial year | 6.1 | 68,205 | 54,908 | 64,526 | 54,099 |

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

Contents of the notes to the consolidated financial statements

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1. ABOUT THIS REPORT

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

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

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

Its registered office and principal address is:
Chisholm Institute
121 Stud Road
Dandenong VIC 3175
Australia

1.1 Basis of preparation

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

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

Judgements, estimates and assumptions are required to be made about the financial information being presented.

The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements made by management in the application of Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

- > the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- > actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.6);
- > the recognition of revenue in relation to contracts with customers (refer to Note 2.2);
- > AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4);
- > whether or not Chisholm Institute has control over TAFE Online Pty Ltd and Caroline Chisholm Education Foundation (refer to Note 9.4); and
- > whether or not AASB 1059 *Service Concession Arrangements: Grantors* is applicable.

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

Goods and Services Tax (GST)

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

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

Basis of consolidation

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

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

Funding risk

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

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

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

Due to funding support from the State government during COVID-19, there has been no significant change in Chisholm Group’s exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period. The impact of COVID-19 is discussed further in Note 1.3.

Restatement of prior year numbers

Some amounts from 2019 differ from prior year published figures. Restatements are not material and have been done for comparative purposes only.

1.2 Compliance information

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

1049 *Whole of Government and General Government Sector Financial Reporting.*

For the purposes of preparing financial statements, Chisholm Group is classed as a not-for-profit entity. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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

1.3 Impact of COVID-19

On 16 March 2020, a state of emergency was declared in Victoria due to the global pandemic COVID-19, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities, various restrictions were announced and implemented by the state government, which in turn impacted the manner in which businesses operate, including Chisholm Institute and its controlled entities.

During the year, COVID-19 has had a material impact on the operations of Chisholm Group and as a consequence has resulted in a number of material impacts on performance, as well as the judgements and estimates used in assessing balances.

Chisholm Group's response to the pandemic included the following:

- > transfer to remote learning for approximately 35,000 students and transitioning of approximately 1,300 staff to remote working arrangements;
- > where critical training was delivered on campus, learning facilitators were put in place to ensure COVID-19 safety protocols were adhered to, and additional teachers were utilised to restrict the numbers in classrooms;
- > increased scheduled cleaning of all campuses as well as the purchase of essential personal protective equipment including sanitiser and disinfectant wipes;

- > scenario planning for financial and training delivery impacts, used to support decision-making;
- > enacted business continuity plans and implemented a pandemic risk register;
- > regular meetings of Chisholm Group executive committee to discuss on-going changes to delivery and working arrangements and appropriate responses to government announcements, including the development of a COVID-19 safe plan.
- > establishment of a COVID-19 working group, which met regularly to discuss the changes put in place by Chisholm Group and to address any student and staff queries;
- > staff training and online modules were rolled out to staff and contractors regarding COVID-19 safe work practices;
- > increased staff communications via Chisholm Group's 'People Talk' email newsletter; and
- > assistance by the Caroline Chisholm Education Foundation with the provision of loan laptops and Wi-Fi dongles to students in need.

Key impacts on performance

Revenue

COVID-19 impacted Chisholm Group's ability to achieve revenue diversity targets. Fee for service revenue was down \$7.8 million or 19% against target, driven by declines within International, Industry and Short Courses. Total revenue targets were achieved due to COVID-19-related grant revenue.

The Department of Education and Training provided funding designed to cover lost revenue and additional direct and indirect COVID-19 related costs. This included:

- > once-off crisis support funding of \$5.8 million to assist Chisholm Group in meeting operational and employment costs; and
- > business continuity grants totalling \$22.1 million as an initiative to support business continuity during the Commonwealth and State government response to COVID-19. This initiative supported the transfer to online and remote delivery, enabled Chisholm Group to maintain staffing levels, and maintain government funding at pre-pandemic levels.

In contrast, TAFE Online Pty Ltd's 2020 revenue was 176% of 2019 revenue due to the increased take-up of online training and learning.

Chisholm Group achieved net enrolled Student Contact Hours for Skills First of 6,222,672 in 2020, down 11% from the pre-COVID-19 target. Of this, 1,446,425 (23%) Student Contact Hours were deferred to 2021, primarily due to the delay of placements for courses within Early Childhood and Nursing, and delayed training of some practical activities and assessments.

Expenses

Chisholm Group's daily activities were tightly managed throughout the pandemic, resulting in direct and indirect costs being impacted. Cost reductions have occurred in building maintenance, domestic and international travel, general office supplies, professional development and on-campus events such as the annual student awards ceremony.

These cost reductions were offset in part by the following additional COVID-19-related costs:

- > salary costs relating to learning facilitators to reinforce and ensure COVID-19 safety procedures were adhered to;
- > salary costs relating to additional teachers due to required smaller class sizes for essential on-campus delivery;
- > increased cleaning services and the purchase of personal protective equipment;
- > course development costs as a result of transitioning to remote learning, including consultant costs; and
- > increased staffing costs due to the reduction of staff leave being taken throughout the year.

Employee provisions

COVID-19 forced the cancellation of planned leave by staff due to lockdown restrictions implemented by the state government. As a result, leave provisions have increased by \$2.8 million (2019: \$1.4 million). This is discussed in Note 5.6.

Liquidity risk

Impacts on training delivery and maintaining staffing levels was mitigated by the funding initiatives of the State government in the form of crisis funding

and business continuity grants. This ensured liquidity was maintained which enabled Chisholm Group to achieve a surplus in 2020 to ensure financial viability into 2021.

Key impacts on accounting treatments and estimates

Fair value of non-financial physical assets

Given the essential service, ongoing training delivery and staff working arrangements, there has been no material impact on the fair value of non-financial physical assets. This is discussed in Note 7.3.

2. HOW WE EARNED OUR FUNDS

This section presents the sources and amounts of revenue raised by Chisholm Group. Contributions are received from both state and commonwealth government, and from other fees and charges.

2.1 Government contributions

2.1.1 Government contributions – operating

| | Consolidated | | Chisholm | |
|---|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Grants and other transfers | | | | |
| Government contributions - operating | | | | |
| State government - contestable | 89,962 | 81,793 | 79,550 | 76,271 |
| State government - other contributions | 35,111 | 26,406 | 34,979 | 26,401 |
| Total Government contributions - operating | 125,073 | 108,199 | 114,529 | 102,672 |

In 2020, Chisholm Group received \$5.8 million in crisis support funding to assist them with its immediate response to the pandemic, and \$22.1 million in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels. The impact of COVID-19 is discussed further in Note 1.3.

Significant judgement is applied to assess if a grant or contract is enforceable and contains sufficiently specific performance obligations.

Where grants or contracts are recognised over time, the input method of costs incurred to date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred to date mainly comprise salaries; accordingly, costs incurred to date is the best measure of the transfer of control over the service or product.

Revenue is measured at the amount of consideration to which Chisholm Group expects to be entitled in exchange for transferring promised goods or services to a customer. Specific revenue recognition criteria are set out in the following table.

| Revenue | Nature | Performance obligation | Timing of satisfaction |
|---------------------------------------|---|----------------------------------|---|
| State government – contestable | Refers to contributions received from a limited pool of government funding for which Chisholm Group must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system. | Provision of education services. | Over time, as the student receives and consumes the educational services. |

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.1 Government contributions (continued)

| Revenue | Nature | Performance obligation | Timing of satisfaction |
|--|--|--|--|
| State government – other contributions | Refers to funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts. | These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised on receipt or when the right to receive payment is established. | |
| | | Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations. | At the point-in-time when the final product is delivered. Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided. |
| | | Provision of a specific number of internships with an industry partner. | At the point in time when each internship is completed. Transaction price is the amount agreed with the customer for each internship. |

2.1.2 Government contributions – capital

| | Consolidated | | Chisholm | |
|---|--------------|--------------|-------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Grants and other transfers | | | | |
| Government contributions - capital | | | | |
| State government - capital | (16) | 2,814 | (16) | 2,814 |
| Total government contributions – capital | (16) | 2,814 | (16) | 2,814 |

Note: 2020 revenue is negative due to capital contributions recognised as revenue in 2019 but unspent at year-end being reclassified as operating contributions in the following year.

| Revenue | Nature | Performance obligation | Timing of satisfaction |
|----------------------------|---|--|--|
| State government – capital | Where Chisholm Group receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by Chisholm Group. | To acquire or construct a non-financial asset. | Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred to date because the costs of construction are the best measure of the stage of completion of the building. |

2.2 Revenue from fees, charges and sales

| | Consolidated | | Chisholm | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Student fees and charges | 15,311 | 19,994 | 14,358 | 19,145 |
| Fee for service – government | 19,394 | 21,003 | 19,394 | 21,003 |
| Fee for service – international operations – onshore | 4,755 | 6,057 | 4,755 | 6,057 |
| Fee for service – international operations – offshore | 3,252 | 7,467 | 3,252 | 7,467 |
| Fee for service – other | 6,581 | 6,238 | 6,297 | 6,107 |
| Other non-course fees and charges | | | | |
| Sale of goods | 119 | 380 | 119 | 380 |
| Total revenue from fees, charges and sales | 49,412 | 61,139 | 48,175 | 60,159 |

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.2 Revenue from fees, charges and sales (continued)

The following table provides a breakdown of revenue from fees, charges and sales based on the location of course delivery:

| | Student fees and charges | Fee for service | Sale of goods | Total |
|---|-----------------------------|-----------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | |
| Bass Coast | 48 | - | - | 48 |
| Berwick | 2,416 | 3,895 | - | 6,311 |
| Cranbourne | 812 | 798 | 9 | 1,619 |
| Dandenong | 3,385 | 12,885 | 4 | 16,274 |
| Frankston | 4,486 | 5,420 | 1 | 9,907 |
| Mornington Peninsula | 245 | 213 | 3 | 461 |
| International Projects | - | 3,252 | - | 3,252 |
| Online Delivery | 970 | 322 | - | 1,292 |
| Off-site Delivery | 850 | 3,257 | - | 4,107 |
| Other | 2,099 | 3,940 | 102 | 6,141 |
| Total revenue from fees, charges and sales | 15,311 | 33,982 | 119 | 49,412 |
| Consolidated 2019 | | | | |
| Bass Coast | 99 | 4 | - | 103 |
| Berwick | 3,477 | 4,277 | - | 7,754 |
| Cranbourne | 1,208 | 1,049 | 54 | 2,311 |
| Dandenong | 4,896 | 14,672 | 16 | 19,584 |
| Frankston | 5,558 | 5,794 | 22 | 11,374 |
| Mornington Peninsula | 357 | 230 | 24 | 611 |
| International Projects | - | 7,405 | - | 7,405 |
| Online Delivery | 849 | 131 | - | 980 |
| Off-site Delivery | 1,130 | 4,920 | - | 6,050 |
| Other | 2,420 | 2,283 | 264 | 4,967 |
| Total revenue from fees, charges and sales | 19,994 | 40,765 | 380 | 61,139 |

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.2 Revenue from fees, charges and sales (continued)

| | Student fees and charges | Fee for service | Sale of goods | Total |
|---|-----------------------------|-----------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Chisholm 2020 | | | | |
| Bass Coast | 48 | - | - | 48 |
| Berwick | 2,416 | 3,895 | - | 6,311 |
| Cranbourne | 812 | 798 | 9 | 1,619 |
| Dandenong | 3,385 | 12,885 | 4 | 16,274 |
| Frankston | 4,486 | 5,420 | 1 | 9,907 |
| Mornington Peninsula | 245 | 213 | 3 | 461 |
| International Projects | - | 3,252 | - | 3,252 |
| Online Delivery | 23 | 38 | - | 61 |
| Off-site Delivery | 850 | 3,257 | - | 4,107 |
| Other | 2,093 | 3,940 | 102 | 6,135 |
| Total revenue from fees, charges and sales | 14,358 | 33,698 | 119 | 48,175 |

| | | | | |
|---|---------------|---------------|------------|---------------|
| Chisholm 2019 | | | | |
| Bass Coast | 99 | 4 | - | 103 |
| Berwick | 3,477 | 4,277 | - | 7,754 |
| Cranbourne | 1,208 | 1,049 | 54 | 2,311 |
| Dandenong | 4,896 | 14,672 | 16 | 19,584 |
| Frankston | 5,558 | 5,794 | 22 | 11,374 |
| Mornington Peninsula | 357 | 230 | 24 | 611 |
| International Projects | - | 7,405 | - | 7,405 |
| Online Delivery | - | - | - | - |
| Off-site Delivery | 1,130 | 4,920 | - | 6,050 |
| Other | 2,420 | 2,283 | 264 | 4,967 |
| Total revenue from fees, charges and sales | 19,145 | 40,634 | 380 | 60,159 |

The timing of satisfaction of a sufficiently specific performance obligation and the amount of revenue to be allocated to each performance obligation involves significant judgement. The accounting policy below outlines the material performance obligations, and how and when these are satisfied.

Revenue for student fees and charges is recognised as the course is delivered to the student and is measured as the amount the Chisholm Group expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.

Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent and student accommodation revenue is recognised as Chisholm Group provides the accommodation or use of the space to the student or the public.

