

Chisholm

**ANNUAL
REPORT
2017**

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
- Integrity
- Collaboration
- Achievement



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ABOUT THIS REPORT

The Chisholm Institute 2017 Annual Report is a report to the Parliament of Victoria required under Section 45 of the *Financial Management Act 1994*.

This document reports on the 2017 operations of Chisholm Institute, TAFE Online (Trading as Chisholm Online), Chisholm Academy and the Caroline Chisholm Education Foundation. It provides a consolidated financial statement, performance statement and other information required under Standing Directions of the Minister for Finance under the Act (Section 5 Compliance and Reporting) and the Financial Reporting Directions given under that Act.

This report was prepared according to the reporting guidelines issued by the Higher Education and Skills Group, Department of Education and Training.

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

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

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

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GRANT RADFORD

Acting Chief Executive Officer
28 February 2018



SHEHANI MENDIS

Chief Finance Officer
28 February 2018

ABOUT CHISHOLM

Chisholm has been leading the way in providing quality education and training throughout Victoria, nationally and overseas since 1998.

Chisholm is a Victorian Government-owned training and further education (TAFE) provider established under the Education and Training Reform Act 2006. The responsible minister is The Honourable Gayle Tierney MP, Minister for Training and Skills.

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

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

Through Chisholm's strategic partnership with La Trobe University, students are able to study a number of La Trobe degree courses at Chisholm locations with opportunities to pathway via Chisholm certificate and diploma level courses. This allows flexibility with entry and exit points at various levels for higher education across disciplinary areas such as health, business, IT and education.

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



BOARD CHAIR'S MESSAGE

It is with pleasure that I present the Institute's Annual Report for 2017. During the past year, Chisholm has continued its strong commitment to its students, industry and the community.

The Chisholm Board reviewed its strategy this year and confirmed its focus on the strategic drivers to guide our efforts over the next few years. Strong governance and a clear vision for the future has seen Chisholm grow in the past year.

Chisholm remains committed to providing a quality education and training experience that is relevant to today's jobs and employment. In partnership with government, Chisholm continues to develop its campuses to provide infrastructure and industry-standard facilities. This enables us to provide a top-class education for our students and prepare them for the future of work and to meet the needs of industry and the Victorian economy.

We value our partnerships with industry, our role in the community and the strength of our partnerships with other educational institutions in Australia and overseas. Our partnerships with regional schools and La Trobe University provide pathways for students they might otherwise not have.

On behalf of the Board, I would like to acknowledge and thank our Chief Executive Officer, Maria Peters, who retired at the end of 2017. Maria is a true leader in education and training whose knowledge and passion for education has contributed significantly over many years to the success of the Institute. The Board was particularly

pleased to see the recognition given to Maria when she received the Lynne Kosky Memorial Award for Lifetime Achievement, for her contribution to the VET system as a whole. Maria is highly respected by her colleagues and has shown an unwavering commitment and dedication to the success of Chisholm and its students.

I would also like to thank Chisholm's Executive Leadership Team who have all worked tirelessly to implement the Board's strategy and achieve excellent outcomes for Chisholm's students and clients.

I particularly thank the Board members for their commitment and strong governance. Chisholm continues to be a market leader in education in Victoria. I am immensely proud of the achievements of 2017 and have confidence that Chisholm will meet the challenges and opportunities of the year ahead.



STEPHEN G. MARKS

Board Chair
28 February 2018



CEO'S MESSAGE

Chisholm achieved another solid year in 2017 to maintain its status as one of the strongest and most sustainable TAFE Institutes in Victoria's public education sector.

Within its principle region of Melbourne's south east, Chisholm has retained its quality work, commitment to industry, students and vitality in a changing training market. The introduction of the *Skills First* policy and sector reform by the Victorian Government has enabled TAFE institutes to increase market share and has brought some stability to the public's perception of VET. This has elevated the quality, regard and durability of TAFE qualifications and awards. The TAFE education and training system is fundamental to meeting the needs of students, industry and communities, and is critical to our society and the Victorian economy.

Chisholm has definitely been on the move. In 2017, we were able to invest in our future. Working closely with industry, the Frankston redevelopment is quickly taking shape and construction of the Centre for Health at Berwick is underway. When combined with the Casey Tech School, a Science, Technology, Engineering and Mathematics (STEM) innovation linking secondary students with vocational applications, these construction projects are a significant investment in regional education and training capability, and place Chisholm at the forefront of VET. New facilities will bring a new sense of life and vibrancy and our students and industry will benefit from these developments as they support the type of relevant and innovative training that leads to employment opportunities and jobs in demand.

There were so many initiatives and achievements in 2017. A sample includes: commencing the Australian Government's program for adult migrants (AMEP); commencing a traineeship in cyber security; developing virtual reality learning tools; redesigning the plumbing delivery apprenticeship in partnership with employers; and achieving strong retention and student success in Chisholm Online. We continued to work with industry on future workforce needs and new and emerging jobs and aligning our delivery accordingly. Chisholm is diverse and is continuing to invest in its capacity and

capability through initiatives such as the Educational Excellence Framework and the Professional Development Framework, the latter which now includes a full suite of programs that can be accessed by educators and professional staff.

One measure of the success of a training organisation is the awards that it wins, particularly for students and staff. These awards are expressions of the quality of delivery and the commitment of staff to excellence. Our students also achieved in local and national awards, particularly in industry awards, where success is a signal of the quality of their work and the value of what Chisholm offers to the community and industry. This year, Chisholm staff, students and our industry partners were represented at the Chisholm Awards. These are outlined in this annual report. One member of staff received a national training award, other staff were recognised in industry awards and many of our students completed their training by receiving a Chisholm award with industry, world skills and international awards. Programs such as the Young Parents were recognised for best practice, as was our work with a key industry partner in the aged care sector. These are proud moments for us. They are an affirmation that what we do is worthwhile and up there with the best in the sector.

Chisholm remains committed to supporting disadvantaged students within the region, and in 2017 we enhanced the support services required by various groups to enable all students to succeed in completing a qualification and realising their educational dreams. The Skills and Job Centre, which assists students in finding a job, gained momentum. Supporting diversity within the community is one characteristic that distinguishes Chisholm. Our embedding within the community, a valued contributor to the local economy and society is another.

The partnerships into which Chisholm enters with industry and other educational providers are strong and

growing. Chisholm works with industry to build its flagships, Engineering and Advanced Manufacturing, Health and Community Care and Traditional Trades and has an emerging flagship in Rail Infrastructure and Associated Trades. We continued to build our overseas international project work and partnerships and strengthened other commercial work during 2017.

The partnership with La Trobe University has opened opportunities for our students and the region that were not previously available; and the Institute continues to strengthen its work with schools and Learn Local organisations throughout our catchment.

This year's annual report highlights our key activities and demonstrates the ingenuity and hard work of the Chisholm staff, whom I thank for their efforts. The success of an organisation lies in the strength and commitment of its staff.

I would also like to thank our Board Chair Stephen Marks, and the Board members for their support and strong governance over the past year. I have been ably supported by the executive team and the wider leadership team and acknowledge and thank them for their work, commitment and the difference they make to our students, industry, partners and communities.

I will never waver in my belief that as public providers we make a difference. I remain inspired by Chisholm and by VET. In making that difference in an individual's life, to our communities and industry, the TAFE sector does that better and it will be durable.

As I retire, I am confident that Chisholm has a bright future with a strong and enduring strategy and a robust platform for continued success. I am proud to have been a custodian of a wonderful TAFE Institute, Chisholm.



MARIA PETERS
Chief Executive Officer
December 2017



AWARDS AND ACHIEVEMENTS

Chisholm's award-winning students, teachers and support staff support our vision to inspire success and transform lives. Their efforts and accolades in 2017 showcased Chisholm's continuing commitment to outstanding student outcomes, inspirational teaching and innovative training initiatives.



LYNNE KOSKY MEMORIAL AWARD FOR LIFETIME ACHIEVEMENT



Chisholm CEO Maria Peters received the prestigious Lynne Kosky Memorial Award for Lifetime Achievement, announced at the 2017 Victorian Training Awards in October.

Recipients of this award have reached the pinnacle of their profession and demonstrated outstanding leadership and contributions to the VET sector.

The award was named in honour of former Victorian Education and Training Minister, the late Lynne Kosky, who was a driving force in the training and skills sector in Victoria.

AUSTRALIAN TRAINING AWARDS - EXCELLENCE IN LANGUAGE, LITERACY AND NUMERACY PRACTICE

Chisholm teacher Kathrin Colgan received the 2017 Excellence in Language, Literacy and Numeracy Practice Award at the Australian Training Awards in Canberra.

A VET teacher in this field for the past 20 years, Kathrin is a passionate advocate for improving standards for students and language, literacy and numeracy (LLN) professionals.

The award recognises innovation and excellence by an individual involved in improving LLN skills in an educational, community or workplace context.





◀ VICTORIAN INTERNATIONAL EDUCATION AWARDS - VET STUDENT OF THE YEAR

Chisholm student Samuel Shedrack Chukwuweonu received the 2017 International Student of the Year in VET at the Victorian International Education Awards.

Samuel, from Nigeria, has been studying an Advanced Diploma in Computer Systems Technology (Cyber Security).

Losing his father at an early age propelled Samuel to focus on education and to apply the knowledge and skills he gained at Chisholm to become an agent for change.

At the Cisco Netriders Asia Pacific Competition, Samuel ranked first in round one, and fourth in the final round in Australia. He is developing a cyber security awareness project to protect computers from dangerous and harmful web applications.

FRANKSTON YOUNG PARENTS PROGRAM HONOURED

Chisholm's Young Parents Program received the Schools Best Practice Award in the 2017 Frankston-Mornington Peninsula Local Learning and Employment Network (FMPLLEN) VCAL awards.

The award recognised the work of Chisholm's teachers and support team and its community partners in supporting vulnerable young people, building parenting skills and providing an environment for success.

Five senior students graduated and one intermediate student completed their VCAL studies in 2017. One successfully transitioned from senior VCAL into VCE, and another completed a health assistance course. Seven participants are expected to continue their studies, with the program offering pathways into courses in nursing, retail, automotive, early childcare and hairdressing.