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

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.2 Revenue from fees, charges and sales (continued)

| Revenue | Nature | Performance obligation | Timing of satisfaction |
|---|--|---------------------------------|--|
| Student fees and charges | Chisholm Group provides educational services to the general public, both nationally and internationally. | Provision of education services | Course fees and charges revenue is recognised as the course is delivered to the student and is measured as the amount the Chisholm Group expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability. |
| Fee for service – government, international operations | Fee for service relates to course fees funded by government or students. | Provision of services | 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 a contract liability. |
| Fee for service – other | Relates to non-course fees and charges. | Provision of services | Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent is recognised as Chisholm Group provides the use of space to the public. |
| Revenue from sale of goods | | Delivery of goods | Revenue is recognised when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately. |

Revenue recognised in relation to contract liabilities

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

| | Consolidated | | Chisholm | |
|--|---------------|--------------|---------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | | | | |
| Student fees and charges | 4,438 | 6,128 | 4,381 | 6,079 |
| Fee for service | 1,872 | 384 | 1,859 | 380 |
| Other | 5,023 | 2,477 | 5,027 | 2,477 |
| Total | 11,333 | 8,989 | 11,267 | 8,936 |

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.2 Revenue from fees, charges and sales (continued)

Transaction price allocated to remaining performance obligations

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

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

| | 2021 | 2022 | 2023 |
|-----------------------------------|--------|--------|--------|
| | \$'000 | \$'000 | \$'000 |
| Consolidated | | | |
| Revenue expected to be recognised | 17,039 | - | - |
| Chisholm | | | |
| Revenue expected to be recognised | 16,443 | - | - |

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

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

Payment terms

The payment terms for student fees are as follows:

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

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

2.3 Other income

| | Consolidated | | Chisholm | |
|---------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest income | 347 | 823 | 333 | 795 |
| Scholarships | 128 | 322 | 25 | 70 |
| Rental income | 213 | 383 | 213 | 383 |
| Donations and bequests | 5 | 40 | - | - |
| Overhead recovery | - | - | 2,367 | 894 |
| Revenue recovery | - | - | 261 | 1 |
| Other | 564 | 729 | 562 | 735 |
| Total other income | 1,257 | 2,297 | 3,761 | 2,878 |

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.3 Other income (continued)

| Revenue | Nature | Performance obligation | Timing of satisfaction |
|--------------------------------------|---|---|---|
| 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. | None | Recognised taking into account the effective interest rates applicable to the financial assets. |
| Rental income | Chisholm Group receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. Chisholm Group also receives rental income from long term lease arrangements with third parties. | Provision of services | Rental income is recognised on a time proportional basis and is brought to account when Chisholm Group's right to receive the rental is established. |
| Scholarships, donations and bequests | From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE, or to cover the cost of tuition for disadvantaged students. Typically, donations and bequests do not contain performance obligations that are sufficiently specific. | None | Recognised on receipt, when there are no sufficiently specific performance obligations or it cannot be identified when the obligation is satisfied. Typically, the stated purpose of the gift is not specific enough for the requirements of the standard. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied. |
| Overhead recovery | Charged by Chisholm Institute to its subsidiary, TAFE Online Pty Ltd, to cover costs such as rent, utilities and corporate services (e.g. Finance, Human Resources). | None | Overhead is calculated as a percentage of Skills First revenue recognised by TAFE Online Pty Ltd, with revenue recognised by Chisholm Institute and the expense recognised by TAFE Online Pty Ltd at the time of Skills First revenue recognition. |
| Revenue recovery | Expenses are sometimes incurred by Chisholm Institute on behalf of the subsidiary entity TAFE Online Pty Ltd, the value of which must be recovered. | None | Recognised at the point the associated expense is incurred. |
| Other income | Revenue that does not fit into the above categories makes up a very small portion of Chisholm Group's overall revenue, and is grouped into "other income". | Other income is recognised when Chisholm Group's right to receive payment is established. | |

2.3.1 Operating leases receivable

| | Consolidated | | Chisholm | |
|---|--------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Receivable | | | | |
| Within one year | 143 | 138 | 143 | 138 |
| Later than one year but not later than five years | 306 | 449 | 306 | 449 |
| Total leases receivable | 449 | 587 | 449 | 587 |
| GST payable on the above | (41) | (53) | (41) | (53) |
| Net operating leases receivable | 408 | 534 | 408 | 534 |

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

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

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date. Employee benefits have been calculated using wage inflation and discount rates as advised by the Assistant Treasurer.

3.1.1 Employee benefits in the comprehensive operating statement

| | Consolidated | | Chisholm | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Salaries, wages, overtime and allowances | 90,388 | 89,908 | 85,066 | 86,197 |
| Superannuation | 8,406 | 8,004 | 7,908 | 7,659 |
| Payroll tax | 4,762 | 4,573 | 4,477 | 4,375 |
| Workers compensation | 690 | 788 | 651 | 757 |
| Long service leave | 1,417 | 1,688 | 1,353 | 1,715 |
| Annual leave | 3,373 | 2,209 | 3,294 | 2,153 |
| Termination benefits | 125 | 102 | 125 | 102 |
| Other | 171 | 139 | 167 | 139 |
| Total employee benefits | 109,332 | 107,411 | 103,041 | 103,097 |

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

Employee expenses were impacted by the COVID-19 pandemic. Refer to Note 1.3 for further information.

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

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.2 Superannuation

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

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

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

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

| | Consolidated | | Chisholm | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Paid contribution for the year | | | | |
| Defined benefit plans | | | | |
| State Superannuation Fund – revised and new | 238 | 258 | 238 | 258 |
| Total defined benefit plans | 238 | 258 | 238 | 258 |
| Accumulation contribution plans | | | | |
| VicSuper | 3,470 | 4,018 | 3,264 | 3,888 |
| Other | 3,496 | 3,812 | 3,268 | 3,569 |
| Total accumulation contribution plans | 6,966 | 7,830 | 6,532 | 7,457 |
| Total paid contribution for the year | 7,204 | 8,088 | 6,770 | 7,715 |
| Contribution outstanding at year end | | | | |
| Accumulation contribution plans | | | | |
| VicSuper | 629 | - | 597 | - |
| Other | 621 | - | 574 | - |
| Total accumulation contribution plans | 1,250 | - | 1,171 | - |
| Total contribution outstanding at year end | 1,250 | - | 1,171 | - |

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

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.3 Supplies and services

| | Consolidated | | Chisholm | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Building repairs and maintenance | 4,510 | 5,014 | 4,510 | 5,014 |
| Communication expenses | 1,679 | 1,623 | 1,678 | 1,622 |
| Contract and other services | 11,733 | 13,830 | 11,711 | 13,807 |
| Cost of goods sold / distributed (ancillary trading) | 9 | 30 | 9 | 30 |
| Fees and charges | 8,427 | 9,824 | 8,357 | 9,802 |
| Other borrowing costs (other than interest) | 96 | 118 | 93 | 117 |
| Purchase of supplies and consumables | 7,063 | 7,556 | 7,012 | 7,502 |
| Total supplies and services | 33,517 | 37,995 | 33,370 | 37,894 |

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

COVID-19 impacted expenditure relating to supplies and services during 2020. This is discussed further in Note 1.3.

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

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

| | Consolidated | | Chisholm | |
|---|--------------|------------|--------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Payable | | | | |
| Within one year | 1,329 | 294 | 1,329 | 294 |
| Later than one year but not later than five years | 2,197 | 542 | 2,197 | 542 |
| Total operating lease commitments | 3,526 | 836 | 3,526 | 836 |
| GST reclaimable on the above | (321) | (76) | (321) | (76) |
| Net operating lease commitments | 3,205 | 760 | 3,205 | 760 |

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.3 Supplies and services (continued)

3.3.2 Other expenditure commitments

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

| | Consolidated | | Chisholm | |
|---|--------------|--------------|------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Payable | | | | |
| Within one year | 171 | 4,818 | 171 | 4,818 |
| Later than one year but not later than five years | 132 | 303 | 132 | 303 |
| Total other expenditure commitments | 303 | 5,121 | 303 | 5,121 |
| GST reclaimable on the above | (28) | (465) | (28) | (465) |
| Net other expenditure commitments | 275 | 4,656 | 275 | 4,656 |

3.4 Other operating expenses

| | Consolidated | | Chisholm | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Audit fees and services | 391 | 176 | 369 | 170 |
| Bad debts from transactions | 118 | 171 | 118 | 171 |
| Doubtful debts | 21 | 299 | 21 | 299 |
| Equipment below capitalisation threshold | 1,201 | 2,911 | 1,195 | 2,910 |
| Marketing and promotional expenses | 3,216 | 3,970 | 3,179 | 3,727 |
| Operating lease rental expenses | 2,167 | 2,214 | 2,161 | 2,206 |
| Staff development | 549 | 935 | 520 | 925 |
| Travel and motor vehicle expenses | 244 | 1,656 | 243 | 1,652 |
| Utilities | 1,957 | 2,530 | 1,957 | 2,530 |
| Other | 922 | 1,525 | 884 | 1,650 |
| Total other operating expenses | 10,786 | 16,387 | 10,647 | 16,240 |

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

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

COVID-19 impacted other operating expenditure during 2020. This is discussed further in Note 1.3.

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.5 Finance costs

| | Consolidated | | Chisholm | |
|-------------------------------|--------------|-----------|-----------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest on lease liabilities | 67 | 89 | 67 | 89 |
| Total finance costs | 67 | 89 | 67 | 89 |

3.6 Depreciation and amortisation expense

| | Consolidated | | Chisholm | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation of property, plant and equipment | 9,821 | 8,833 | 9,821 | 8,833 |
| Depreciation of right of use assets | 1,213 | 1,333 | 1,213 | 1,333 |
| Amortisation of intangible assets | 1,634 | 1,559 | 1,311 | 1,239 |
| Total depreciation and amortisation expense | 12,668 | 11,725 | 12,345 | 11,405 |

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

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

| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|--------------------------|-----------------------|----------------|--------------------------|-----------------|---------------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | | | |
| Land | 58,196 | 58,196 | - | - | 58,196 | 58,196 |
| Buildings | 297,761 | 297,041 | (17,554) | (10,999) | 280,207 | 286,042 |
| Construction in progress | 4,174 | 584 | - | - | 4,174 | 584 |
| Plant and equipment | 36,588 | 35,529 | (25,320) | (22,430) | 11,268 | 13,099 |
| Motor vehicles | 1,036 | 1,188 | (786) | (855) | 250 | 333 |
| Leasehold improvements | 3,062 | 3,044 | (3,044) | (2,931) | 18 | 113 |
| Land improvements | 2,888 | 2,888 | (503) | (323) | 2,385 | 2,565 |
| Right of use assets | 3,890 | 2,973 | (2,168) | (1,333) | 1,722 | 1,640 |
| Total | 407,595 | 401,443 | (49,375) | (38,871) | 358,220 | 362,572 |
| Chisholm | | | | | | |
| Land | 58,196 | 58,196 | - | - | 58,196 | 58,196 |
| Buildings | 297,761 | 297,041 | (17,554) | (10,999) | 280,207 | 286,042 |
| Construction in progress | 4,174 | 584 | - | - | 4,174 | 584 |
| Plant and equipment | 36,588 | 35,529 | (25,320) | (22,430) | 11,268 | 13,099 |
| Motor vehicles | 1,036 | 1,188 | (786) | (855) | 250 | 333 |
| Leasehold improvements | 3,062 | 3,044 | (3,044) | (2,931) | 18 | 113 |
| Land improvements | 2,888 | 2,888 | (503) | (323) | 2,385 | 2,565 |
| Right of use assets | 3,890 | 2,973 | (2,168) | (1,333) | 1,722 | 1,640 |
| Total | 407,595 | 401,443 | (49,375) | (38,871) | 358,220 | 362,572 |

Initial recognition

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

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

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

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.1 Property, plant and equipment (continued)

Subsequent measurement

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

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2020, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment.