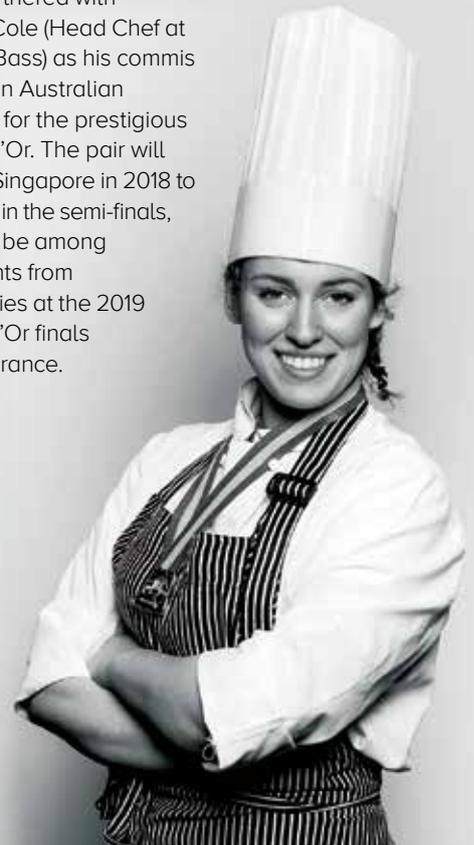
VICTORIAN MARINE APPRENTICE OF THE YEAR

The Boating Industry Association of Victoria awarded the 2017 Victorian Marine Apprentice of the Year to Chisholm student Dougie Bauer at the 2017 Melbourne Boat Show. Dougie is completing a Certificate III in Marine Mechanical Technology. He was recognised for his significant skills, dedication and behaviour at school and his workplace and for his community involvement.

HOSPITALITY GOLD

Chisholm commercial cookery student Laura Skvor is fast making a name for herself in the culinary world. Laura won gold at the 2017 regional state AUSTAFE competition in August and followed this up as the overall gold winner at the state AUSTAFE competition in September 2017. Laura now has her sights on the 'Olympics of cooking', the biennial international Bocuse d'Or culinary contest.

Laura partnered with Michael Cole (Head Chef at Georgie Bass) as his commis chef to win Australian selection for the prestigious Bocuse d'Or. The pair will travel to Singapore in 2018 to complete in the semi-finals, aiming to be among contestants from 24 countries at the 2019 Bocuse d'Or finals in Lyon, France.



CHISHOLM EDUCATION AWARDS

Chisholm's 2017 Education Awards recognised the outstanding achievements of students, teachers, and industry partnerships.

Secondary Studies Student of the Year
Hannah Wain

Koorie Student of the Year
Alarna Pyper

Trainee of the Year
Hugh Barrow

International Student of the Year
Samuel Chukwuweonu and
Amandeep Kaur

Higher Education Student of the Year
Thomas Munro-Harrison

Teacher of the Year
Jackii Brown, Nicholas Lee
and Jay Brown

Apprentice of the Year
Andrew Woolley -
Environment

Study area Apprentice winners

Ryan Thompson
Plumbing and Water Industry Services

Amy Hunter
Hair, Beauty and Wellness

Dylan Bennett
Construction and Building Industry
Services

Nathan Thomson
ACM Parts Award for excellence
in Automotive and Supply Chain
Management

Simon Radunkovic
Bill Norling Award for Outstanding
Automotive Apprentice

Kaid Piper
Engineering, Electrotechnology
& Telecommunications

Vocational Student of the Year
Jarrod Mills - Sport and Recreation

Study area Vocational winners

Kelly Thomas
Business Services

Samantha Petrie
Early Childhood Education and Care

Elizabeth Maher
Health and Community Care

Kylie Jackson
Hair Beauty and Wellness

Todd Huntly
Engineering, Electrotechnology
& Telecommunications

Samsur Rahman
Information Technology &
Computer Systems

Michael Kuol
Foundation College

Sonja Matla
Hospitality and Tourism

Ben Stenhouse
VET in Schools

Christina Lovison
Professional Teaching



HBIA AWARDS

Chisholm's excellence was recognised with five major awards at the Hairdressing and Beauty Industry Awards (HBIA) in November 2017. The top honour of Educator of the Year was awarded to Chisholm barbering teacher Jackii Brown for the second consecutive year.

Chisholm's continued success in this field reflects our commitment to high-quality training for students and industry partners. With growing demand for qualified hair, make-up and beauty specialists, Chisholm is proud to be recognised for the success of its teachers and students.

Chisholm blitzed the field to win in the following HBIA categories:

Educator of the Year Award

Jackii Brown

Certificate III in Make-up

Zainab Jafari

Certificate IV in Screen and Media (Specialist Make-up Services)

Julie Taylor

Certificate III in Hairdressing

Krystina Artuso

Certificate II in Beauty Services

Chelsie Edwards





WORKING WITH INDUSTRY

AUTOMOTIVE HOLDINGS GROUP

At the core of this successful partnership is an innovative program where participants undertake intensive pre-apprenticeship training at Chisholm before their placement at an Automotive Holdings Group dealership. This partnership demonstrates the successful collaboration to design a solution that delivers a great result for the business and participants.

BETTER COMMUNICATION WITH INDUSTRY EMPLOYERS

A pilot project for the Chisholm Employer Portal saw more than 300 plumbing trades employers sign up. The portal is an online interface that allows employers to view information about apprentice training progress, including timetables, attendance, up-to-date training progress, and ability to complete sign-offs in real time. A key value of the portal is its 24-hour accessibility and user-friendly design. In 2018, accessibility to the portal will continue to expand, including to construction, automotive, hairdressing and hospitality employers.

Markbook Mobile is an application that also went live in 2017. The system uses SMS to alert employers in real time about apprentice attendance, lateness or non-attendance to TAFE classes.

TI TREE AT VILLAGE GLEN

Chisholm continued to deliver workplace training and education at aged care facility Ti Tree at Village Glen in 2017. A variety of qualifications were offered, including certificates in individual support, commercial cookery and short courses.

Chisholm's training program contributed to Ti Tree at Village Glen winning a prestigious Better Practice Award by the Australian Government's

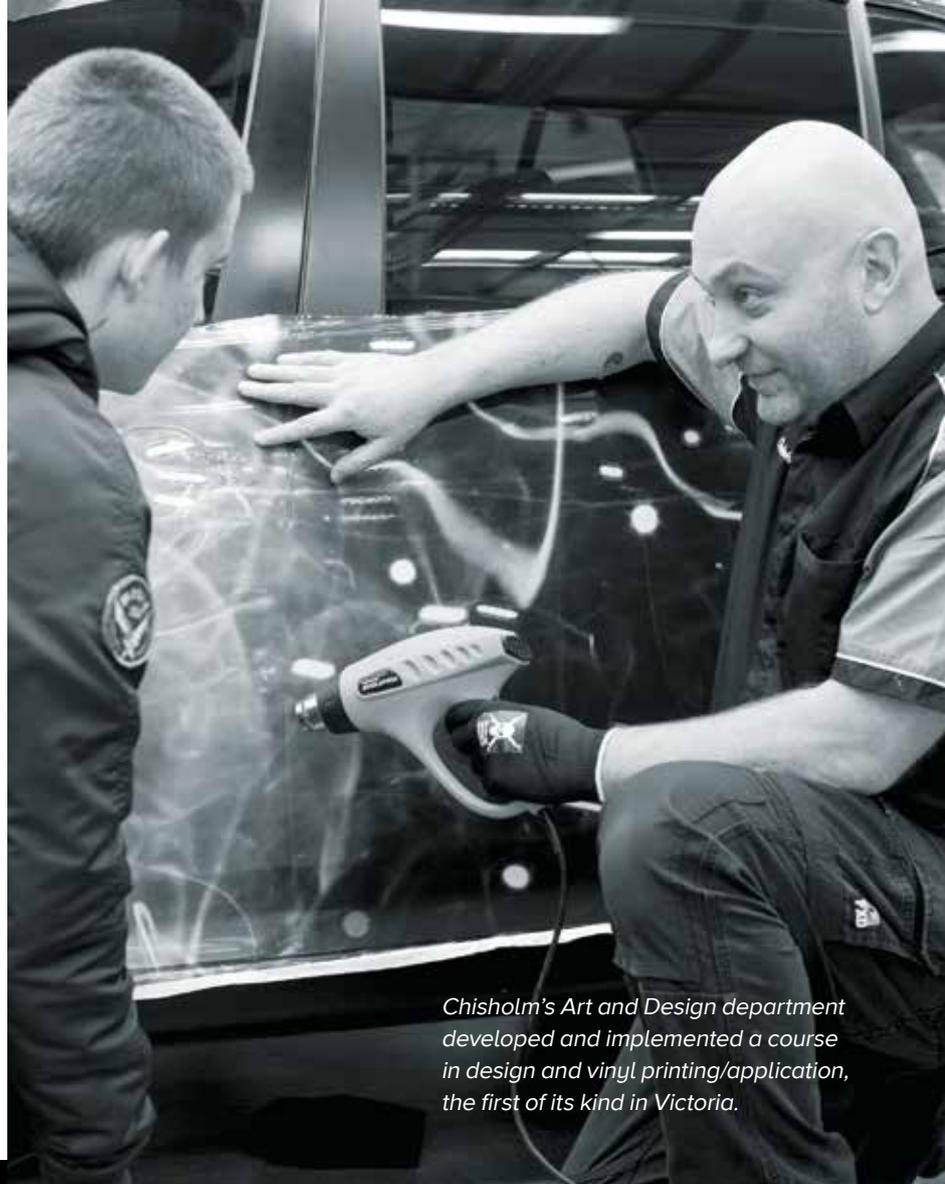
Australian Aged Care Quality Agency for Workforce Development – Employee Sustainability through traineeships. This collaboration and commitment to quality training and employment has been the key to identifying sustainable ways of employing a growing pool of job seekers from the Peninsula. Ti Tree's commitment to training also provides future career opportunities and development through up-skilling programs.

'BACK TO WORK' PROJECT KEY INITIATIVES AND INNOVATION

Chisholm worked extensively with industry throughout 2017 to develop programs under the Victorian Government's 'Back to Work' program which supports long-term unemployed people.