Revaluations of non-financial physical assets

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

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

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

| | Land | Buildings | Construction in progress | Plant and equipment | Motor vehicles | Leasehold improvements | Land improvements | Right of use assets | Total |
|--------------------------|---------------|----------------|-----------------------------|------------------------|-------------------|---------------------------|----------------------|------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | | | | | |
| Opening net book amount | 58,196 | 286,042 | 584 | 13,099 | 333 | 113 | 2,565 | 1,640 | 362,572 |
| Additions | - | - | 4,310 | 1,065 | - | 18 | - | 1,826 | 7,219 |
| Disposals | - | - | - | (6) | - | - | - | (531) | (537) |
| Transfers | - | 720 | (720) | - | - | - | - | - | - |
| Depreciation | - | (6,555) | - | (2,890) | (83) | (113) | (180) | (1,213) | (11,034) |
| Closing balance | 58,196 | 280,207 | 4,174 | 11,268 | 250 | 18 | 2,385 | 1,722 | 358,220 |
| Consolidated 2019 | | | | | | | | | |
| Opening net book amount | 58,196 | 202,988 | 72,607 | 6,589 | 416 | 360 | 2,418 | - | 343,574 |
| Additions | - | 20,636 | 574 | 4,732 | - | - | 253 | 2,973 | 29,168 |
| Disposals | - | - | (2) | (2) | - | - | - | - | (4) |
| Transfers | - | 68,586 | (72,595) | 3,944 | - | - | 65 | - | - |
| Depreciation | - | (6,168) | - | (2,164) | (83) | (247) | (171) | (1,333) | (10,166) |
| Closing balance | 58,196 | 286,042 | 584 | 13,099 | 333 | 113 | 2,565 | 1,640 | 362,572 |

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.1 Property, plant and equipment (continued)

| | Land | Buildings | Construction in progress | Plant and equipment | Motor vehicles | Leasehold improvements | Land improvements | Right of use assets | Total |
|-------------------------|---------------|----------------|-----------------------------|------------------------|-------------------|---------------------------|----------------------|------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Chisholm 2020 | | | | | | | | | |
| Opening net book amount | 58,196 | 286,042 | 584 | 13,099 | 333 | 113 | 2,565 | 1,640 | 362,572 |
| Additions | - | - | 4,310 | 1,065 | - | 18 | - | 1,826 | 7,219 |
| Disposals | - | - | - | (6) | - | - | - | (531) | (537) |
| Transfers | - | 720 | (720) | - | - | - | - | - | - |
| Depreciation | - | (6,555) | - | (2,890) | (83) | (113) | (180) | (1,213) | (11,034) |
| Closing balance | 58,196 | 280,207 | 4,174 | 11,268 | 250 | 18 | 2,385 | 1,722 | 358,220 |
| Chisholm 2019 | | | | | | | | | |
| Opening net book amount | 58,196 | 202,988 | 72,607 | 6,589 | 416 | 360 | 2,418 | - | 343,574 |
| Additions | - | 20,636 | 574 | 4,732 | - | - | 253 | 2,973 | 29,168 |
| Disposals | - | - | (2) | (2) | - | - | - | - | (4) |
| Transfers | - | 68,586 | (72,595) | 3,944 | - | - | 65 | - | - |
| Depreciation | - | (6,168) | - | (2,164) | (83) | (247) | (171) | (1,333) | (10,166) |
| Closing balance | 58,196 | 286,042 | 584 | 13,099 | 333 | 113 | 2,565 | 1,640 | 362,572 |

4.1.2 Capital commitments

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

| | Consolidated | | Chisholm | |
|---|--------------|-----------|--------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Payable | | | | |
| Within one year | 2,278 | 14 | 2,278 | 14 |
| Later than one year but not later than five years | - | - | - | - |
| Total capital expenditure commitments | 2,278 | 14 | 2,278 | 14 |
| GST reclaimable on the above | (207) | (1) | (207) | (1) |
| Net capital expenditure commitments | 2,071 | 13 | 2,071 | 13 |

The significant increase in capital commitments relates to major building and refurbishment works occurring at Dandenong campus, including the construction of the new Dandenong Trade Centre and Student Support Hub.

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.1 Property, plant and equipment (continued)

4.1.3 Gain / loss on property, plant and equipment

| | Consolidated | | Chisholm | |
|---|--------------|----------|-----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Net gain/(loss) on disposal of property plant and equipment | 75 | 7 | 75 | 7 |
| Total | 75 | 7 | 75 | 7 |

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

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

4.2 Intangible assets

Chisholm Institute has capitalised software development expenditure for the upgrade of its student management system (Strata) software. The carrying amount of the capitalised software development expenditure is \$7.4 million (2019: \$5.4 million). Its useful life is 3-4 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 \$0.8 million (2019: \$0.8 million). Its useful life is 3 years.

| | Consolidated | | Chisholm | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Software | | | | |
| Gross carrying amount | | | | |
| Opening balance | 12,558 | 10,053 | 9,900 | 7,941 |
| Additions | 3,673 | 2,505 | 3,345 | 1,959 |
| Closing balance | 16,231 | 12,558 | 13,245 | 9,900 |
| Accumulated amortisation and impairment | | | | |
| Opening balance | (6,362) | (4,803) | (4,512) | (3,273) |
| Amortisation charge | (1,634) | (1,559) | (1,311) | (1,239) |
| Closing balance | (7,996) | (6,362) | (5,823) | (4,512) |
| Net carrying amount at end of the year | 8,235 | 6,196 | 7,422 | 5,388 |

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.2 Intangible assets (continued)

Initial recognition

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

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

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

Subsequent measurement

Software assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Software assets have useful lives of between 3 and 4 years.

Impairment of intangible assets

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

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

4.3 Depreciation and amortisation

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

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

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

| Class of Assets | Useful Life |
|------------------------|-------------------------------------|
| Buildings | 5 – 80 years (2019: 5 – 80 years) |
| Plant and equipment | 3 – 13 years (2019: 3 – 13 years) |
| Motor vehicles | 6 – 10 years (2019: 6 – 10 years) |
| Leasehold improvements | 3 – 6 years (2019: 3 – 6 years) |
| Land improvements | 10 – 40 years (2019: 10 – 40 years) |
| Right of use assets | Lease term (2019: lease term) |
| Software | 3 – 4 years (2019: 3 – 4 years) |

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

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

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.4 Investments and other financial assets

| | Consolidated | | Chisholm | |
|---|--------------|------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current investments and other financial assets | | | | |
| Term deposits > three months | 522 | 516 | - | - |
| Non-current investments and other financial assets | | | | |
| Unlisted shares in subsidiary - TAFE Online Pty Ltd | - | - | 6,000 | 6,000 |
| Total investments and other financial assets | 522 | 516 | 6,000 | 6,000 |

Ageing analysis of investments and other financial assets

| | Carrying amount | Not past due and not impaired | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years |
|---------------------------|-----------------|-------------------------------|-------------------|------------|-------------------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | | |
| Term deposits | 522 | 522 | - | - | - | - |
| Total | 522 | 522 | - | - | - | - |
| Consolidated 2019 | | | | | | |
| Term deposits | 516 | 516 | - | - | - | - |
| Total | 516 | 516 | - | - | - | - |
| Chisholm 2020 | | | | | | |
| Investments in subsidiary | 6,000 | 6,000 | - | - | - | - |
| Total | 6,000 | 6,000 | - | - | - | - |
| Chisholm 2019 | | | | | | |
| Investments in subsidiary | 6,000 | 6,000 | - | - | - | - |
| Total | 6,000 | 6,000 | - | - | - | - |

5. BALANCES FROM OPERATIONS

5.1 Receivables

| | Consolidated | | Chisholm | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Contractual | | | | |
| Trade receivables | 2,250 | 4,659 | 2,250 | 4,659 |
| Loss allowance on trade receivables | (242) | (405) | (242) | (405) |
| Other receivables | 2,121 | 2,785 | 3,981 | 5,111 |
| Total receivables from contracts with customers | 4,129 | 7,039 | 5,989 | 9,365 |
| Statutory | | | | |
| GST input tax credit recoverable | 321 | - | 532 | - |
| Total current receivables | 4,450 | 7,039 | 6,521 | 9,365 |

Receivables consist of:

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

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

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

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

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

Impairment

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

5. BALANCES FROM OPERATIONS

5.1 Receivables (continued)

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

| | Consolidated | | Chisholm | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at the beginning of the year | (405) | (165) | (405) | (165) |
| Amounts written off | - | - | - | - |
| Net remeasurement of loss allowance | 111 | - | 111 | - |
| Reversal of unused loss allowance recognised in net result | - | 12 | - | 12 |
| Increase in loss allowance recognised in net result | 52 | (252) | 52 | (252) |
| Reversal of loss allowance for uncollectable receivables written off during the year | - | - | - | - |
| Balance at the end of the year | (242) | (405) | (242) | (405) |

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

Ageing analysis of contractual receivables

| | Carrying amount | Not past due and not impaired | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years |
|--------------------------|-----------------|-------------------------------|-------------------|------------|-------------------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | | |
| Trade receivables | 2,008 | 460 | 1,051 | 350 | 147 | - |
| Other receivables | 2,121 | 2,121 | - | - | - | - |
| Total | 4,129 | 2,581 | 1,051 | 350 | 147 | - |
| Consolidated 2019 | | | | | | |
| Trade receivables | 4,254 | 783 | 1,785 | 559 | 1,127 | - |
| Other receivables | 2,785 | 2,785 | - | - | - | - |
| Total | 7,039 | 3,568 | 1,785 | 559 | 1,127 | - |

5. BALANCES FROM OPERATIONS (CONTINUED)

5.1 Receivables (continued)

Ageing analysis of contractual receivables (continued)

| | Carrying amount | Not past due and not impaired | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years |
|----------------------|-----------------|-------------------------------|-------------------|------------|-------------------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Chisholm 2020 | | | | | | |
| Trade receivables | 2,008 | 460 | 1,051 | 350 | 147 | - |
| Other receivables | 3,981 | 3,981 | - | - | - | - |
| Total | 5,989 | 4,441 | 1,051 | 350 | 147 | - |
| Chisholm 2019 | | | | | | |
| Trade receivables | 4,254 | 783 | 1,785 | 559 | 1,127 | - |
| Other receivables | 5,111 | 5,111 | - | - | - | - |
| Total | 9,365 | 5,894 | 1,785 | 559 | 1,127 | - |

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

The average credit period on sales of goods and services is 30.64 days.

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

5.2 Contract assets

| | Consolidated | | Chisholm | |
|-----------------------------------|---------------|--------------|---------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Contract assets | 11,967 | 9,622 | 11,738 | 9,237 |
| Loss allowance on contract assets | - | - | - | - |
| Total contract assets | 11,967 | 9,622 | 11,738 | 9,237 |

Contract assets are recognised when Chisholm Group has transferred goods or services to the customer, or achieved performance obligations, but where the Chisholm Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

5. BALANCES FROM OPERATIONS (CONTINUED)

5.3 Other non-financial assets

| | Consolidated | | Chisholm | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Prepayments | 3,233 | 2,181 | 3,210 | 2,166 |
| Inventories | 141 | 146 | 141 | 146 |
| Total other non-financial assets – current | 3,374 | 2,327 | 3,351 | 2,312 |
| Non-current | | | | |
| Prepayments | 210 | 88 | 210 | 88 |
| Total other non-financial assets – non-current | 210 | 88 | 210 | 88 |
| Total other non-financial assets | 3,584 | 2,415 | 3,561 | 2,400 |

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.

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 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 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.

5.4 Payables

| | Consolidated | | Chisholm | |
|-----------------------------------|--------------|--------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Contractual | | | | |
| Supplies and services | 8,320 | 8,449 | 9,324 | 9,610 |
| Total contractual payables | 8,320 | 8,449 | 9,324 | 9,610 |
| Statutory | | | | |
| GST payable | - | 475 | - | 282 |
| FBT payable | 30 | 41 | 30 | 41 |
| Other taxes payable | 1,401 | 424 | 1,337 | 403 |
| Total statutory payables | 1,431 | 940 | 1,367 | 726 |
| Total current payables | 9,751 | 9,389 | 10,691 | 10,336 |

5. BALANCES FROM OPERATIONS (CONTINUED)

5.4 Payables (continued)

Payables consist of:

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

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

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Carrying amount | Nominal amount | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years |
|--------------------------|--------------------|-------------------|----------------------|------------|----------------------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | | |
| Supplies and services | 8,320 | 8,320 | 8,272 | 35 | 13 | - |
| Total | 8,320 | 8,320 | 8,272 | 35 | 13 | - |
| Consolidated 2019 | | | | | | |
| Supplies and services | 8,449 | 8,449 | 8,388 | 12 | 49 | - |
| Total | 8,449 | 8,449 | 8,388 | 12 | 49 | - |
| Chisholm 2020 | | | | | | |
| Supplies and services | 9,324 | 9,324 | 9,279 | 34 | 11 | - |
| Total | 9,324 | 9,324 | 9,279 | 34 | 11 | - |
| Chisholm 2019 | | | | | | |
| Supplies and services | 9,610 | 9,610 | 9,549 | 12 | 49 | - |
| Total | 9,610 | 9,610 | 9,549 | 12 | 49 | - |

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

The average credit period is 20.8 days. No interest is charged on other payables.

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

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

5. BALANCES FROM OPERATIONS (CONTINUED)

5.5 Contract liabilities

Refer to Note 2.2 for further information around revenue recognised in relation to contract liabilities.

| | Consolidated | | Chisholm | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Contract liabilities – student fees | 4,493 | 4,438 | 3,923 | 4,381 |
| Contract liabilities – fee for service | 4,062 | 1,872 | 4,041 | 1,859 |
| Contract liabilities – other | 8,484 | 11,528 | 8,479 | 11,528 |
| Total contract liabilities | 17,039 | 17,838 | 16,443 | 17,768 |

Any fees received by Chisholm during the current financial year in respect of performance obligations that have not been satisfied are classified as a liability and recognised as a contract liability.

5.6 Employee benefits in the balance sheet

| | Consolidated | | Chisholm | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Short-term benefits | | | | |
| Annual leave | 4,084 | 2,436 | 4,022 | 2,380 |
| Long service leave | 7,035 | 7,008 | 7,035 | 7,008 |
| Performance payments | - | (28) | - | (28) |
| Time off in lieu | 521 | 286 | 504 | 278 |
| On-costs | 1,765 | 1,498 | 1,755 | 1,488 |
| Total short-term benefits | 13,405 | 11,200 | 13,316 | 11,126 |
| Long-term benefits | | | | |
| Long service leave | 1,582 | 1,024 | 1,496 | 990 |
| On-costs | 252 | 164 | 238 | 160 |
| Total long-term benefits | 1,834 | 1,188 | 1,734 | 1,150 |
| Total employee provisions | 15,239 | 12,388 | 15,050 | 12,276 |

5. BALANCES FROM OPERATIONS (CONTINUED)

5.6 Employee benefits in the balance sheet (continued)

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service, and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$13.4 million (2019: \$11.2 million) is presented as current, since Chisholm Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, Chisholm Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

COVID-19 forced the cancellation of planned leave by staff due to lockdown restrictions implemented by the state government. As a result, leave provisions increased by \$2.8 million (2019: \$1.4 million). The impact of COVID-19 is discussed in Note 1.3.

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

| | Consolidated | | Chisholm | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Unconditional and expected to wholly settle within 12 months | 5,744 | 3,983 | 5,664 | 3,914 |
| Unconditional and expected to wholly settle after 12 months | 7,661 | 7,217 | 7,652 | 7,212 |
| Total current employee provisions | 13,405 | 11,200 | 13,316 | 11,126 |

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash on hand and at call

| | Consolidated | | Chisholm | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash on hand and in operating account | 8,186 | 5,725 | 4,507 | 4,917 |
| Deposits at call | 60,019 | 49,183 | 60,019 | 49,182 |
| Total cash on hand and at call | 68,205 | 54,908 | 64,526 | 54,099 |

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.

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

| | Consolidated | | Chisholm | |
|--------------------------------|--------------|------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Net result for the year | 9,457 | 900 | 7,079 | (144) |

Non-cash movements

| | | | | |
|--|--------|--------|--------|--------|
| Depreciation and amortisation of non-financial assets | 12,667 | 11,725 | 12,345 | 11,405 |
| (Profit) / loss on disposal of property, plant and equipment | (75) | (7) | (75) | (7) |
| Greener Government loan discount | - | 36 | - | 36 |

Movements in assets and liabilities

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Decrease / (increase) in trade and other receivables | 243 | 2,738 | 343 | 2,916 |
| Decrease / (increase) in prepayments | (1,173) | 97 | (1,167) | 94 |
| Decrease / (increase) in inventories | 6 | - | 6 | - |
| (Decrease) / increase in trade and other payables | 362 | (2,616) | 355 | (940) |
| (Decrease) / increase in provisions | 2,851 | 1,424 | 2,774 | 1,450 |
| (Decrease) / increase in other liabilities | (800) | 8,784 | (1,326) | 8,767 |
| Net cash flows from / (used in) operating activities | 23,538 | 23,081 | 20,334 | 23,577 |
| Per cash flow statement | 23,538 | 23,081 | 20,334 | 23,577 |

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

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.2 Borrowings

| | Consolidated | | Chisholm | |
|--------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Advances from Government | 351 | 351 | 351 | 351 |
| Non-current | | | | |
| Advances from Government | 657 | 658 | 657 | 658 |
| Total borrowings | 1,008 | 1,009 | 1,008 | 1,009 |

Advances from Government

Advances from Government 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.

Due to COVID-19, the Victorian government agreed to defer payment of the Greener Government loan scheme; as such, the balances in this note have not changed between 2019 and 2020 (other than a minor rounding adjustment).

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.2 Borrowings (continued)

Maturity analysis of borrowings

| | Carrying amount | Nominal amount | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years |
|--------------------------|-----------------|----------------|-------------------|------------|-------------------|------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | | |
| Advances from Government | 1,008 | 1,008 | - | - | 351 | 657 |
| Total | 1,008 | 1,008 | - | - | 351 | 657 |
| Consolidated 2019 | | | | | | |
| Advances from Government | 1,009 | 1,009 | - | - | 351 | 658 |
| Total | 1,009 | 1,009 | - | - | 351 | 658 |
| Chisholm 2020 | | | | | | |
| Advances from Government | 1,008 | 1,008 | - | - | 351 | 657 |
| Total | 1,008 | 1,008 | - | - | 351 | 657 |
| Chisholm 2019 | | | | | | |
| Advances from Government | 1,009 | 1,009 | - | - | 351 | 658 |
| Total | 1,009 | 1,009 | - | - | 351 | 658 |

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

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

6.3 Contributed capital

| | Consolidated | | Chisholm | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January | 85,387 | 85,387 | 85,387 | 85,387 |
| Balance at 31 December | 85,387 | 85,387 | 85,387 | 85,387 |

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

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.4 Leases

Policy

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

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

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

As a lessee

Chisholm Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

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

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

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

- > fixed payments;
- > variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- > amounts expected to be payable under a residual value guarantee; and
- > the exercise price under a purchase option that Chisholm Group is reasonably certain to exercise, lease payments in an optional

renewal period if Chisholm Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Chisholm Group is reasonably certain not to terminate early.

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

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

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

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.4 Leases (continued)

Right of use assets

| | Property | Vehicles | Total |
|-------------------------------|--------------|------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | |
| Balance at 1 January | 1,264 | 376 | 1,640 |
| Additions | 344 | 574 | 918 |
| Amortisation | (477) | (359) | (836) |
| Balance at 31 December | 1,131 | 591 | 1,722 |

Consolidated 2019

| | | | |
|-------------------------------|--------------|------------|--------------|
| Balance at 1 January | - | - | - |
| Additions | 2,314 | 659 | 2,973 |
| Amortisation | (1,050) | (283) | (1,333) |
| Balance at 31 December | 1,264 | 376 | 1,640 |

| | Property | Vehicles | Total |
|-------------------------------|--------------|------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| Chisholm 2020 | | | |
| Balance at 1 January | 1,264 | 376 | 1,640 |
| Additions | 344 | 574 | 918 |
| Amortisation | (477) | (359) | (836) |
| Balance at 31 December | 1,131 | 591 | 1,722 |

Chisholm 2019

| | | | |
|-------------------------------|--------------|------------|--------------|
| Balance at 1 January | - | - | - |
| Additions | 2,314 | 659 | 2,973 |
| Amortisation | (1,050) | (283) | (1,333) |
| Balance at 31 December | 1,264 | 376 | 1,640 |

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.4 Leases (continued)

Lease liabilities

| | Consolidated | | Chisholm | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Maturity analysis – contractual undiscounted cash flows | | | | |
| Less than one year | 776 | 968 | 776 | 968 |
| One to five years | 900 | 663 | 900 | 663 |
| More than five years | - | - | - | - |
| Total undiscounted lease liabilities as at 31 December | 1,676 | 1,631 | 1,676 | 1,631 |
| Future finance charges | - | - | - | - |
| Total discounted lease liabilities as at 31 December | 1,676 | 1,631 | 1,676 | 1,631 |

Lease liabilities included in the Balance Sheet at 31 December

| | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|
| Current | 776 | 968 | 776 | 968 |
| Non-current | 900 | 663 | 900 | 663 |
| Total lease liabilities | 1,676 | 1,631 | 1,676 | 1,631 |

Short-term and low value leases

Chisholm Group has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, and leases of low value assets (individual assets worth less than \$10,000), including IT equipment. Chisholm Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

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

| | Consolidated | | Chisholm | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | | |
| Financial assets measured at amortised cost | | | | |
| Cash on hand and at call | 68,205 | 54,908 | 64,526 | 54,099 |
| Trade receivables | 2,008 | 4,254 | 2,008 | 4,254 |
| Contract assets | 11,967 | 9,622 | 11,738 | 9,237 |
| Other receivables | 2,121 | 2,785 | 3,981 | 5,111 |
| Term deposits | 522 | 516 | - | - |
| Total contractual financial assets | 84,823 | 72,085 | 82,253 | 72,701 |

Contractual financial liabilities

Loans and payables

| | | | | |
|-----------------------|-------|-------|-------|-------|
| Supplies and services | 8,320 | 8,449 | 9,324 | 9,610 |
|-----------------------|-------|-------|-------|-------|

At amortised cost

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Borrowings | 1,008 | 1,009 | 1,008 | 1,009 |
| Lease liabilities | 1,676 | 1,631 | 1,676 | 1,631 |
| Contract liabilities | 17,039 | 17,838 | 16,443 | 17,768 |
| Total contractual financial liabilities | 28,043 | 28,927 | 28,451 | 30,018 |

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

Categories of financial instruments

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

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

Financial assets measured at amortised cost are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at

fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

Chisholm Group recognises the following assets in this category:

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

Financial liabilities at amortised cost are initially recognised on the date they originate. They are initially measured at fair value plus any directly attributable

transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. Chisholm Group recognises the following liabilities in this category:

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

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

7.1.1 Financial risk management objectives and policies

Chisholm Group is exposed to a variety of financial risks, market risk, credit risk and liquidity risk.

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

Primary responsibility for the identification and management of financial risks rests with Chisholm Group's finance function, overseen by the Audit and Risk Management Committee of Chisholm Institute on behalf of the Board.

7.1.2 Credit risk

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

Credit risk is measured at fair value and is monitored on a regular basis. Chisholm Group 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 Group's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 31 December 2020 and 31 December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

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

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

| | Financial institutions (AA-rating) | Government agencies (AAA rating) | Other counterparty | Total |
|---|------------------------------------|----------------------------------|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | |
| Cash on hand and at call | 68,205 | - | - | 68,205 |
| Trade and other receivables | - | 1,460 | 2,669 | 4,129 |
| Contract assets | 2 | 9,410 | 2,555 | 11,967 |
| Investments and other financial assets | 522 | - | - | 522 |
| Total contractual financial assets | 68,729 | 10,870 | 5,224 | 84,823 |
| Consolidated 2019 | | | | |
| Cash on hand and at call | 54,908 | - | - | 54,908 |
| Trade and other receivables | - | 1,836 | 5,204 | 7,040 |
| Contract assets | 2 | 7,226 | 2,393 | 9,621 |
| Investments and other financial assets | 516 | - | - | 516 |
| Total contractual financial assets | 55,426 | 9,062 | 7,597 | 72,085 |

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

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

| | Financial institutions (AA-rating) | Government agencies (AAA rating) | Other counterparty | Total |
|---|---------------------------------------|-------------------------------------|-----------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Chisholm 2020 | | | | |
| Cash on hand and at call | 64,526 | - | - | 64,526 |
| Trade and other receivables | - | 1,202 | 4,787 | 5,989 |
| Contract assets | - | 9,182 | 2,556 | 11,738 |
| Investments and other financial assets | - | - | - | - |
| Total contractual financial assets | 64,526 | 10,384 | 7,343 | 82,253 |
| Chisholm 2019 | | | | |
| Cash on hand and at call | 54,099 | - | - | 54,099 |
| Trade and other receivables | - | 967 | 8,398 | 9,365 |
| Contract assets | 2 | 6,842 | 2,393 | 9,237 |
| Investments and other financial assets | - | - | - | - |
| Total contractual financial assets | 54,101 | 7,809 | 10,791 | 72,701 |

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

AASB 9 uses an 'expected credit loss' (ECL) model. Under this model, loss allowances are measured on either of the following bases:

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

In measuring expected credit losses, trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December and the past 36 months before 1 January, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customers' ability to settle the amount outstanding. Chisholm Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

The following table provides information about the estimated exposure to credit risk and ECLs for trade receivables as at 31 December 2020:

| | Estimated gross carrying amount | Weighted average loss rate | Estimated loss allowance | Credit impaired |
|----------------------------|---------------------------------|----------------------------|--------------------------|-----------------|
| | \$'000 | % | \$'000 | (yes / no) |
| Consolidated | | | | |
| 31 December 2020 | | | | |
| Current (not past due) | 1,697 | 2.7 | 46 | No |
| 31 – 60 days past due | - | 2.4 | - | No |
| 61 – 90 days past due | 6 | 7.1 | - | No |
| More than 90 days past due | 305 | 64.3 | 196 | No |
| | 2,008 | | 242 | |
| 1 January 2020 | | | | |
| Current (not past due) | 2,426 | 3.1 | 75 | |
| 31 – 60 days past due | 91 | 3.2 | 3 | |
| 61 – 90 days past due | 468 | 8.2 | 38 | |
| More than 90 days past due | 1,269 | 22.8 | 289 | |
| | 4,254 | | 405 | |
| Chisholm | | | | |
| 31 December 2020 | | | | |
| Current (not past due) | 1,697 | 2.7 | 46 | No |
| 31 – 60 days past due | - | 2.4 | - | No |
| 61 – 90 days past due | 6 | 7.1 | - | No |
| More than 90 days past due | 305 | 64.3 | 196 | No |
| | 2,008 | | 242 | |
| 1 January 2020 | | | | |
| Current (not past due) | 2,426 | 3.1 | 75 | |
| 31 – 60 days past due | 91 | 3.2 | 3 | |
| 61 – 90 days past due | 468 | 8.2 | 38 | |
| More than 90 days past due | 1,269 | 22.8 | 289 | |
| | 4,254 | | 405 | |

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

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

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

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

Of the above impairment losses, less than \$0.1 million (2019: \$0.3 million) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

Chisholm Group operates under a payments policy of settling financial obligations within 30 days, and in the event of a dispute, making payments within 30 days from the date of resolution.