Panelised construction skill-set

In Europe, 80 per cent of domestic and commercial building construction is performed offsite. Buildings are constructed in panel sections or room by room and then assembled onsite in a few days. Panelised construction is being rapidly adopted in Australia's construction industry. In response, Chisholm's Building Trades department has developed and is now delivering training in this area to help meet employer demand for semi-skilled, trained staff.



Chisholm's Art and Design department developed and implemented a course in design and vinyl printing/application, the first of its kind in Victoria.

Future Leaders in Manufacturing Sales

Chisholm's Future Leaders in Manufacturing Sales program was designed in consultation with the South East Melbourne Manufacturing Alliance (SEMMA), South East Business Network (SEBN) and other industry specialists. The program is unique and a truly innovative industry educational product. Students are employees of organisations in the local manufacturing industry who are undertaking a custom-built Certificate IV in Business Sales. Specialist training is delivered in subject areas including marketing strategy, closing the deal sales techniques, leadership and management skills, and emotional intelligence and neuro-linguistics programming (NLP).

The program aims to promote growth within the local manufacturing sector by developing marketing and sales skills. The first class of eight students from local manufacturers started in April 2017, with training delivered in the workplace and classrooms. The second class began in November 2017.



Michele Tocci (Chisholm Institute) and Tate McFarlane (Bomac Engineering Pty Ltd)



Students and Industry Specialists from April 2017 Creating Future Leaders in Manufacturing Sales



Danielle Cheng (U-Neek Bending Pty Ltd)



Students and presenters from April 2017 Creating Future Leaders in Manufacturing Sales

COMMUNITY OUTREACH

ADULT MIGRANT ENGLISH PROGRAM

Chisholm commenced delivering the Adult Migrant English Program (AMEP) in July 2017, becoming the sole sub contractor of the program in Melbourne's south east and peninsula region.

An Australian Government-funded program, AMEP provides up to 510 hours of English language tuition to eligible migrants and humanitarian entrants to help them acquire foundation English language and settlements skills so they can participate socially and economically in Australian society.

In the second half of 2017, Chisholm delivered AMEP classes at 10 locations, with 1,315 students participating in 1,947 courses.

CHANGE OUR BRAINS INITIATIVE

Chisholm trades teacher Shaun Gledhill led the development and piloting of the Change Our Brains program in 2017 to prevent suicide and raise awareness of mental health problems among young trades people.

The program was developed with the help of Headspace, Tomorrow Man, Wesley Mission and others. It aims to equip young men and women with tools to better communicate their emotions, reach out if they need help, and to know where to turn if feeling depressed.

Key elements of the pilot program included: establishment of a network of student and staff volunteers –

Manbassadors and Maambassadors – to provide an initial peer support referral system, facilitated workshops for several Chisholm trades groups by the Tomorrow Man organisation, and a tradies 'Breakfast of Champions' at Tate Home Timber and Hardware in Somerville to raise awareness and promote a help-seeking culture among tradies for alcohol, drugs, mental health and suicide issues.

LIFE-GATE

Chisholm commercial cookery students at Frankston worked with volunteer crisis care organisation Life-Gate to provide approximately 15 litres of soup each week to the local homeless and disadvantaged community throughout 2017.

SOUTH EAST AUTOMOTIVE TRANSITION (SEAT) PROGRAM

The South East Automotive Transition (SEAT) program sits within the Chisholm Skills and Jobs Centre as part of an overall Automotive Industry Transition Plan by the Victorian Government. This program assists automotive businesses to transition into new markets and supports workers to retrain and find sustainable jobs. More than 300 redundant automotive workers accessed this service in 2017.

CHISHOLM SKILLS AND JOBS CENTRE

Chisholm's Skills and Jobs Centre (SJC) is part of a state-wide Victorian Government program to assist potential students, job seekers and employers. It has a key role in connecting job seekers with highly relevant vocational training. The SJC offers free and accurate contemporary advice on job readiness, training, upskilling and job opportunities, and assists employers with recruitment.

In 2017, the SJC provided confidential counselling, careers advice, job-seeking skills and free workshops to more than 2,870 job seekers.



EDUCATIONAL EXCELLENCE AND INNOVATION



Chisholm Online continues to grow and is now well established as a premium provider of online education in the VET sector.

The high-touch and supportive online education model continued to drive positive outcomes, with over 1,100 busy adult learners in 2017 engaged online to re-skill, up-skill or return to the workforce.

Chisholm Online expanded its course and service offerings in 2017. New skillsets were added to complement the 18 existing courses, a mental health flagship program was developed and courseware development services now offer tailored solutions to meet specific industry training needs.



CHISHOLM SPORTS ACADEMY

The Chisholm Sports Academy at Cranbourne was established in 2017, offering elite-level training, coupled with nationally accredited, industry-recognised qualifications – the Diploma of Sport Development and Diploma of Sport and Recreation Management – with pathways to a sporting industry career and/or higher education. Basketball was the Academy’s focus for 2017, with Australian Football League (AFL) to follow in 2018.

EMBEDDED WORKPLACE TRIALS

Chisholm’s senior and technical college continued to innovate in supporting students to achieve and progress to successful apprenticeships by embedding work place trials into the bricklaying pre-apprenticeship during training.

ENABLING EDUCATORS LA TROBE DEGREES AT CHISHOLM

In 2017, Chisholm focused on educator enablement, development and sharing of learning resources and enhancing student success.

Chisholm’s Professional Educator College continued to support educator capacity, implementing tailored learning journeys and elective modules for 670 educators during the year.

The Professional Educator Framework addresses the development needs of all Chisholm educators across Senior Secondary School, VET and Higher Education sectors.

It is centred on identifying the needs of diverse student cohorts, to provide a high-quality student experience, and promote the design of innovative and responsive learning and assessment programs that meet current and emerging industry needs.

Chisholm also invested significantly in the development of educational initiatives that aim to support current and emerging innovations in education. These investments include support for:

- Virtual reality exploration
- Learning management system automation
- Dynamic videography development
- Learning designer capability.

The La Trobe at Chisholm partnership is bringing a new focus on higher education to Melbourne’s south east. The partnership is building a visible and convenient local pathway into higher education degrees at Chisholm campuses and delivering improved employment outcomes for students.

In 2017, more than 600 local students enrolled in partnership courses in accounting, information technology, early learning education, community services and nursing. Each student came into the partnership offer as part of a Chisholm VET qualification.

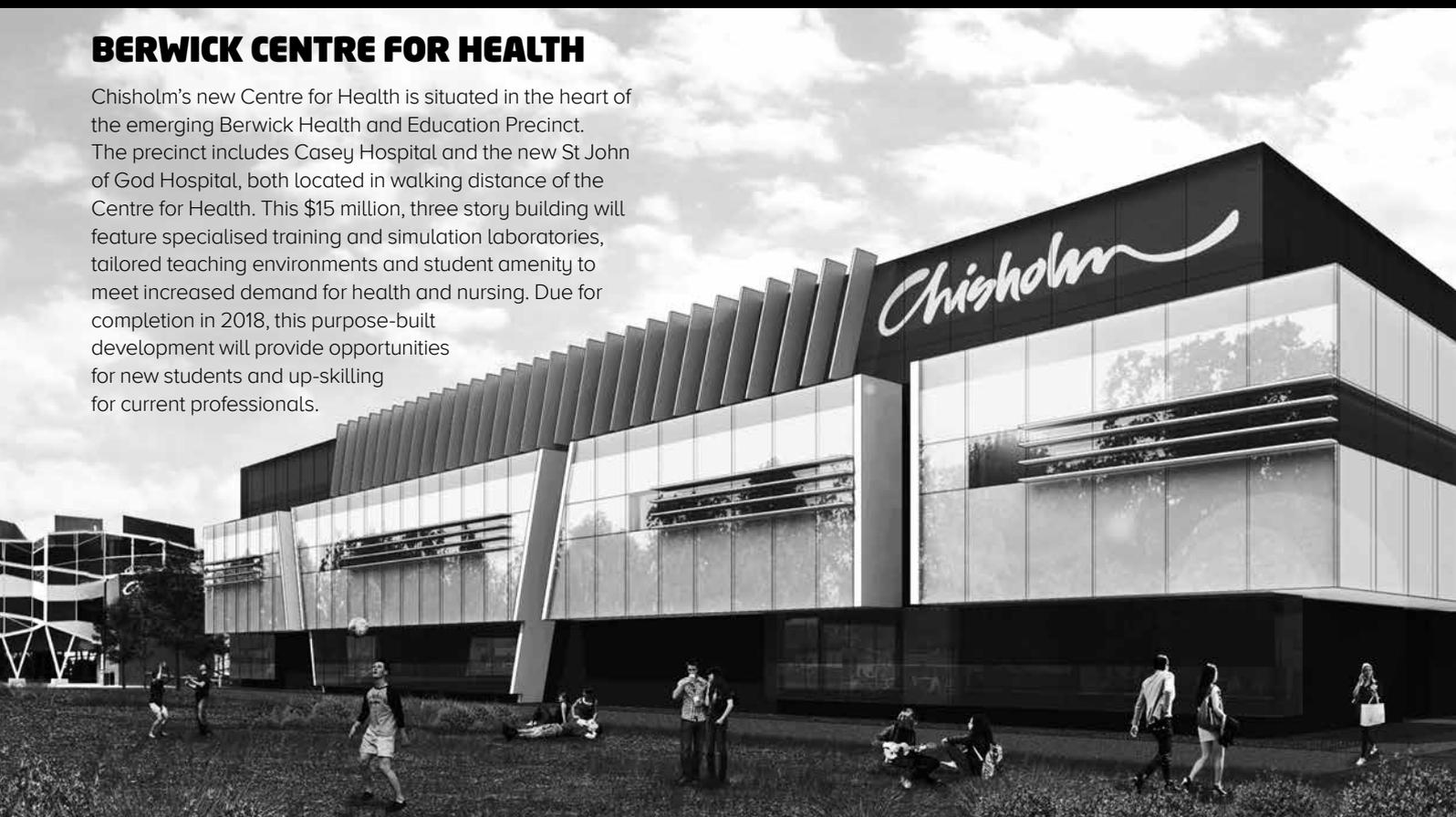
Completing the VET qualification makes students eligible for advanced entry into a specialised La Trobe degree at a local Chisholm campus. A Masters of Business Administration was added to the suite in 2017.

BUILDING FOR THE FUTURE

Chisholm continued to invest in facilities in 2017 to forge even stronger links with business and industry and deliver outstanding education, employment and skills opportunities into the future for the communities in which it operates. Funding from the Victorian Government and Chisholm enable these developments.

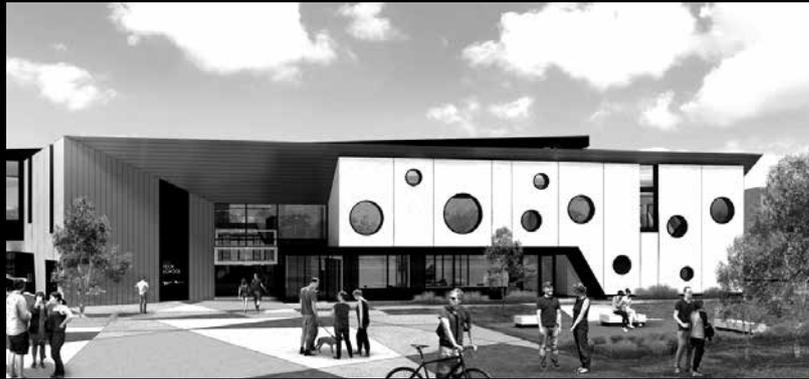
BERWICK CENTRE FOR HEALTH

Chisholm's new Centre for Health is situated in the heart of the emerging Berwick Health and Education Precinct. The precinct includes Casey Hospital and the new St John of God Hospital, both located in walking distance of the Centre for Health. This \$15 million, three story building will feature specialised training and simulation laboratories, tailored teaching environments and student amenity to meet increased demand for health and nursing. Due for completion in 2018, this purpose-built development will provide opportunities for new students and up-skilling for current professionals.



CHISHOLM IN THE CITY

Chisholm is now operating from two locations in the heart of the Melbourne City Business District to meet the growing demand for Chisholm's educational offering outside of Melbourne's south east. Chisholm's 234 Flinders Lane Campus was the location for celebrating the official opening of Chisholm's city educational and training facilities which were completed in 2017.



CASEY TECH SCHOOL

Students from 21 partner schools in the Casey region will have access to cutting-edge learning and specialised programs at the Casey Tech School, hosted by Chisholm Institute at its Berwick Campus.

The Casey Tech School received investment of \$11.5 million as part of the Victorian Government's \$128 million tech school initiative. The school will be a high-tech learning environment with studios, digital classrooms, laboratory spaces, workshops and break out areas. Innovative education programs will link with local industry to deliver real world learning.

Casey Tech School will emphasise the vital science, technology, engineering,



arts and mathematics (STEAM) and enterprise skills needed for the 21st century. It will enhance the programs schools provide and help to prepare students for the jobs of the future.

Construction commenced in September 2017. Chisholm will continue working with partner schools, community organisations and local industry to finalise initial learning programs and administrative and equipment arrangements to ensure the Tech School will be fully functional when it opens mid-2018.



FRANKSTON REDEVELOPMENT PROJECT STAGE 1

2017 saw construction commence for the \$75.9 million redevelopment at the Frankston Campus. This will build new state-of-the-art education and training facilities for health, community care, early childhood education and hair and beauty. This will also include a higher education space and student

hub, and innovative teaching and learning spaces for the digital era, as well as redeveloped trades facilities and a new Centre for Advanced Manufacturing, including an industry-driven, purpose-built, flexible, integrated design centre. 5,600 square metres of fully refurbished space will be completed in 2018, with new facilities of more than 3000 square metres due for completion in early 2019.

PEOPLE AND DEVELOPMENT

WORKFORCE DEVELOPMENT

Chisholm people are the cornerstone of its success. It is vital that all staff receive quality professional development to acquire the skills and knowledge that align to their needs and that of Chisholm, as outlined in the Strategic Plan: *Achieving a sustainable and high performing organisation.*

Chisholm's Professional Educator College has successfully delivered competencies and skills to teaching staff since 2015. In 2017, a new Professional Development Framework was launched.

The Professional Development Framework is based on four principles:

- Chisholm encourages and supports all staff to reach their full potential
- Chisholm develops organisational capability and achieves workforce excellence
- Chisholm achieves strategic and operational goals
- Chisholm is a high performing and sustainable Institute, workplace, and partner of choice.

The Framework sets out how staff can develop the competencies they need, when they need them, so that Chisholm can develop a culture of high performance and life-long learning.

The Framework focuses on the different professional development needs of team members, applies blended learning and is based on proven adult learning principles. Programs cater

for three capability levels: emerging, developing, and experienced.

The Professional Development Framework saw two new colleges created for Chisholm in 2017:

- The new Professional Staff College enables our staff to build skills and competencies so that students and internal clients receive exceptional and attentive service.
- The new Leadership and Talent College focuses on developing leaders and the continuous review and development of our business goals and management processes.

Two new learning hubs were also created in 2017 under the Professional Development Framework:

- The Work Hub of Learning provides induction, orientation and ongoing development so that all staff understand Chisholm's values, behaviours and expectations.
- The Wellbeing Hub facilitates a safe and respectful workplace for all staff. It will also promote healthier lifestyles and seek to prevent injury and illness.

Reward and recognition

Chisholm staff were recognised in 2017 for being outstanding role models aligning to the Institute's values of opportunity, integrity, collaboration and achievement. Notable winners were recognised at the Chisholm Education Awards and via the Chisholm Stars program.

Employee Engagement

Chisholm participates in the annual public sector People Matter Survey to obtain feedback from teachers and to benchmark our results. Following feedback received, Chisholm is undertaking a longer-term cultural transformation change program to support employee engagement.

Employment framework

In 2017, Chisholm focused on the alignment of position descriptions with Chisholm's 2020 Vision to enhance role clarity to facilitate high performance. A review of the entire organisational structure was conducted, with enhancements and standardisation to accurately reflect functions and reporting lines. A realignment in October 2017 saw business areas aligned to core commercial drivers and important support functions.

People metrics and reporting

In consultation with key stakeholders, Chisholm is improving its reporting systems to provide more relevant and comprehensive business and management reports to support business units. Significant progress to automate monthly reporting was achieved by the end of 2017.

CAROLINE CHISHOLM EDUCATION FOUNDATION

OVERVIEW

Chisholm Institute was named in honour of Caroline Chisholm, the early Australian reformer and humanitarian. In furthering her social justice philosophy, the Caroline Chisholm Education Foundation was established in 2007.

The foundation is an independent charitable trust, initiated and supported by Chisholm Institute. The foundation is administered by an independent board of trustees with members from the community, local companies and Chisholm Institute. One hundred per cent of funds raised are allocated to education scholarships for students suffering financial hardship.

Funds for the foundation are derived from many sources, including philanthropic grants, donations from private, public and community groups such as Rotary and Lions Clubs in the region, and fundraising events.

The Foundation supports current and potential future students of Chisholm who due to financial or other forms of hardship, might otherwise not have access to vocational education and training and higher education. This financial support enables students to successfully obtain a certificate level qualification or above and provides them with the skills employers are looking for, improving their ability to participate in the local employment market.

GOVERNANCE

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

The Board of Trustees are all volunteers, with many members previously or presently holding positions in companies at senior management, CEO and board level. After many years as the Chair of the Board, Virginia Simmons stepped down from the role and David Willersdorf became Chair in August 2017. Virginia was instrumental in establishing the foundation and has provided ongoing support, expertise and guidance throughout her time as the Chair.

In 2017, the foundation's Board of Trustees included:

- David Willersdorf (Chair)
- Virginia Simmons (Chair to 15 May)
- Maria Peters (Chisholm CEO)
- David Mann
- Patricia Duong
- Nita Shultz (to 29 August)
- Amanda Achterberg (from 9 October)
- Greg Hunt (to 28 September)
- Glen Kruger (to 28 September)
- Anne Callahan (to 16 October)
- Ian Predl (from 1 December)

ACHIEVEMENTS

Since the establishment and over the past 10 years, the foundation has achieved:

- 1,560 scholarships awarded
- \$1.54 million provided to scholarship recipients
- \$470,000 raised from annual charity events.

WORKFORCE DATA EQUIVALENT FULL-TIME (FTE) STAFF

FTE staffing comparison	2017	2016
Board	7	8
Executive Officers	9	8
Teaching	564	564
Professional Support	330	325
Total	910	905

	Ongoing		Fixed Term/Casual		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
2017 Gender						
Male	113	105	489	292	602	397
Female	144	126	661	387	805	513
Total	257	231	1150	679	1407	910

2016 Gender						
Male	115	107	536	308	651	415
Female	139	118	670	372	809	490
Total	254	225	1206	680	1460	905

2017 Age						
Under 25	0	0	27	13	27	13
25 - 34	3	3	163	103	166	106
35 - 44	33	29	293	189	326	218
45 - 54	85	78	322	188	407	266
55 - 64	110	99	256	145	366	244
Over 65	26	22	89	41	115	63
Total	257	231	1150	679	1407	910

2016 Age						
Under 25	1	1	19	9	20	10
25 - 34	3	3	157	91	160	94
35 - 44	33	28	288	175	321	203
45 - 54	95	84	350	197	445	281
55 - 64	99	89	306	172	405	261
Over 65	23	20	86	36	109	56
Total	254	225	1206	680	1460	905

	Ongoing		Fixed Term/Casual		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
2017 Classification						
Board	1	0	12	7	13	7
Executive	1	1	8	8	9	9
Manager	1	1	24	24	25	25
Teaching	119	108	829	442	948	550
Professional Support	135	121	277	198	412	319
Total	257	231	1150	679	1407	910

2016 Classification

Board	0	0	13	8	13	8
Executive	1	1	7	7	8	8
Manager	2	2	22	22	24	24
Teaching	115	102	913	462	1028	564
Professional Support	136	120	251	181	387	301
Total	254	225	1206	680	1460	905

PUBLIC SECTOR EMPLOYMENT AND CONDUCT PRINCIPLES

Chisholm's employment policies and processes are based on the principle of merit, relevant awards/agreements and statutory requirements, and best practice public sector approaches. The Staff Code of Conduct is reviewed annually and guides all staff on expected behaviour and professional conduct. The Code is based on Chisholm's values, the Victorian Public Sector Code of Conduct and other best practice examples. Chisholm is committed to equal opportunity and fair and transparent processes in all people, culture and safety policies and procedures.