Chisholm Group's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in Note 7.1.

Chisholm Group manages liquidity risk by:

- > maintaining adequate short-term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- > holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- > careful maturity planning of its financial obligations based on forecasts of future cash flows.

Chisholm Group's exposure to liquidity risk is deemed to be not material based on prior periods' data and current assessment of risk.

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

7.1.4 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.

The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominantly through a mixture of short term and longer term investments. Management monitors movement in interest rates on a monthly basis.

There has been no significant change in Chisholm Group'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.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

Interest rate exposure of financial instruments

| | Weighted average interest rate | Carrying amount as at 31 December | Interest rate exposure | | |
|------------------------------------|--------------------------------|-----------------------------------|------------------------|---------------------|----------------------|
| | | | Floating interest rate | Fixed interest rate | Non-interest bearing |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 0.13% | 68,727 | 68,201 | 522 | 4 |
| Trade receivables | | 2,008 | - | - | 2,008 |
| Other financial assets | | 14,088 | - | - | 14,088 |
| Total financial assets | | 84,823 | 68,201 | 522 | 16,100 |
| Financial liabilities | | | | | |
| Trade and other payables | | 28,043 | - | 1,676 | 26,367 |
| Total financial liabilities | | 28,043 | - | 1,676 | 26,367 |
| Consolidated 2019 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 1.15% | 55,426 | 54,906 | 516 | 4 |
| Trade receivables | | 4,254 | - | - | 4,254 |
| Other financial assets | | 12,405 | - | - | 12,405 |
| Total financial assets | | 72,085 | 54,906 | 516 | 16,663 |
| Financial liabilities | | | | | |
| Trade and other payables | | 28,927 | - | 1,631 | 27,296 |
| Total financial liabilities | | 28,927 | - | 1,631 | 27,296 |

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

Interest rate exposure of financial instruments (continued)

| | Weighted average interest rate | Carrying amount as at 31 December | Interest rate exposure | | |
|------------------------------------|--------------------------------------|---|---------------------------|------------------------|-------------------------|
| | | | Floating interest rate | Fixed interest rate | Non-interest bearing |
| | | | \$'000 | \$'000 | \$'000 |
| Chisholm 2020 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 0.10% | 64,526 | 64,523 | - | 3 |
| Trade receivables | | 2,008 | - | - | 2,008 |
| Other financial assets | | 15,719 | - | - | 15,719 |
| Total financial assets | | 82,253 | 64,523 | - | 17,730 |
| Financial liabilities | | | | | |
| Trade and other payables | | 28,451 | - | 1,676 | 26,774 |
| Total financial liabilities | | 28,451 | - | 1,676 | 26,774 |
| Chisholm 2019 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 1.06% | 54,099 | 54,096 | - | 3 |
| Trade receivables | | 4,254 | - | - | 4,254 |
| Other financial assets | | 14,348 | - | - | 14,348 |
| Total financial assets | | 72,701 | 54,096 | - | 18,605 |
| Financial liabilities | | | | | |
| Trade and other payables | | 30,018 | - | 1,631 | 28,387 |
| Total financial liabilities | | 30,018 | - | 1,631 | 28,387 |

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

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

Sensitivity analysis and assumptions

| | Interest rate risk | | | | |
|--------------------------|-----------------------------------|------------------------|----------|------------------------|----------|
| | Carrying amount as at 31 December | -1% (100 basis points) | | +1% (100 basis points) | |
| | | Result | Equity | Result | Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 68,727 | (90) | - | 688 | - |
| Total impact | 68,727 | (90) | - | 688 | - |
| Consolidated 2019 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 55,424 | (555) | - | 555 | - |
| Total impact | 55,424 | (555) | - | 555 | - |
| Chisholm 2020 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 64,526 | (66) | - | 646 | - |
| Total impact | 64,526 | (66) | - | 646 | - |
| Chisholm 2019 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 54,099 | (498) | - | 541 | - |
| Total impact | 54,099 | (498) | - | 541 | - |

7.2 Contingent assets and contingent liabilities

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

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

There were no contingent assets or contingent liabilities as at 31 December 2020 (31 December 2019: nil) that may have a material effect on the financial operations of Chisholm Group.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

This section sets out information on how Chisholm Group determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer

a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

Fair value estimation

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

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

Chisholm Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

A summary of changes between levels can be found in Note 7.3(a). The Valuer-General Victoria (VGV) is Chisholm's independent valuation agency.

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2020.

(a) Fair value determination of non-financial assets

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

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

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

| | Fair value hierarchy | | | |
|---|--------------------------------|-----------------------|---------------------------------|-----------------------------|
| | Carrying amount at 31 December | Level 1 Quoted prices | Level 2 Observable price inputs | Level 3 Unobservable inputs |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2020 | | | | |
| Non-specialised land | 5,498 | - | 5,498 | - |
| Specialised land | 52,698 | - | - | 52,698 |
| Total land at fair value | 58,196 | - | 5,498 | 52,698 |
| Non-specialised buildings | 3,353 | - | 3,353 | - |
| Specialised buildings | 276,854 | - | - | 276,854 |
| Total buildings at fair value | 280,207 | - | 3,353 | 276,854 |
| Plant and equipment | 11,268 | - | - | 11,268 |
| Vehicles | 250 | - | - | 250 |
| Leasehold improvements | 18 | - | - | 18 |
| Land improvements | 2,385 | - | - | 2,385 |
| Total other assets at fair value | 13,921 | - | - | 13,921 |

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

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

| | Fair value hierarchy | | | |
|---|--------------------------------|-----------------------|---------------------------------|-----------------------------|
| | Carrying amount at 31 December | Level 1 Quoted prices | Level 2 Observable price inputs | Level 3 Unobservable inputs |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated 2019 | | | | |
| Non-specialised land | 5,498 | - | 5,498 | - |
| Specialised land | 52,698 | - | - | 52,698 |
| Total land at fair value | 58,196 | - | 5,498 | 52,698 |
| Non-specialised buildings | 3,468 | - | 3,468 | - |
| Specialised buildings | 282,574 | - | - | 282,574 |
| Total buildings at fair value | 286,042 | - | 3,468 | 282,574 |
| Plant and equipment | 13,099 | - | - | 13,099 |
| Vehicles | 333 | - | - | 333 |
| Leasehold improvements | 113 | - | - | 113 |
| Land improvements | 2,565 | - | - | 2,565 |
| Total other assets at fair value | 16,110 | - | - | 16,110 |
| Chisholm 2020 | | | | |
| Non-specialised land | 5,498 | - | 5,498 | - |
| Specialised land | 52,698 | - | - | 52,698 |
| Total land at fair value | 58,196 | - | 5,498 | 52,698 |
| Non-specialised buildings | 3,353 | - | 3,353 | - |
| Specialised buildings | 276,854 | - | - | 276,854 |
| Total buildings at fair value | 280,207 | - | 3,353 | 276,854 |
| Plant and equipment | 11,268 | - | - | 11,268 |
| Vehicles | 250 | - | - | 250 |
| Leasehold improvements | 18 | - | - | 18 |
| Land improvements | 2,385 | - | - | 2,385 |
| Total other assets at fair value | 13,921 | - | - | 13,921 |

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

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

| | Fair value hierarchy | | | |
|---|--------------------------------|-----------------------|---------------------------------|-----------------------------|
| | Carrying amount at 31 December | Level 1 Quoted prices | Level 2 Observable price inputs | Level 3 Unobservable inputs |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Chisholm 2019 | | | | |
| Non-specialised land | 5,498 | - | 5,498 | - |
| Specialised land | 52,698 | - | - | 52,698 |
| Total land at fair value | 58,196 | - | 5,498 | 52,698 |
| Non-specialised buildings | 3,468 | - | 3,468 | - |
| Specialised buildings | 282,574 | - | - | 282,574 |
| Total buildings at fair value | 286,042 | - | 3,468 | 282,574 |
| Plant and equipment | 13,099 | - | - | 13,099 |
| Vehicles | 333 | - | - | 333 |
| Leasehold improvements | 113 | - | - | 113 |
| Land improvements | 2,565 | - | - | 2,565 |
| Total other assets at fair value | 16,110 | - | - | 16,110 |

Impairment

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

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

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

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less

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

(b) Valuations of property, plant and equipment

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

was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

For the year ending 31 December 2020, Chisholm Group conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

- assumptions made about the future;
- source of estimation uncertainty;
- the nature or class of assets impacted;
- the carrying amount of the assets subject to the significant uncertainty;
- sensitivity of the carrying amounts to methods, assumptions and estimates including the reasons for their sensitivity; and
- expected resolution of the uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts.

COVID-19 has caused an increase to the estimation uncertainty around the fair value of non-physical financial assets. The impact of COVID-19 is discussed in Note 1.3.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

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

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

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

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

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

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

For Chisholm's majority of specialised buildings, the depreciated replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

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

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

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

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

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

There were no changes in valuation techniques throughout the period to 31 December 2020.

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

Description of significant unobservable inputs to Level 3 valuations

| 2020 and 2019 | Valuation technique | Significant unobservable inputs |
|------------------------|------------------------------|--|
| Specialised land | Market approach | Community Service Obligation (CSO) adjustment |
| Specialised buildings | Depreciated replacement cost | Useful life of buildings and cost per square metre |
| Motor vehicles | Depreciated replacement cost | Useful life of vehicles |
| Plant and equipment | Depreciated replacement cost | Useful life of plant and equipment |
| Leasehold improvements | Depreciated replacement cost | Useful life of lease |

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

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

| Position | Name | Relevant Period |
|--|-----------------------------|------------------------------------|
| Minister for Training and Skills and Minister for Higher Education | The Hon. Gayle Tierney MP | 1 January 2020 to 31 December 2020 |
| Chief Executive Officer (Accountable Officer) | Mr Stephen Varty | 1 January 2020 to 31 December 2020 |
| Board Member | Mr Stephen G. Marks (Chair) | 1 January 2020 to 31 December 2020 |
| Board Member | Mr John Bennie | 1 January 2020 to 31 December 2020 |
| Board Member | Mr Geoffrey Cullen | 1 January 2020 to 31 December 2020 |
| Board Member | Ms Prue Digby | 1 January 2020 to 31 December 2020 |
| Board Member | Dr Mei Ling Doery | 1 January 2020 to 31 December 2020 |
| Board Member | Dr Anne Jones | 1 January 2020 to 31 December 2020 |
| Board Member | Mr Peter Malone | 1 January 2020 to 31 December 2020 |
| Board Member | Mr David Mann | 1 January 2020 to 31 December 2020 |
| Board Member | Ms Lisa Norman | 1 January 2020 to 31 December 2020 |

Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of Chisholm Group during the reporting period was in the range: \$380,000 – \$389,999 (2019: \$600,000 – \$609,999).

Included in the 2020 remuneration above is payment of termination benefits in the range: \$0 – \$9,999 (2019: \$120,000 – \$129,999).

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

| | 2020 | 2019 |
|------------------------------------|------------|------------|
| Income range | | |
| Less than \$10,000 | 1 | 2 |
| \$20,000 – \$29,999 | - | 1 |
| \$30,000 – \$39,999 | 6 | 5 |
| \$40,000 – \$49,999 | 1 | 1 |
| \$70,000 – \$79,999 | 1 | 1 |
| Total number | 9 | 10 |
| Total remuneration (\$'000) | 343 | 340 |

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

8. GOVERNANCE DISCLOSURES (CONTINUED)

8.2 Remuneration of executives

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

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

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

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

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

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

| | Consolidated | | Chisholm | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Remuneration | | | | |
| Short-term employee benefits | 3,024 | 2,037 | 2,857 | 1,909 |
| Post-employment benefits | 284 | 193 | 268 | 181 |
| Other long-term benefits | 1 | 12 | 1 | 12 |
| Termination benefits | 9 | 102 | 9 | 96 |
| Total remuneration | 3,318 | 2,344 | 3,135 | 2,198 |
| Total number of executives | 20 | 15 | 19 | 14 |
| Total annualised employee equivalents | 15.9 | 9.9 | 14.9 | 9.2 |

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

8.3 Related parties

Related parties of Chisholm Institute and its consolidated group include:

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

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

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

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

Significant transactions with related entities

In 2020, TAFE Online Pty Ltd repaid an amount of \$1.1 million to Chisholm Institute for a related party loan (2019: \$0.45 million). Chisholm Institute also charged overheads to TAFE Online Pty Ltd totalling \$2.4 million (2019 overheads charged: \$0.9 million).

Chisholm Institute provided donations of \$24,562 (2019: \$133,705) and resources free of charge of \$168,438 (2019: \$177,470) to the Caroline Chisholm Education Foundation during the current financial year.