GENERAL STATEMENT ON INDUSTRIAL RELATIONS

Chisholm continues to regularly consult with the Australian Education Union and National Tertiary Education Union. Chisholm also uses the dispute resolution procedures in its industrial agreements so that issues that arise are addressed appropriately and in a timely manner.

No days were lost due to industrial action in 2017.

WORK HEALTH, SAFETY AND WELLBEING

HEALTH AND WELLBEING

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

- Mental health first aid programs and mental health awareness sessions
- Annual flu vaccinations
- Health monitoring
- Discount health insurance consultations
- Happy People wellbeing program focusing on energy, sleep, mood and stress.

WORK HEALTH, SAFETY AND WELLBEING

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

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

Key strategies undertaken in 2017 were:

- Development of an occupational violence prevention program and implementation of training
- Development towards an integrated wellbeing strategy
- Review of injury management and claims management processes to improve return to work outcomes, claim costs and payroll processes
- Assessment and selection of an incident reporting, safety and claims management system
- Improvements in safety and WorkCover reporting to management and committees
- Introduction of pilot programs to target safety issues identified through inspections and incident reporting.

INCIDENTS

Hazard and incident reports for full-time employees (FTE) between 1 January 2017 and 31 December 2017.

Total hazards	9
Incident reports	297
Fatalities	0

	2017	2016	2015
Total hazard and incident reports*	306	141	122
Total 'lost time' standard WorkCover claims	8	5	15
Total cost of all 'lost time' WorkCover claims**	\$171,392	\$174,014	\$1,175,938
Per 100 FTE staff (annual average):	8.96	8.84	8.86
Number of hazard and incident reports	34.15	6.22	13.77
Number of 'lost time' standard WorkCover claims	0.89	0.57	1.69
Accepted WorkCover claims	8	3	15
Accepted and rejected WorkCover claims	13	6	18
Total cost for WorkCover claims as advised by WorkSafe***	\$1,309,198	\$2,468,603	\$1,188,631
Average costs per WorkCover claim	\$14,964	\$29,958	\$66,035

Notes:

* All Chisholm-related incidents for staff, students, contractors and visitors. Incidents increased in 2017 due to improved reporting practices.

** Lost times claims only.

*** All claims.

WORKCOVER/RETURN TO WORK

Of the eight accepted claims in 2017, only three claims have not yet returned to their full hours or duties and continue to receive active claims management and injury management support.

Despite only eight accepted WorkCover claims in 2017, the WorkCover premium for 2017/2018 responded to the higher claims costs of historical claims. However, due to improvements in injury management, claims management and return to work outcomes, WorkCover performance is improving significantly and the 2018/2019 premium is expected to respond positively.

2017

Number of new claims for WorkCover	13
Accepted claims	8
Rejected claims	5
Pending WorkCover decisions	0
Conciliation after rejection claim	2

On a rolling average, the number of premium sensitive claims at the end of 2017 was 31.

	2012	2013	2014	2015	2016	2017
No. of accepted claims	7	4	15	15	3	8



STATISTICAL OVERVIEW

CHISHOLM CONSOLIDATED (INCLUDES CHISHOLM ONLINE)

Student enrolments	2017	2016
Government-funded accredited programs	16,095	15,206
Fee for service programs	18,890	19,020
(Less) student enrolments in both government accredited programs and fee for service programs	-1,254	-1,285
Total net student enrolments	33,731	32,941

Student contact hour delivery	2017	2016
Government-funded accredited programs	7,144,694	6,721,317
Fee for service programs	4,380,999	4,175,488
Total student contact hour delivery	11,525,693	10,896,805

Student enrolments by age	2017		2016	
	Student enrolments	Per cent	Student enrolments	Per cent
Under 15 years	243	0.7%	234	0.7%
15–19	11,244	33.3%	10,961	33.3%
20–24	7,552	22.4%	6,993	21.2%
25–39	7,976	23.6%	6,949	21.1%
40–64	6,503	19.3%	7,484	22.7%
Over 65	213	0.6%	320	1.0%
Not stated	-	0.0%	-	0.0%
Total	33,731	100.0%	32,941	100.0%

Student enrolments by gender	2017		2016	
	Student enrolments	Per cent	Student enrolments	Per cent
Female	13,373	39.6%	13,934	42.3%
Male	20,323	60.3%	19,007	57.7%
X Indeterminate/Intersex/Unspecified	35	0.1%	-	0.0%
Total	33,731	100.0%	32,941	100.0%

Course enrolment and student contact hours by campus

Campus	2017				2016			
	Course enrolments*	Per cent	Student contact hours	Per cent	Course enrolments*	Per cent	Student contact hours	Per cent
Dandenong	9,978	25.4%	2,931,937	25.4%	9,973	24.4%	2,853,861	26.2%
Frankston	7,808	19.9%	2,455,190	21.3%	7,716	19.7%	2,408,649	22.1%
Berwick	4,310	11.0%	1,729,975	15.0%	3,508	9.0%	1,630,021	15.0%
Offshore delivery	4,555	11.6%	1,706,997	14.8%	4,681	11.3%	1,488,543	13.7%
Workplace	5,941	15.1%	1,113,955	9.7%	6,947	19.1%	1,002,550	9.2%
Cranbourne	1,910	4.9%	413,629	3.6%	1,798	5.0%	450,633	4.1%
Chisholm Online	1,166	3.0%	315,319	2.7%	1,174	3.3%	253,995	2.3%
Auspiced schools	987	2.5%	209,768	1.8%	1,036	2.9%	241,328	2.2%
Mornington Peninsula	866	2.2%	163,295	1.4%	661	1.8%	190,925	1.8%
Adult Migrant English Program (AMEP) campuses	591	1.5%	126,076	1.1%	-	0.0%	-	0.0%
Chisholm @ 311	339	0.9%	123,555	1.1%	450	1.2%	160,004	1.5%
Bass Coast	415	1.1%	92,929	0.8%	396	1.1%	132,114	1.5%
City Campus – Flinders Lane (in 2016 – identified as Chisholm Hair Academy)	138	0.4%	81,195	0.7%	225	0.7%	44,686	0.4%
City Campus – Lonsdale Street	183	0.5%	52,012	0.5%	-	0.0%	-	0.0%
Online	92	0.2%	9,861	0.1%	189	0.5%	20,314	0.2%
Pakenham	-	0.0%	-	0.0%	40	0.1%	19,182	0.2%
Total	39,279	100.0%	11,525,693	100.0%	38,794	100.0%	10,896,805	100.0%

INTERNATIONAL WORK

Chisholm International continued its success in 2017, with trans-national projects delivering quality results and impressive returns in China, Vietnam, Qatar and other key markets.

Improved brand awareness of Chisholm increased international interest and inbound international delegations, further strengthening global relations. A renewed focus on providing quality education and training to international students achieved significant increases in visa approval rates for offshore applicants. This translated into renewed market confidence in Chisholm's value proposition.



TRANSNATIONAL PROJECTS

Vietnam

The Government of Vietnam has contracted Chisholm to assist with the rapid transformation of the nation's vocational training sector to help drive economic growth. Chisholm has developed full qualification packages for 12 high-demand trades, incorporating qualification guidelines, units of competency, learning guides, assessment tools, equipment lists and delivery schedules.

In 2017, Chisholm has trained 127 Vietnamese educators so they have the trade knowledge and teaching expertise to train local students to a high level of competency'. This brings the total to 320 over 4 years.

During 2017, Chisholm conducted audits in 24 vocational colleges selected by the Government of Vietnam to trial the new training packages. Chisholm's capabilities have allowed the project to progress quickly and to effectively help the government build a stronger vocational training sector aligned with industry and government priorities. Chisholm and selected vocational colleges are jointly delivering Australian qualifications in Vietnam under the quality assurance of Chisholm.

It is anticipated this project will be ongoing as the delivery of the training packages is introduced across all vocational colleges in Vietnam.



OVERSEAS VISITS

Chisholm continued its business development activities during 2017 to secure new international project opportunities.

Chisholm also delivered two Asia VET Mobility projects funded by the Australian Government's Department of Education in 2017. One group of Chisholm's tourism and hospitality students participated in a 10-day study tour of China and Hong Kong. Another group of Chisholm's early childhood education students visited childhood education centres and vocational schools in Singapore and China. Students benefited from experiencing first-hand a range of different cultures and approaches to the knowledge and skills they are developing in their courses.

OVERSEAS OPERATIONS

Nature of strategic and operational risks

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

DELEGATIONS AND STUDY TOURS

Strong demand continued for Chisholm to host international delegations from overseas who are actively seeking collaborative partnerships with Australian institutes. These included:

- Xuzhou delegation – China – July
- Changchun study tour – China – July
- CEC study tour – China – July
- Ministry of Education – China – August
- Gyeongbuk Provincial College – Korea – October
- Guizhou Province – China – November
- South Perak Region – Malaysia – November
- Guangdong Province – China – November.

China

Chisholm continues to work collaboratively with 13 colleges across China – including eight electricity company vocational colleges – to deliver Chisholm courses to more than 3,300 students. The success of this project rests on providing expertise for student training in the colleges along with a supporting framework for professional development, appropriate local quality and risk frameworks and regular joint management meetings in China.

The joint program offers the Chinese colleges a key point of difference when attracting new students. Graduates can use their dual qualifications to consider other global and career options. The collaboration provides the local industry with a work-ready pool of bilingual local talent. For graduates of the program, the tangible benefits include dual qualifications, skills linked to prospective employment, improved English language skills and greater learning capacity.

In 2017, a new agreement was signed with the Beijing Polytechnic College. This agreement makes Chisholm the first signed provider for a project approved by the Beijing government that funds outgoing students to offshore providers. The program has students in the pipeline which will see them transition into Chisholm engineering degree programs in 2020.