8. GOVERNANCE DISCLOSURES (CONTINUED)

8.3 Related parties (continued)

Related party transactions

| | Transaction values for year ended 31 December | | Balances outstanding as at 31 December | |
|--|--|------------|---|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Related party transactions | | | | |
| Debtor – TAFE Online Pty Ltd | - | - | 2,118 | 3,194 |
| Debtor – Caroline Chisholm Education Foundation (CCEF) | - | - | 1,134 | 1,216 |
| Donations provided to CCEF | 25 | 134 | - | - |
| Resources provided free of charge to CCEF | 168 | 177 | - | - |
| Revenue collected for TAFE Online Pty Ltd | 564 | 190 | - | - |
| Expenses paid for TAFE Online Pty Ltd | 488 | 224 | - | - |
| Total | 1,245 | 725 | 3,252 | 4,410 |

Note: Due to an error in calculation, the 2019 values for CCEF have been restated. The net impact is immaterial (under \$10 000).

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

Compensation of key management personnel

| | Consolidated | | Chisholm | |
|------------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Remuneration | | | | |
| Short-term employee benefits | 1,165 | 1,211 | 1,165 | 1,211 |
| Post-employment benefits | 77 | 82 | 77 | 82 |
| Termination benefits | - | 125 | - | 125 |
| Total remuneration | 1,242 | 1,418 | 1,242 | 1,418 |

Transactions and balances with key management personnel and other related parties

The following related party transactions occurred for the period ending 31 December 2020:

| Related party | Nature of relationship | Transaction value \$ | Summary of transaction |
|---|--|----------------------|--|
| Connected Communities Melbourne | Shared Board Member | 10,000 | Donation to CCEF |
| City of Greater Dandenong | Board Member part of related party executive | 15,440 | Provision of education and training |
| | | 5,000 | Donation to CCEF (Ian Tatterson Memorial) |
| | | (10,881) | Rates, registration fees, permits and licences |
| Total related party transactions | | 19,559 | |

8. GOVERNANCE DISCLOSURES (CONTINUED)

8.4 Remuneration of auditors

| | Consolidated | | Chisholm | |
|---|--------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Remuneration of the Victorian Auditor-General's Office | | | | |
| Audit of the financial statements | 68 | 66 | 46 | 60 |
| Total remuneration of the Victorian Auditor-General's Office | 68 | 66 | 46 | 60 |
| Remuneration of other auditors | | | | |
| Internal audit services | 323 | 110 | 323 | 110 |
| Total remuneration of other auditors | 323 | 110 | 323 | 110 |
| Total | 391 | 176 | 369 | 170 |

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

Internal audit services increased in 2020 due to the engagement of two new audit service providers, one to perform standard internal audit services and the other to provide services in relation to Chisholm's Educational Quality Framework.

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

| | Consolidated | | Chisholm | |
|---|--------------|-----------|------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Net gain / (loss) on financial instruments | | | | |
| Foreign currency exchange gain / (loss) | 26 | 87 | 25 | 87 |
| Greener Government loan discount | - | (36) | - | (36) |
| Total net gain / (loss) on financial instruments | 26 | 51 | 25 | 51 |
| (b) Other gains / (losses) from other economic flows | | | | |
| Net gain / (loss) on non-financial assets (including PPE and intangible assets) | 75 | 7 | 75 | 7 |
| Total other gains / (losses) from other economic flows | 75 | 7 | 75 | 7 |
| Total other economic flows included in net result | 101 | 58 | 100 | 58 |

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

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

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

9.2 Other equity reserves

| | Consolidated | | Chisholm | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Physical asset revaluation surplus | | | | |
| Balance at 1 January | 78,838 | 78,838 | 78,838 | 78,838 |
| Balance at 31 December | 78,838 | 78,838 | 78,838 | 78,838 |

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

9. OTHER DISCLOSURES (CONTINUED)

9.3 Ex gratia expenses

| | Consolidated | | Chisholm | |
|---------------------------------|--------------|------------|-----------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Compensation for economic loss | 82 | 137 | 82 | 137 |
| Total ex gratia payments | 82 | 137 | 82 | 137 |

All ex gratia payments made during 2020 and 2019 related to departing employees.

9.4 Controlled entities

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

| Controlled entities | Note | Country of incorporation | Class of shares | 2020% | 2019% |
|--|------|--------------------------|-----------------|-------|-------|
| TAFE Online Pty Ltd | (a) | Australia | Ordinary | 100 | 100 |
| Caroline Chisholm Education Foundation | (b) | Unincorporated entity | | | |

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

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

TAFE Online Pty Ltd

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

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

Caroline Chisholm Education Foundation (CCEF)

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

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

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

9.5 Events after reporting date

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

9.6 Service Concession Arrangements

AASB 1059 *Service Concession Arrangements: Grantor* addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective.

Based on Chisholm Group's assessment, there is no material impact on the transactions and balances recognised in the financial statements.

9.7 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period.

The Assistant Treasurer assesses the impact of these new standards and advises Chisholm of their applicability and early adoption where applicable.

As at 31 December 2020, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2021, that are expected to impact Chisholm Group.

9.8 Transition impact on financial statements

The following accounting standards were adopted for the first time from 1 January 2019:

- > AASB 15 *Revenue from Contracts with Customers*;
- > AASB 1058 *Income of Not-for-profit Entities*; and
- > AASB 16 *Leases*.

The impact to Chisholm Group on transition can be found in the 2019 published financial statements.

VAGO Independent Auditor's Report



Independent Auditor's Report

To the Board of Chisholm Institute

Opinion I have audited the accompanying performance statement of Chisholm Institute (the institute) which comprises the:

- performance statement for the year ended 31 December 2020
- declaration by Board Chair, Chief Executive Officer and Chief Finance Officer.

In my opinion, the performance statement of Chisholm Institute in respect of the year ended 31 December 2020 presents fairly, in all material respects.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. 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 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

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 performance statement The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement 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 decisions of users taken on the basis of this performance statement.

VAGO Independent Auditor's 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 performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
10 March 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Declaration by Chair of the Board, Chief Executive Officer and Chief Finance Officer

In our opinion, the accompanying Performance Statement of Chisholm Consolidated in respect of the year ended 31 December 2020, is presented fairly.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets where applicable, 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 G MARKS

Board Chair

Date: 24 February 2021

Place: via remote audio-visual meeting, State of Victoria



STEPHEN VARTY

Director and Chief Executive Officer

Date: 24 February 2021

Place: via remote audio-visual meeting, State of Victoria



TONIANN STITZ

Chief Finance Officer

Date: 24 February 2021

Place: via remote audio-visual meeting, State of Victoria

Performance Statement

For the year ended 31 December 2020

| Key Performance Indicators (KPIs) | Description and Methodology | Metric | 2020 Target | 2020 Actual | Explanation of variances | Note | Prior year result |
|--|--|------------|-------------|-------------|--------------------------|------|-------------------|
| Training revenue diversity | <i>Government Funded</i> | Percentage | 57.0% | 65.5% | Achieved | a | 59.0% |
| | <i>Fee for Service</i> | | 29.2% | 23.8% | Not Achieved | a | 27.5% |
| | <i>Student Fees and Charges</i> | | 13.9% | 10.7% | Not Achieved | a | 13.5% |
| 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 | 79.7% | 77.8% | Achieved | b | 73.5% |
| Training revenue per teaching FTE | Training revenue (excl. revenue delivered by third parties)/Teaching FTEs | Dollars | \$213,010 | \$ 226,883 | Achieved | c | \$225,391 |
| Operating margin percentage | EBIT (excl. Capital Contributions)/Total Revenue (excl. Capital Contributions) | Percentage | (6.5%) | 5.3% | Achieved | d | -0.9% |

Notes:

a. COVID-19 impacted our ability to generate fee for service and student fees and charges revenue. Total training revenue has been maintained through support from the Government. As a result, the revenue diversity for 2020 has varied from the 2020 targets.

b. Improved performance due to staff utilisation as a result of COVID-19, whilst maintaining training revenue with Government support.

c. High performance due to teaching staff utilisation due to COVID-19, proportional to lower than anticipated training delivery.

d. Improved performance due to COVID-19 funding provided by Government, staff utilisation and lower expenses driven by staff working from home arrangements and COVID-19 restrictions.

Disclosure Index

STANDARD DISCLOSURES IN THE REPORT OF OPERATIONS (2020)

| Item No. | Source | Summary of reporting requirement | Page number |
|--|---------------------|--|-------------|
| Report of operations | | | |
| Charter and purpose | | | |
| 1 | FRD 22H 5.4a | Manner of establishment and the relevant Minister | 2, 41 |
| 2 | FRD 22H 5.4b 5.5 | Purpose, functions, powers and duties linked to a summary of activities, programs and achievements | 2-33, 41 |
| 3 | FRD 22H 5.4c | Nature and range of services provided including communities served | 5-33 |
| Management and structure | | | |
| 4 | FRD 22H 5.4d 5.6 | Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities | 36-40, 42 |
| Financial and other information | | | |
| 5 | FRD 03A | Accounting for Dividends | N/A |
| 6 | FRD 07B | Early adoption of authoritative accounting pronouncements | 108 |
| 7 | FRD 10A | Disclosure Index | 113-116 |
| 8 | FRD 17B | Wage inflation and discount rates for employee benefits | 67-68 |
| 9 | FRD 22H 5.11c | Operational and budgetary objectives, including performance against objectives and achievements | 47,112 |
| 10 | FRD 22H 5.10 | Occupational health and safety statement including performance indicators, performance against those indicators. | 43-44 |
| 11 | FRD 22H 5.8 | Workforce data for current and previous reporting period, including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections. | 45-46 |
| 12 | FRD 22H 5.11a | Summary of the financial results, with comparative information for the preceding four reporting periods | 47 |
| 13 | FRD 22H 5.11b | Summary of significant changes in financial position | 54 |
| 14 | FRD 22H 5.7 | Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future | 3-33, 121 |
| 15 | FRD 22H 5.11d | Post-balance sheet date events likely to significantly affect subsequent reporting periods | 108 |
| 16 | FRD 22H 5.18a | Summary of application and operation of the <i>Freedom of Information Act 1982</i> | 121 |
| 17 | FRD 22H 5.12 | The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance. | 47 |

| | | | |
|----|---------------------------------|---|-----------|
| 18 | FRD 22H 5.9 | TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target. | N/A |
| 19 | FRD 22H 5.16 | Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) | 120 |
| 20 | FRD 22H 5.18e | Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform. | 118 |
| 21 | FRD 22H 5.18g | Statement 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 | 117 |
| 22 | FRD 22H 5.18c | Summary of application and operation of the <i>Public Interest Disclosures Act 2012</i> including disclosures required by the Act | 117 |
| 23 | FRD 22H 5.18h | Summary of Environmental Performance | 123-126 |
| 24 | FRD 22H 5.13 5.14 5.15 | Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of these consultancies over \$10,000 have been made publicly available > Consultant engaged > Brief summary of project > Total project fees approved (excluding GST) > Expenditure for reporting period (excluding GST) 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period | 121 |
| 25 | FRD 22H 5.19 | List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer | 118 |
| 26 | FRD 22H 5.17 | An entity shall disclose the following in the report of operations: a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX). | 121 |
| 27 | FRD 25D | Local Jobs First | 117 |
| 28 | AASB 16 | Leases | 88-90 |
| 29 | SD 5.1.4 | Financial management compliance attestation. The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instruction, and disclose all Material Compliance Deficiencies. | 48 |
| 30 | FRD 119A | Transfers through contributed capital | 87 |
| 31 | SD 5.2.1(a) | The Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions. | 1, 52, 58 |
| 32 | SD 5.2.3 | The report of operations must be signed and dated by a member of the Responsible Body. | 1 |
| 33 | CG 10 clause 27 | Summary of Major Commercial Activities | 120 |
| 34 | CG 12 clause 33 | TAFE Institute Controlled Entities | 108 |

Financial report

| | | | |
|----|---------------|--|--------|
| 35 | SD 5.2.2(b) | The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: > The financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and > The financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. | 52 |
| 36 | SD 5.2.2(a) | An Agency's financial statements must include a signed and dated declaration by: > the Accountable Officer; > subject to Direction 5.2.2(c), the CFO; and > for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. | 52 |
| 37 | FRD 30D | Rounding of amounts | 58 |
| 38 | SD 3.2.1.1(c) | The Responsible Body must establish an Audit Committee to: > 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. | 39, 41 |

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

| | | | |
|----|----------|---|------------|
| 39 | FRD 11A | Disclosure of ex-gratia payments | 108 |
| 40 | FRD 21C | Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report | 103-106 |
| 41 | FRD 102A | Inventories | 81 |
| 42 | FRD 103H | Non-financial physical assets | 54, 72, 75 |
| 43 | FRD 105B | Borrowing costs | N/A |
| 44 | FRD 106B | Impairment of assets | 101 |
| 45 | FRD 107B | Investment properties | N/A |
| 46 | FRD 109A | Intangible assets | 75-76 |
| 47 | FRD 110A | Cash flow statements | 56 |
| 48 | FRD 112D | Defined benefit superannuation obligations | 67-68 |
| 49 | FRD 113A | Investment in subsidiaries, jointly controlled entities and associates | 77 |
| 50 | FRD 114C | Financial instruments | 91-98 |
| 51 | FRD 120N | Accounting and reporting pronouncements applicable to the reporting period | 58-59 |