In addition, a new teacher training agreement was signed with Chongqing Industry Polytechnic to provide five weeks of training and assessment delivery in China in March 2018.

Qatar

Chisholm completed its long-running training project delivered in partnership with Qatar Petroleum in 2017. Since the program was launched in 2012, more than 1,200 employees of Qatar Petroleum have received Australian qualifications in technical trades. Chisholm has provided the quality frameworks, support for high quality technical training, moderation and validation of trainee assessments, quality audits, and training and development for Qatar Petroleum instructors.

The success of this project has led to Chisholm forming a partnership with Qatar Independent Technical School to continue to provide the same services to its students.

Thailand

Chisholm continues to provide technical expertise in Thailand through the Chevron Enjoy Science Project, managed by Kenan Foundation Asia. The project establishes industry hubs in key areas of manufacturing, technology and automotive. Chisholm has designed the implementation strategy and detailed design plan to establish these hubs in key industrial areas.

Chisholm's strategy includes building the capacities of institutions and teaching professionals, adopting international models and linking institutions with employers.

INTERNATIONAL STUDENT RECRUITMENT

Chisholm welcomed international students from over 40 countries into dozens of programs during 2017 across a broad range of disciplines. Students enrolled in qualifications at Certificate III, IV, Diploma, Advanced Diploma and undergraduate levels.

A summary of activities and achievements in 2017:

- The 2017 Victorian International Student of the Year (Vocational Education and Training) was Chisholm student Samuel Shedrack Chukwuweonu, studying an Advanced Diploma of Computer Systems Technology (Cyber Security).
- Chisholm achieved greater than 90 per cent visa approvals against offers made to international students across its two primary 2017 intakes, following a renewed focus on quality and risk management. This work contributed to a significant improvement in Chisholm's international risk profile and associated market confidence.

The development, implementation and resourcing of Chisholm's International Student Success and Welfare Framework delivered measurable improvements in student retention and completion rates. The framework provided key insights into the Chisholm's international potential as well as the requirements of enrolled students.

PERFORMANCE MEASURES AND TARGETS

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

To promote optimum performance and outcomes:

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

STRATEGIES ESTABLISHED TO MANAGE RISKS

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

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

The mitigation measures for all risks under both these categories are carefully reviewed and evaluated so the Chisholm leadership and management can respond to the changing nature of international education and training. This includes the Australian Skills Quality Authority requirements for offshore delivery and the requirements of the *Education Services for Overseas Students Act 2000*.

Chisholm provides:

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

FINANCIAL PERFORMANCE SUMMARY

The Chisholm Group ('the Group'), comprising Chisholm Institute, Caroline Chisholm Education Foundation, Chisholm Online and Chisholm Academy recorded a net surplus of \$33.2 million (2016: \$13.4 million surplus) compared to a Board approved budget net surplus of \$25.7 million for 2017 largely as a result of higher than projected training revenues coupled with salary savings. Overall, income and expenses from transactions excluding capital contributions and depreciation were not significantly different from budget. The comprehensive result was a \$51.5 million surplus (2016: \$23.2 million surplus) due to an \$18.3 million increase in land and buildings following a full asset revaluation.

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

Consolidated	2017	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000
Summary of financial results					
Total income from transactions	165,564	141,123	125,453	143,705	135,682
Total expenses from transactions	132,216	121,724	119,284	113,105	105,514
Net result from transactions (Net operating balance)	33,348	19,399	6,169	30,600	30,168
Other economic flows included in net result	(156)	(5,954)	(91)	(894)	690
Net result	33,192	13,445	6,078	29,706	30,858
Other economic flows - other comprehensive income	18,325	9,804	-	(2,158)	(136)
Comprehensive result	51,517	23,249	6,078	27,548	30,722

At 31 December 2017, Chisholm Institute's consolidated net assets were \$374.6 million (2016: \$323.1 million). The increase in net assets was due to the following:

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

Consolidated	2017	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000
Summary of financial position					
Total assets	396,949	344,822	319,549	315,499	288,367
Total liabilities	22,343	21,732	19,707	21,736	22,152
Net assets	374,606	323,090	299,842	293,763	266,215

BOARD AND COMMITTEES

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

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

2017 BOARD MEMBERS

Full name	Category	Term
Stephen Marks	Ministerial Appointed Director	Full year
Maria Peters	Director and Chief Executive Officer	Full year
Todd Hartley	Ministerial Appointed Director	Full year
John Bennie	Ministerial Appointed Director	Full year
Professor Anne Jones	Ministerial Appointed Director	Full year
Dr Mei Ling Doery	Ministerial Appointed Director	Full year
Peter Malone	Staff Elected Director	Full year
Lisa Norman	Board Co-opted Director	Full year
Sandra Andersen	Board Co-opted Director	Full year
David Mann	Board Co-opted Director	Full year



MARIA PETERS

Director and Chief Executive Officer

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



STEPHEN G. MARKS

Ministerial Appointed Director

With more than 40 years' experience as a chartered accountant, Stephen is currently a professional director and a board member of the St Vincent's Institute and a range of other organisations.



TODD HARTLEY

Ministerial Appointed Director

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



JOHN BENNIE PSM

Ministerial Appointed Director

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



PROFESSOR ANNE JONES

Ministerial Appointed Director

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



DR MEI LING DOERY

Ministerial Appointed Director

Mei is a Physician strategist at the intersection of medicine, innovation and design with a particular interest in the emotional factors that impact decision making relating to preventative 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 her current role 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 to the Victorian Health Promotion Foundation, and as independent advisor to several organisations including the Parliament of Victoria and Commonwealth Scientific Research and Industrial Organisation (CSIRO).



Peter Malone
Staff Elected Director

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



Lisa Norman
Board Co-opted Director

Lisa is CEO of St John of God Berwick Hospital. Lisa has worked in the health industry for 30 years and 15 years in executive leadership roles. 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 led the commissioning of a new 190-bed, \$120 million hospital in Berwick, opening early 2018.



Sandra (Sam) Andersen
Board Co-opted Director

Sam has 20 years experience as a senior finance executive, and 10 years experience as a C-suite executive in listed companies. She is Chair of the Australian Packaging Covenant Organisation Limited, a Director of Beyond Bank Australia, Australian Hearing Services, Agriculture Victoria Services Pty Ltd and a Trustee of the Melbourne Convention and Exhibition Trust. Sam is also Chair of the Audit and Risk Management Committee for the Department of Premier and Cabinet.



David Mann OAM, FAICD
Board Co-opted Director

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

EXECUTIVE DIRECTORS GROUP

SENIOR MANAGEMENT TEAM

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



CORPORATE GOVERNANCE

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

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

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

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

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

The objectives of Chisholm 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.
- To ensure 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 outcome.
- To facilitate increasing opportunities for apprenticeships and traineeships across the relevant Australian industry sectors.

The functions of Chisholm Institute 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

Institute are subject to, and must be exercised in accordance with the functions, duties and obligations conferred or imposed on the Institute by:

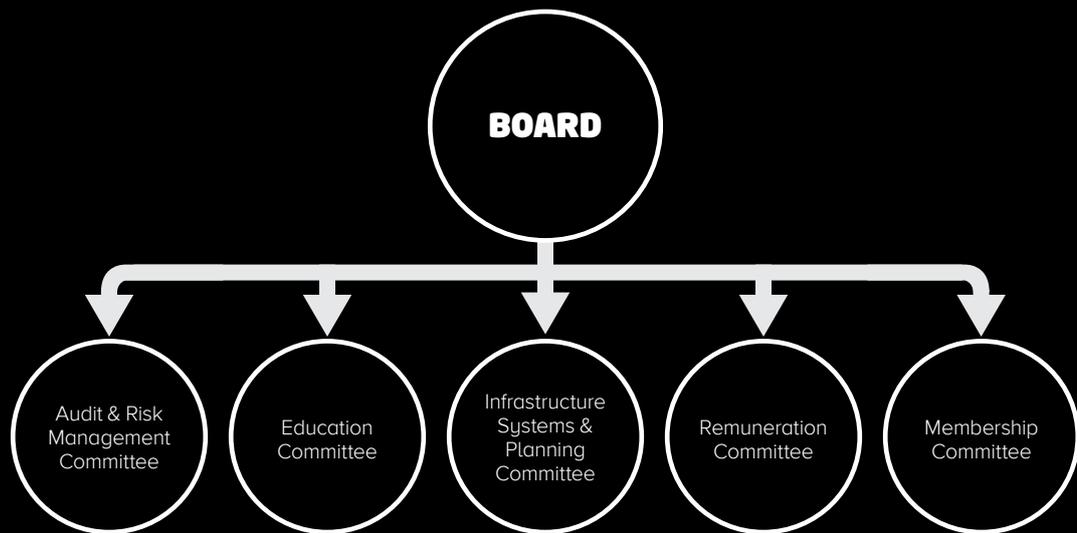
- the Education and Training Reform Act and other laws
- the Chisholm Institute Constitution
- Ministerial and government directions and guidelines under the Act and other legislation, laws and conventions
- the general administrative, social and economic directives and policies established by the Victorian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

The Chisholm Institute Board must take all reasonable steps for the advancement of the objectives of the Institute, whilst operating in accordance with the economic and social objectives and public sector policy established from time to time by the Minister. Whilst 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, external and internal audit, and to independently review the financial statements prior to recommending them to the Board for adoption and approval and release to Parliament.