Compliance with other legislation, subordinate instruments and policies

| | | | |
|----|----------------------------|---|-----|
| 52 | Legislation | The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> > <i>Education and Training Reform Act 2006</i> (ETRA) > TAFE institute constitution > Directions of the Minister for Training and Skills (or predecessors) > TAFE institute Commercial Guidelines > TAFE institute Strategic Planning Guidelines > <i>Public Administration Act 2004</i> > <i>Financial Management Act 1994</i> > <i>Freedom of Information Act 1982</i> > <i>Building Act 1993</i> > <i>Public Interest Disclosure Act 2012</i> > <i>Local Jobs First Act 2003</i> | 118 |
| 53 | ETRA s3.2.8 | Statement about compulsory non-academic fees, subscriptions and charges payable in 2020 | 122 |
| 54 | Policy | Statement that the TAFE institute complies with the <u>Victorian Public Sector Travel Policy</u> | 117 |
| 55 | Key Performance Indicators | Institutes to report against: <ul style="list-style-type: none"> > Employment costs as a proportion of training revenue; > Training revenue per teaching FTE; > Operating margin percentage; > Training Revenue diversity. | 112 |

Overseas operations of Victorian TAFE institutes

| | | | |
|----|---|--|-------|
| 56 | PAEC and VAGO (Junes 2003 Special Review) - Recommendation 11 | <ul style="list-style-type: none"> > Financial and other information on initiatives taken or strategies relating to the institute's overseas operations > Nature of strategic and operational risks for overseas operations > Strategies established to manage such risks of overseas operations > Performance measures and targets formulated for overseas operations > The extent to which expected outcomes for overseas operations have been achieved. | 27-29 |
|----|---|--|-------|

Additional Compliance Reports

VICTORIAN PUBLIC SECTOR TRAVEL PRINCIPLES

Chisholm has policy and procedures in relation to domestic and international travel and accommodation to ensure its compliance with the Victorian Public Service Travel Policy. This applies to all employees of Chisholm and its controlled entities. Directly linked to the travel policy are policies involving staff code of conduct, gifts, benefits and hospitality, health and safety, and travel expenditure.

APPLICATION AND OPERATION OF THE PUBLIC INTEREST DISCLOSURES ACT 2012

The *Protected Disclosure Act 2012* encourages and helps people disclose improper conduct by public officers and public bodies. It provides protection to people who make disclosures and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Chisholm does not tolerate improper conduct by employees, nor reprisal taken against those who disclose such conduct. It is committed to ensuring transparency and accountability in administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Chisholm takes all reasonable steps to protect people from any detrimental action in reprisal for making such disclosures.

Making a disclosure

Disclosures of improper conduct or detrimental action by Chisholm or any of its employees may be made to:

The Independent Broad-based Anti-Corruption Commission.

Street address:
Level 1, North Tower
459 Collins Street, Melbourne VIC 3000

Postal address:
GPO Box 24234, Melbourne VIC 3001
T: 1300 735 135
www.ibac.vic.gov.au

| Disclosures under the Protected Disclosure Act | 2020 | 2019 |
|---|------|------|
| The number of disclosures made by an individual to Chisholm and notified to the Independent Broad-based Anti-corruption Commission – assessable disclosures | 0 | 0 |

LOCAL JOBS FIRST ACT 2003: VICTORIAN INDUSTRY PARTICIPATION POLICY IMPLEMENTATION

The *Local Jobs First Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP).

Departments and public sector bodies are required to apply the Local Jobs First – VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects of \$1 million or more for procurement activities in regional Victoria.

During 2020, Chisholm commenced two projects which are Local Jobs First - VIPP applicable or Local Industry Development Plan (LIDP) applicable. These projects will total over \$70 million with one of the projects classified as a project of significance.

Data from completed LIDP's will be included in the Chisholm 2021 annual report.

COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

Chisholm has taken all practical measures to comply with its obligations under the Act. These include:

- > ensuring staff have an awareness and understanding of the care relationship principles set out in the Act, which includes communicating information about the principles in the Act and what they mean for staff; induction information provided to staff upon commencement and proactive discussion between staff and their managers
- > considering the care relationship principles set out in the Act when setting policies and procedures and providing services. This includes a regular review of employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act.

COMPETITION POLICY

Chisholm has policies, guidelines and procedures to ensure compliance with applicable National Competition Policy, including requirements of Victoria's Competitive Neutrality Policy and related legislation.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the Department and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- (a) A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- (b) Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- (c) Details of publications produced by Chisholm about itself, and how they can be obtained
- (d) Details of changes in process, fees, charges, rates and levies charged by Chisholm
- (e) Details of any major external reviews carried out by Chisholm
- (f) Details of major research and development activities undertaken by Chisholm
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- (h) Details of major promotions, public relations and marketing activities undertaken by Chisholm to develop community awareness of Chisholm and its services
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees
- (j) A general statement on industrial relations within Chisholm and details of time lost through industrial accidents and disputes

(k) A list of major committees sponsored by Chisholm, the purposes of each committee and the extent to which the purposes have been achieved; and

(l) Details of all consultancies and contractors including:

- (i) Consultants/contractors engaged
- (ii) Services provided; and
- (iii) Expenditure committed to for each engagement.

Enquiries regarding this information should be directed to:

Corporate Communications Manager
E: CorporateCommunications@chisholm.edu.au.

COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

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

- > *Education and Training Reform Act 2006*
- > TAFE institute constitution
- > Directions of the Minister for Training and Skills (or predecessors)
- > TAFE institute Commercial Guidelines
- > TAFE institute Strategic Planning Guidelines
- > *Public Administration Act 2004*
- > *Financial Management Act 1994*
- > *Freedom of Information Act 1982*
- > *Building Act 1993*
- > *Public Interest Disclosures Act 2012*
- > *Local Jobs First Act 2003*
- > Australian Accounting Standards
- > *Fair Work Act 2009* and *Fair Work Regulations 2009*
- > *Carers Recognition Act 2012*
- > *Occupational Health & Safety Act 2004* and *Occupational Health and Safety Regulations 2007*.

COMPLIANCE WITH THE BUILDING ACT 1993

General statement

Chisholm holds all plans and documentation for building extensions and new buildings lodged for issue of building approvals by certified building surveyors. Upon completion of construction, the Institute has obtained Certificates of Occupancy and practical completion certificates from the relevant architects and surveyors.

Assurance programs

Certification of building projects. The architects provided completion certificates and necessary building compliance and regulatory certificates were received for all projects completed.

Building maintenance programs

Chisholm has an ongoing maintenance program (using Institute staff and engagement of specialist external contractors) for works to the existing buildings controlled by Chisholm.

Compliance statement

It is considered that all buildings on campus currently conform to the Building Regulations as existed at the time of construction of the respective buildings. All new buildings constructed since the promulgation of the Building Act comply with those relevant standards. Chisholm has an ongoing program to ensure that any alterations or improvements to buildings meet the necessary standards to ensure that they are safe and fit for purpose.

For the year ended 31 December 2020, progress towards full compliance with the Building Act is summarised as follows:

| Building works | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------------------------|-------------|--------------------------------|-------------|-------------|-------------|-------------|
| New buildings certified for approval | 0 | 2 | 1 | 0 | 1 | 0 | 3 |
| Works in progress subject to mandatory inspections | 0 | 2 | 3 | 4 | 2 | 0 | 2 |
| New occupancy permits issued | 0 | 2 | 1 | 0 | 0 | 0 | 3 |
| Maintenance | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Notices issued for substandard buildings requiring urgent attention | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other notices issued involving major expenditure and urgent attention | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conforming | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Number of owned buildings occupied by Chisholm (note the numbers are buildings in their entirety; floors and levels have not been considered.) | | | | | | | |
| Frankston | 21 | 21 | 19* | 17* | 18 | 18 | 17 |
| Dandenong | 26 | 26 | 25 | 26 | 27 | 27 | 27 |
| Berwick | 11 | 11 | 10 | 9 | 10 | 10 | 9 |
| Cranbourne | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Bass Coast | 5 | 5 | 5 | 5 | 5 | 5 | 4 |
| Mornington Peninsula | 7 | 7 | 7 | 7 | 7 | 11 | 6 |
| Total | 75 | 75 | 71 | 69 | 72 | 76 | 68 |
| Number of buildings conforming to the standards | 73 | 73 | 71 | 69 | 72 | 76 | 68 |
| Number of non-conforming buildings vacated | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of buildings not conforming to standards | Refer to Subdivision Statement | | Refer to Subdivision Statement | | | | |

Leased buildings

> 126 Springvale Road, Springvale,
Adult Migrant English Program.

For number of buildings not conforming to standards, refer to Subdivision Statement below. Institute buildings J, K and L and buildings F, G and H at Frankston campus are counted as one building. Institute buildings R and S Dandenong campus are counted as one building.

Subdivision 1 of the Building Regulations relates to all new buildings or section of existing buildings altered after 1 July 1994. There are approximately eight buildings out of the 67 that are considered to be Subdivision 1 type buildings. All buildings are issued with an Annual Essential Safety Measures Report.

Subdivision 2 relates to all buildings constructed or altered prior to 1 July 1994. All Subdivision 2 buildings have been provided with a maintenance determination in accordance with Part 1215 of the Building Regulations, which require all buildings to be provided with this document and subsequent Annual Essential Safety Measures Reports prior to 13 June 2009.

REPORT ON MAJOR COMMERCIAL ACTIVITY

There was no Major Commercial Activity conducted by Chisholm in this reporting period.

ADVERTISING 2020

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

| Name of campaign | Campaign summary | Start/end date | Advertising (media) expenditure | Creative campaign and development expenditure | Research and evaluation expenditure | Print and collateral expenditure | Other campaign expenditure |
|-----------------------------------|---|----------------------|---------------------------------|---|-------------------------------------|----------------------------------|----------------------------|
| January 2020 acquisition campaign | Chase Your Calling recruitment campaign executed across television, cinema, out of home, radio, print and digital channels. | Jan 20– Mar 20 | \$655,822 | \$131,082 | \$16,035 | \$0 | \$0 |
| Mid-year acquisition campaign | Chase Your Calling recruitment campaign executed across out of home, radio and digital channels | April 20– July 20 | \$112,088 | \$154,199 | \$16,035 | \$0 | \$0 |
| Q4 acquisition campaign* | Chase Your Calling recruitment campaign executed across radio, and digital channels | Aug 20– Oct 20 | \$334,267 | \$186,582 | \$0 | \$0 | \$0 |
| January 2021 acquisition campaign | Chase Your Calling recruitment campaign executed across television, cinema, out of home, radio, print and digital channels | Nov 20– Dec 20 | \$738,231 | \$90,118 | \$0 | \$0 | \$0 |
| | | | \$1,840,408 | \$561,981 | \$32,070 | \$0 | \$0 |
| | | | | | | | Total \$2,434,459 |

* Q4 acquisition campaign figures include \$123,526 of funding from DET for the "DET Free TAFE campaign"

ICT EXPENDITURE

The Information Technology Services key projects for 2020 included:

- > completion of an ITS Strategy that identified seven key initiatives aligned to the five key Technology pillars. The ITS 5 Pillars Strategy is designed to support Chisholm's primary objectives developed through the Student Experience, Education, Commercial and People Plans
- > fast-tracking of technology initiatives to enable remote working and collaboration for staff and remote learning for students
- > delivery of WebChat and telephone integration to the CRM system to further enhance the customer experience
- > deployment of a Student Smartphone App that provides convenient access to a range of information that students need
- > upgrade and enhancements to Chisholm's web content management system, enabling improved customer experience through better access to information and marketing automation
- > deployment of a Windows Virtual Desktop solution to staff and students, enabling access to applications and information on any device at any time
- > A refresh of PCs, particularly ageing PCs in libraries across all campuses
- > An online enrolments capability that was successfully piloted across 25 courses, enabling complete enrolment and payment online
- > continued systems integration and automation to improve operational efficiencies between Chisholm's student management system and learning management system (project continuing into 2021)
- > deployment of unified communications and collaboration technologies, including Microsoft Teams (project continuing into 2021).

| | |
|---|--------------|
| Total entity ICT Business as Usual (BAU) expenditure for the full 12 month reporting period | \$18,162,788 |
|---|--------------|

| | |
|---|-------------|
| Total entity ICT Non-BAU expenditure for the full 12 month reporting period – Operational expenditure | \$1,305,609 |
|---|-------------|

| | |
|---|-------------|
| Total entity ICT Non-BAU expenditure for the full 12 month reporting period – Capital expenditure | \$3,774,736 |
|---|-------------|

APPLICATION OF THE FREEDOM OF INFORMATION ACT 1982

Chisholm falls under and complies with all reasonable requests made pursuant to the *Freedom of Information Act 1982*.

Chisholm also has defined procedures which, subject to privacy and confidentiality provisions, facilitate all reasonable requests for information from students, staff and the general public without recourse to the Freedom of Information Act.