BOARD COMMITTEES CHART & MEMBERSHIP



AUDIT AND RISK MANAGEMENT COMMITTEE

Sandra (Sam) Andersen
Board Director and Committee Chair

John Bennie
Board Director

Todd Hartley
Board Director

Robert Comelli
Board Co-opted Independent Member

Michael Said
Board Co-opted Independent Member

REMUNERATION COMMITTEE

Stephen Marks
Board Chair and Committee Chair

John Bennie
Board Director

Anne Jones
Board Director

EDUCATION COMMITTEE

Anne Jones
Board Director and Committee Chair

Peter Malone
Board Director

Maria Peters
Board Director

Mei Ling Doery
Board Director (from 31 May)

Kirsten Bright
Co-opted Member (from 8 March)

MEMBERSHIP COMMITTEE

Stephen Marks
Board Chair and Committee Chair

Anne Jones
Board Director

Maria Peters
Board Director

David Mann
Board Director

INFRASTRUCTURE, SYSTEMS AND PLANNING COMMITTEE

Todd Hartley
Board Director and Committee Chair

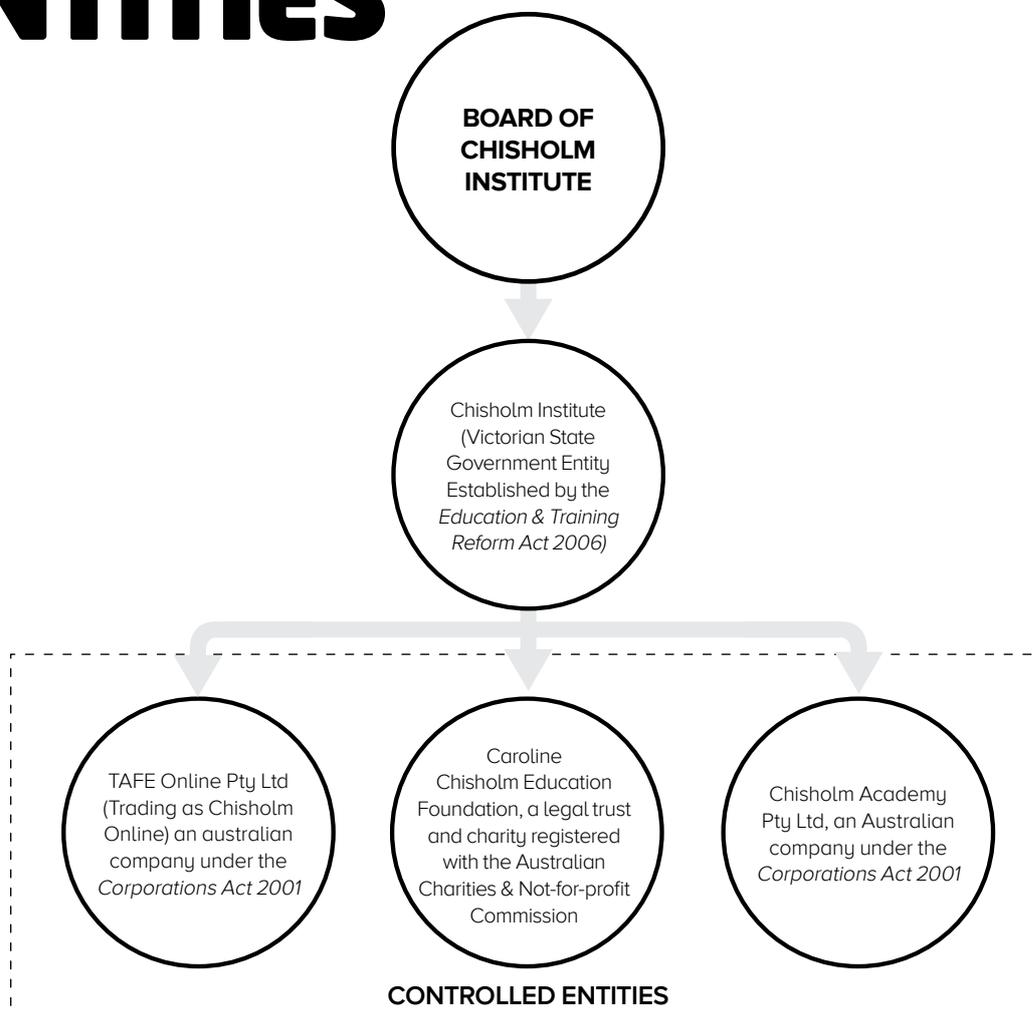
John Bennie
Board Director

Robert Johnson
Board Co-opted Member

Lisa Norman
Board Director

Mei Ling Doery
Board Director

CONTROLLED ENTITIES



DIRECTORS OF TAFE ONLINE PTY LTD (CHISHOLM ONLINE)

Stephen Marks
Chisholm Online Chair

Sandra Andersen
Director

Mei Ling Doery
Director

Maria Peters
Managing Director

Grant Radford
Company Secretary

TRUSTEES OF CAROLINE CHISHOLM EDUCATION FOUNDATION

David Willersdorf
Chair

Virginia Simmons
Chair (to 15 May)

David Mann
Chisholm Board

Maria Peters
Chisholm Institute CEO

Amanda Achterberg
Executive Director (from 9 October)

Patricia Duong
Chisholm Institute Staff Member

Nita Schultz
Community Member (to 29 August)

Greg Hunt
Community Member (to 28 September)

Glen Kruger
Community Member (to 28 September)

Anne Callahan
Chisholm Institute Staff Member
(to 16 October)

Ian Predl
Community Member (from 1 December)

DIRECTOR OF CHISHOLM ACADEMY PTY LTD

Maria Peters
Managing Director (full year)

Grant Radford
Director (from 14 December)

ATTESTATIONS

The transitional arrangements in relation to the 2016 Standing Directions issued by the Minister for Finance require two attestations in Chisholm's 2017 annual report.

I, Stephen G Marks, on behalf of the Responsible Body, certify that for the period 1 January 2017 to 30 June 2017, Chisholm Institute has complied with Ministerial Standing Direction 3.7.1 – *Risk management framework and processes*.



STEPHEN G MARKS

Board Chair

Date: 28 February 2018

Place: Dandenong

I, Stephen G Marks, on behalf of the Responsible Body, certify that for the period 1 July 2017 to 31 December 2017, Chisholm Institute has complied with the applicable Standing Directions of the Minister of Finance under the *Financial Management Act 1994* and Instructions.



STEPHEN G MARKS

Board Chair

Date: 28 February 2018

Place: Dandenong

CONSOLIDATED FINANCIAL STATEMENTS

For the year ending 31 December 2017

VAGO INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

To the Board of the Chisholm Institute

Opinion	<p>I have audited the consolidated financial report of the 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 2017• 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 a summary of significant accounting policies• Declaration by the President 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 2017 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. My responsibilities under that Act and those standards are further described 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 Australia. 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 and fair presentation 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.

MELBOURNE
9 March 2018



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

DECLARATION BY PRESIDENT OF THE BOARD, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

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

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

transactions during the year ended 31 December 2017 and financial position of the Institute and the Consolidated Entity as at 31 December 2017.

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

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



STEPHEN G MARKS

Board Chair

Date: 28 February 2018

Place: Dandenong



GRANT RADFORD

Acting Chief Executive Officer

Date: 28 February 2018

Place: Dandenong



SHEHANI MENDIS

Chief Finance Officer

Date: 28 February 2018

Place: Dandenong

COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2017

	Notes	Consolidated		Chisholm	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Continuing operations					
Income from transactions					
Government contributions	2.1	111,468	87,880	108,090	86,095
Sale of goods and services	2.2	51,081	50,345	49,028	48,688
Other income	2.3, 6.1.2	3,015	2,898	6,332	2,785
Total income from transactions		165,564	141,123	163,450	137,568
Expenses from transactions					
Employee benefits	3.1.1	79,455	75,155	76,402	71,937
Depreciation and amortisation	4.1.1	8,213	8,344	7,593	7,872
Supplies and services	3.3	30,526	25,298	29,949	24,350
Other operating expenses	3.4, 3.5	14,022	12,927	16,967	11,558
Total expenses from transactions		132,216	121,724	130,911	115,717
Net result from transactions		33,348	19,399	32,539	21,851
Other economic flows included in net result	4.1.2, 9.1	(156)	(5,954)	(182)	(5,963)
Net result from continuing operations		33,192	13,445	32,357	15,888
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	9.2	18,325	9,804	18,325	9,804
Comprehensive result		51,517	23,249	50,682	25,692

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

BALANCE SHEET

As at 31 December 2017

	Notes	Consolidated		Chisholm	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Assets					
Financial assets					
Cash and deposits	6.1	46,437	57,161	45,691	56,285
Investments and other financial assets	4.3	51,261	21,107	56,000	26,000
Receivables	5.1	14,538	8,630	16,285	11,913
Total financial assets		112,236	86,898	117,976	94,198
Non financial assets					
Property, plant and equipment	4.1	279,271	253,749	279,271	253,406
Intangible assets	4.2	3,214	2,028	2,715	1,236
Other non-financial assets		2,228	2,147	2,221	2,093
Total non-financial assets		284,713	257,924	284,207	256,735
Total assets		396,949	344,822	402,183	350,933
Liabilities					
Employee provisions	3.1.2	9,272	9,900	9,208	9,836
Payables	5.2	8,342	6,868	8,477	6,998
Other liabilities	5.3, 6.2	4,729	4,964	4,674	4,957
Total liabilities		22,343	21,732	22,359	21,791
Net assets		374,606	323,090	379,824	329,142
Equity					
Accumulated surplus		210,381	177,190	215,599	183,242
Contributed capital	6.3	85,387	85,387	85,387	85,387
Reserves	9.2	78,838	60,513	78,838	60,513
Net worth		374,606	323,090	379,824	329,142

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Physical assets revaluation surplus	Accumulated surplus	Contributions by owner	Total equity
	\$'000	\$'000	\$'000	\$'000
Consolidated				
At 1 January 2016	50,709	163,744	85,387	299,840
Net result for the year	-	13,445	-	13,445
Other economic flows - other comprehensive income	9,804	-	-	9,804
Year ended 31 December 2016	60,513	177,189	85,387	323,089
Net result for the year	-	33,192	-	33,192
Other economic flows - other comprehensive income	18,325	-	-	18,325
Year ended 31 December 2017	78,838	210,381	85,387	374,606
Chisholm				
At 1 January 2016	50,709	167,354	85,387	303,450
Net result for the year	-	15,888	-	15,888
Other economic flows - other comprehensive income	9,804	-	-	9,804
Year ended 31 December 2016	60,513	183,242	85,387	329,142
Net result for the year	-	32,357	-	32,357
Other economic flows - other comprehensive income	18,325	-	-	18,325
Year ended 31 December 2017	78,838	215,599	85,387	379,824

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the year ended at 31 December 2017