General enquiries about Chisholm should be addressed to:

Chisholm Institute
PO Box 684, Dandenong Vic 3175
Or Chisholm.edu.au

All Freedom of Information requests should be forwarded to:

Freedom of Information Officer
Chisholm Institute
PO Box 684, Dandenong Vic 3175
FOI@chisholm.edu.au

Chisholm may levy a charge for information provided that is subject to a Freedom of Information request in accordance with the Freedom of Information (Access Charges) Regulations 2014.

During the year ended 31 December 2020, Chisholm received six FOI requests, three of which were processed as formal FOI applications. The other three were processed as informal requests for information.

ENGAGEMENT OF CONSULTANTS

For the year ended 31 December 2020 the Financial Reporting Directions and guidance FRD 22H define a consultant as a particular type of contractor that is engaged primarily to perform a discrete task for an entity that facilitates decision making through:

- > provision of expert analysis and advice
- > development of a written report or other intellectual output.

Consultancy expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2020, there were 39 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020 in relation to these consultancies is \$2,084,132 (excluding GST). Details of individual consultancies can be viewed at chisholm.edu.au/about-us/publications.

Details of consultancies under \$10,000

In 2020, there were 12 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2020 in relation to these consultancies was \$48,694 (excl. GST).

COMPULSORY NON-ACADEMIC STUDENT FEE INCOME STATEMENT

For the year ended 31 December 2020

Chisholm has a range of fees and charges for programs and services. For 2020, the fees and charges included:

- > Tuition fees for eligible Skills First Program students. These ranged from nil to \$12.50 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 \$1,625). Students who were ineligible for the Skills First Program paid tuition fees of up to \$17.25 per hour. Students enrolled in Chisholm's higher education courses paid up to \$2,126.50 per unit of study.
- > All students enrolling in courses that were on Chisholm's Funded Courses List (including students enrolling in Chisholm owned higher education courses) are required to pay a compulsory fee for their enrolment year that contributes to the cost of providing such services as counselling, welfare services, learning support, study support, IT infrastructure and activities and services provided by the Student Support and Engagement Services business area. The Student Services Fee (SSF) for non-concession eligible students is charged up to a maximum of \$250 per 12 months. The SSF is charged at \$0.76 per hour with a minimum of \$65 charged for a student's first enrolment. If the student has already paid the maximum for which they are eligible they will not be charged SSF for additional enrolments in the same 12-month period. SSF for concession-eligible students is charged up to a maximum of \$125 per 12 months (for enrolments in courses up to Certificate IV level for non-Aboriginal and Torres Strait Islander students). The SSF is charged at \$0.38 per hour with a minimum of \$65 charged for a student's first enrolment. If the student has already paid the maximum for which they are eligible they will not be charged SSF for additional enrolments in the same 12-month period. SSF for students studying higher education courses are charged at a rate of \$30 per unit of study. Students who are based solely in the workplace or studying exclusively online are not required to pay a student services fee.
- > A materials fee was charged to cover the actual cost of providing materials or services used or retained by a student in a particular course of study – if applicable to that course of study. The fee varied by course depending on requirements. Full details were provided to each student prior to enrolment.
- > Recognition of prior learning fees were charged at 50 per cent of the tuition fee that would be charged for participation in training for the same qualification.
- > All eligible Skills First program students who held and presented current and valid concession cards (Commonwealth Health Care Card, Pensioner Concession Card and Gold Veteran Card) prior to course commencement received an 80 per cent discount on tuition fees at Certificate IV level and below. These discounts also applied to students who were a dependant spouse or child of a concession card holder. Students identifying as Australian Indigenous individuals received the 80 per cent discount for all VET course levels.
- > Programs and services provided on a fee-for-service basis were priced in accordance with National Competition Policy principles.
- > Programs and services provided to international students and industry-based customers were costed on a commercial basis.
- > Other fees and charges were on a cost-recovery basis, for example, library and parking fines, photocopying and printing charges.



STEPHEN VARTY

Director and Chief Executive Officer

Date: 24 February 2021

Place: via remote audio-visual meeting,
State of Victoria

Environmental Performance

The environmental performance is a measure of the level of resource consumption and emissions across the Institute's various activities. This includes all emissions, ranging from fleet vehicles used for work activity, overseas air travel and electricity consumption.

Chisholm continues to place environmental considerations into all its operational activities, seeking to continuously improve its environmental practices throughout its operations, and developing and implementing robust systems and processes that protect the environment. The Institute's environmental performance including energy, water, paper, and fuel consumption measured against a 2007 baseline, and its performance against the baseline, can be found in the appendices.

Sustainable principles are also included in the delivery of vocational education and training, where various departments have sustainability components embedded into the curriculum. This is the case particularly with workplace practices, including the appropriate disposal of waste, separation, and recycling of reusable materials, and undertaking energy and waste audits.

Capital works

This year, the Institute completed an extensive Capital Works Program joint funded by the Institute and the Department of Education and Training. The program included:

- > development of a Student Services and Support Hub at Berwick and Dandenong
- > refurbished Teaching Spaces in Buildings A and B at Dandenong
- > upgrades to the Dandenong Trade Centre
- > refurbished open plan staff accommodation in Building A at Dandenong.

With the support of the Victorian Government's Stronger TAFE Fund Asset Maintenance Program, Chisholm implemented a program phasing out the use of ozone depleting R22 refrigerants on existing air conditioners across all

campuses, replacing old inefficient air-conditioners in Dandenong, and expanding the building automation systems to older buildings. This program is now complete, and all R22 Units have been removed from Chisholm campuses.

Carbon impact

With energy being the major component of the Institute's emissions, the impact on CO₂ emissions reduced slightly from previous years supported by COVID-19 restrictions on campus.

Energy consumption

Chisholm continues to focus on energy efficiency through investing in the energy monitoring and reporting infrastructure to identify potential waste, and to quantitatively measure and track improvements.

CHISHOLM ENVIRONMENTAL SUSTAINABILITY INDEX 2007–2020

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| Year | Target Sustainability Index | Target reduction % | Actual Sustainability Index | Actual performance % |
|-----------------|-----------------------------|--------------------|-----------------------------|----------------------|
| 2007 (baseline) | 1.63 | 0% | 1.63 | 0% |
| 2008 | 1.59 | -2% | 1.64 | 1% |
| 2009 | 1.55 | -5% | 1.41 | -13% |
| 2010 | 1.46 | -10% | 1.39 | -14% |
| 2011 | 1.38 | -15% | 1.41 | -13% |
| 2012 | 1.29 | -20% | 1.44 | -11% |
| 2013 | 1.21 | -26% | 1.27 | -22% |
| 2014 | 1.11 | -32% | 1.23 | -24% |
| 2015 | 1.03 | -37% | 1.30 | -20% |
| 2016 | 0.95 | -42% | 1.22 | -24% |
| 2017 | 0.90 | -45% | 1.10 | -32% |
| 2018 | 0.86 | -47% | 1.08 | -34% |
| 2019 | 0.81 | -50% | 1.18 | -27% |
| 2020 | 0.77 | -52% | 1.00 | -23% |

SUSTAINABILITY PERFORMANCE

Chisholm monitors its sustainability performance against ResourceSmart baseline targets from 2007, given below.

| Impacts/indicators | Measure | Baseline 2007 | Actual 2020 | % difference from the Baseline |
|---|---------------------|---------------|-------------|--------------------------------|
| Square metres (mth avg) | M2 | 98,784 | 144,197 | 46% |
| Student contact hours (enrolled) | SCH | 9,250,627 | 11,189,661 | 21% |
| Student enrolments | # | 40,329 | 33,861 | 16% |
| Staff FTE (avg) | FTE | 956 | 1099 | 14 |
| Student (FTESL) | FTESL | 12,848 | 15,541 | 20 |
| Student (FTESL) + staff (FTE) | FTESL + FTE | 13,805 | 16,640 | 20 |
| T1 – Emissions reduction (-48%) | t Co2e | 14,257 | 11,406 | 20% |
| | t CO2e/FTESL+FTE | 1.03 | 0 | |
| T2 – Energy reduction (-48%) | MJ | 61,636,903 | 46,667,160 | 20% |
| | Total MJ/FTESL+ FTE | 4,465 | 0 | |
| T3 – GreenPower purchase (55%) | MJ | 3,187,044 | 0 | N/A |
| | % | 9.8% | 0% | |
| T4 – % Renewable energy of the total Energy Use (28%) | MJ | 3,135 | 3,135 | 0.2% |
| | % | 0.01% | 0.01% | |
| T5 – Water reduction (-85%) | kL | 36,744 | 38,300 | -4% |
| | kL/FTESL+ FTE | 2.66 | 0 | |
| T6 – Waste to landfill reduction (-75%) | t | 847 | 1,266 | -52% |
| | t/FTESL+ FTE | 0.061 | 0 | |
| | % recycled | 13.3% | 23.1% | |

2020 Environmental data

Energy use

| | | |
|---|------------------|-------------------|
| Total energy usage segmented by primary source (megajoules) | Electricity | 28,933,639 |
| | Natural gas | 17,733,521 |
| | GreenPower | 0 |
| | Total | 46,667,160 |
| Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tonnes CO ₂ e) | Electricity (S2) | 8,522 |
| | Electricity (S3) | 789 |
| | Natural gas (S1) | 906 |
| | Natural gas (S3) | 72 |
| | GreenPower | 0 |
| Total | 10,289 | |
| Percentage of electricity purchased as GreenPower (%) | | 0 |
| Units of energy used per full time employee – FTE value used (megajoules per FTE) | | 0 |
| Units of energy used per unit of office area (megajoules per m ²) | | 323 |

Waste production

| | | |
|--|--------------|------------------|
| Total units of office waste disposed of by destination (kg per year) | Landfill | 974,820 |
| | Recycled | 291,180 |
| | Total | 1,266,000 |
| Units of office waste disposed of per full time employee – FTE by destination (kg per FTE) | | 1,650 |
| Recycling rate (% of total waste by weight) | | 23% |
| Greenhouse gas emissions associated with waste disposal (tonnes CO ₂ e) | | 987 |

Water consumption

| | |
|---|--------|
| Total units of metered water consumed by water source (kilolitres) | 38,300 |
| Units of metered water consumed in offices per FTE (kilolitres per full time employee – FTE) | 49.9 |
| Units of metered water consumed in offices per unit of office area (kilolitres per m ²) | 0.33 |

Transportation

| | | |
|---|---------------|------------------|
| Total energy consumption by vehicle fleet segmented by vehicle type (MJ) | Diesel | 127,568 |
| | LPG | 0 |
| | Petrol | 1,423,341 |
| | Total | 1,550,909 |
| Total vehicle travel associated with entity operations (km) | | 604,429 |
| Greenhouse gas emissions from vehicle fleet (tonnes CO ₂ e) segmented by vehicle type | Diesel (S1+3) | 8 |
| | LPG (S1+3) | 0 |
| | Petrol (S1+3) | 118 |
| | Total | 226 |
| Greenhouse gas emissions from vehicle fleet (tonnes CO ₂ e) per 1000 km | | 0.14 |
| Total distance travelled by air (km) | | 0 |
| Percentage of employees regularly using public transport, cycling, walking etc. Sample size – 27 employees – 2015. | | 1.1% |

Greenhouse gas emissions

| | |
|--|---------------|
| Total greenhouse gas emissions associated with energy use (tonnes CO ₂ e) | 10,289 |
| Total greenhouse gas emissions associated with vehicle fleet (tonnes CO ₂ e) | 126 |
| Total greenhouse gas emissions associated with air travel (tonnes CO ₂ e) | |
| Total greenhouse gas emissions associated with waste disposal (tonnes CO ₂ e) | 987 |
| Greenhouse gas emission offsets purchased (CO ₂ -e) | 0 |
| Total emissions from all sources | 11,402 |

Acronyms

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

| | | | |
|--------------|--|---------------|---|
| AAS | Australian Accounting Standard | PAEC | Public Accounts and Estimates Committee |
| AASB | Australian Accounting Standards Board | PEC | Professional Educator College |
| ACFE | Adult, Community and Further Education | RPL | Recognition of prior learning |
| AMEP | Adult Migrant English Program | SCH | Student contact hours |
| BAU | Business as Usual | SD | Standing Directions |
| CEO | Chief Executive Officer | SMRC | South Migrant Resource Centre |
| CRM | Customer relationship management | SPA | Southern Program Alliance |
| CSJC | Chisholm Skills and Jobs Centre | SSF | Student Services Fee |
| EAL | English as an alternative language | TAFE | Technical and further education |
| ETRA | Education and Training Reform Act 2006 | THMA | Toyota Material Handling Australia |
| FMA | Financial Management Act 1994 | TVET | Technical and vocational education and training |
| FRD | Financial Reporting Directions | VAGO | Victorian Auditor-General's Office |
| FTE | Full time employee | VCAL | Victorian Certificate of Applied Learning |
| GST | Goods and services tax | VET | Vocational education and training |
| ITS | Information Technology Services | VETDSS | VET delivered to secondary students |
| LLN | Language, literacy and numeracy | VIPP | Victorian Industry Participation Policy |
| MP | Member of Parliament | | |
| PACCT | Professional administrative, clerical, computing and technical | | |



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