	Consolidated		Chisholm		
	2017	2016	2017	2016	
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts					
Government contributions		118,817	92,336	116,919	91,149
User fees and charges received		44,631	51,420	43,064	52,114
Goods and services tax recovered		218	168	-	-
Interest received		1,212	1,104	1,204	1,078
Other receipts		2,690	1,465	5,471	1,752
Total Receipts		167,568	146,493	166,658	146,093
Payments					
Payments to employees		(78,346)	(74,641)	(75,970)	(72,389)
Payments to suppliers		(50,849)	(39,708)	(52,388)	(41,634)
Goods and services tax paid		(1,873)	(2,665)	(1,873)	(2,665)
Total Payments		(131,068)	(117,014)	(130,231)	(116,688)
Net cash flows from/(used in) operating activities	6.1.1	36,500	29,479	36,427	29,405
Cash flows from investing activities					
Payments for investments		(30,000)	(20,999)	(30,000)	(21,000)
Payments for non-financial assets		(16,873)	(8,149)	(16,670)	(7,871)
Net cash flows provided by/(used in) investing activities		(46,873)	(29,148)	(46,670)	(28,871)
Cash flows from financing activities					
Repayment of borrowings		(351)	(351)	(351)	(351)
Net cash flows from/(used in) financing activities		(351)	(351)	(351)	(351)
Net increase/(decrease) in cash and cash equivalents		(10,724)	(20)	(10,594)	183
Cash and cash equivalents at the beginning of the financial year		57,161	57,181	56,285	56,102
Cash and cash equivalents at end of the financial year	6.1	46,437	57,161	45,691	56,285

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

NOTES TO THE FINANCIAL STATEMENTS

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1. ABOUT THIS REPORT

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

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

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of Chisholm and its controlled entities, TAFE Online Pty Ltd, Caroline Chisholm Education Foundation, Chisholm Academy Pty Ltd (Consolidated 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 carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

Judgements made by management in the application of 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);
- the estimated useful lives over which non-financial assets are depreciated; (Refer to Note 4.1.1) and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Refer to note 3.1.2);

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

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

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

Goods and Services Tax (GST)

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

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

Basis of consolidation

In accordance with *AASB 10 Consolidated Financial Statements*, 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 from the date on which control commences until the date on which control ceases.

In preparing consolidated financial statements for Chisholm, 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 has substantial economic dependency on Government operating and capital contributions.

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

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

1. ABOUT THIS REPORT (CONTINUED)

1.2 Compliance information

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

Whole of Government and General Government Sector Financial Reporting.

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

Accounting policies are selected and applied in a manner which ensures that the resulting financial information

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

Grants and other transfers

Government contributions - operating

State government - contestable	65,658	52,999	62,698	51,385
State government - other contributions	24,017	16,881	23,599	16,710
Total Government contributions - operating	89,675	69,880	86,297	68,095

Government contributions - capital

State capital	21,793	17,809	21,793	17,809
Commonwealth capital	-	191	-	191
Total Government contributions - capital	21,793	18,000	21,793	18,000

Total Government contributions	111,468	87,880	108,090	86,095
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Government contributions are recognised as revenue in the period when the following conditions are met: Chisholm obtains control of the contributions or the right to receive the contribution, the economic benefits comprising the contribution will flow to Chisholm and the amount of the contribution can be measured reliably.

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.2 Sale of goods and services

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Student fees and charges	23,218	21,525	21,759	20,257
Fee for service - government	11,271	10,810	11,271	10,810
Fee for service - international operations - onshore	4,098	5,958	3,980	5,935
Fee for service - international operations - offshore	6,606	5,192	6,606	5,192
Fee for service - other	5,464	6,283	5,055	6,025
Other non-course fees and charges				
Sale of goods	424	577	357	469
Total income from sales of goods and services	51,081	50,345	49,028	48,688

Student fees and charges

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

Fee for service

Fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as revenue in advance.

Revenue from sale of goods

Revenue from sale of goods are recognised by Chisholm when:

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

2. HOW WE EARNED OUR FUNDS (CONTINUED)

2.3 Other income

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Assets received in consideration	-	-	1,449	-
Donations bequests and contributions	47	42	-	14
Overhead recovery	-	-	1,076	-
Rental income	344	413	344	374
Revenue recovery	-	-	1,107	287
Scholarships	361	346	126	41
Other	896	936	896	935
Total other income	1,648	1,737	4,998	1,651

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

Rental income

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

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Receivable:				
Within one year	85	111	85	111
Later than one year but not later than five years	275	292	275	292
Total leases receivable	360	403	360	403
GST payable on the above	33	37	33	37
Net operating leases receivable	327	366	327	366

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

Significant judgement and estimates: Provision for 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.

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Salaries, wages, overtime and allowances	66,832	63,401	64,237	60,670
Superannuation	5,841	5,595	5,606	5,344
Payroll tax	3,399	3,253	3,263	3,108
Worker's compensation	587	894	574	854
Long service leave	1,395	1,019	1,352	986
Annual leave	874	524	843	506
Termination benefits	502	407	502	407
Other	25	62	25	62
Total employee benefits	79,455	75,155	76,402	71,937

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

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

3.1.2 Employee benefits in the balance sheet

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current Provisions				
Employee benefits - Annual leave				
Unconditional and expected to settle within 12 months	1,457	1,459	1,420	1,420
Unconditional and expected to settle after 12 months	163	195	159	191
Employee benefits - Long service leave				
Unconditional and expected to settle within 12 months	1,162	1,123	1,162	1,123
Unconditional and expected to settle after 12 months	4,486	5,026	4,486	5,023
Employee benefits - Other				
Unconditional and expected to settle within 12 months	149	239	140	239
Provisions for on-costs				
Unconditional and expected to settle within 12 months	438	449	432	443
Unconditional and expected to settle after 12 months	749	842	749	841
Total current provisions for employee benefits	8,604	9,333	8,548	9,280

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.1 Employee benefits (continued)

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-current provisions				
Employee benefits	575	489	568	479
On costs	93	78	92	77
Total non-current provisions for employee benefits	668	567	660	556
Total provisions for employee benefits	9,272	9,900	9,208	9,836

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

Assumptions for employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

Reconciliation of movements in employee provisions

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of the year	8,531	8,268	8,475	8,222
Additional provisions recognised	5,099	5,465	5,023	5,361
Amounts due to transfer in	-	15	-	-
Reductions arising from payment/other sacrifices of future economic benefits	(5,262)	(4,887)	(5,217)	(4,796)
Unwind of discount and effect of changes in the discount rate	(376)	(330)	(346)	(312)
Carrying amount at the end of the year	7,992	8,531	7,935	8,475

Movements in employee provisions do not include the on cost component of the employee provisions.

Wages, salaries and annual leave

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

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

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

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

The components of the current LSL liability are measured at:

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

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.1 Employee Benefits (continued)

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an other economic flow. The discount rate applied is as advised by the Minister of Finance.

Provision for on-costs such as payroll tax, workers compensation

and superannuation are recognised separately from the provision of employee benefits.

Performance payments

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

3.2 Superannuation

Chisholm employees are entitled to receive superannuation contributions and Chisholm contributes to both

defined benefit and accumulation contribution plans.

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

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

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

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Paid contribution for the year				
Defined benefit plans:				
State Superannuation Fund - revised and new	284	297	284	297
Total defined benefit plans	284	297	284	297
Accumulation contribution plans:				
VicSuper	2,736	2,824	2,650	2,735
Other	2,283	2,079	2,164	1,933
Total accumulation contribution plans	5,019	4,903	4,814	4,668
Total paid contribution for the year	5,303	5,200	5,098	4,965
Contribution outstanding at year end				
Accumulation contribution plans:				
VicSuper	324	230	313	223
Other	278	178	266	166
Total accumulation contribution plans	602	408	579	389
Total contribution outstanding at year end	602	408	579	389

Accumulation contribution plans

Contributions are expensed when they become payable.

There have been no loans made from the funds. The bases for contributions are determined by the various schemes.

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

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.3 Supplies and services

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Building repairs and maintenance	4,938	2,878	4,859	2,748
Communication expenses	1,670	1,561	1,620	1,449
Contract and other services	9,411	8,983	9,313	8,877
Cost of goods sold/distributed (ancillary trading)	118	55	50	44
Fees and charges	9,449	7,575	9,338	7,178
Other borrowing costs (other than interests)	129	127	114	110
Purchase of supplies and consumables	4,811	4,119	4,655	3,944
Total supplies and services	30,526	25,298	29,949	24,350

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

Other expenditure commitments

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

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	4,465	2,403	4,465	2,395
Later than one year but not later than five years	7,116	-	7,116	-
Total other expenditure commitments	11,581	2,403	11,581	2,395
GST reclaimable on the above	1,053	218	1,053	218
Net other expenditure commitments	10,528	2,185	10,528	2,177

3.4 Operating lease payments

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Operating lease rental expenses	3,495	3,396	2,754	2,735
Total operating lease rental expenses	3,495	3,396	2,754	2,735

3. HOW WE EXPENDED OUR FUNDS (CONTINUED)

3.4 Operating lease payments (continued)

Non-cancellable operating lease commitments payable

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

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	572	3,256	572	2,845
Later than one year but not later than five years	1,120	4,882	1,120	4,240
Total operating lease commitments	1,692	8,138	1,692	7,085
<hr/>				
GST reclaimable on the above	154	740	154	644
Net operating lease commitments	1,538	7,398	1,538	6,441

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

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

3.5 Other operating expenses

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Audit fees and services	254	235	237	221
Bad debts from transactions	85	993	85	993
Debt forgiveness	-	-	3,893	-
Equipment below capitalisation threshold	1,250	1,280	1,203	1,121
Marketing and promotional expenses	4,009	2,294	3,908	1,746
Staff development	529	394	519	389
Travel and motor vehicle expenses	1,674	1,815	1,669	1,805
Utilities	1,370	1,267	1,365	1,214
Other	1,356	1,253	1,334	1,334
Total other operating expenses	10,527	9,531	14,213	8,823

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.

In 2017, the Board approved for Chisholm Academy Pty Ltd to be voluntary deregistered and its operations to be integrated into Chisholm Institute. In December 2017 the Chisholm Institute Board approved for Chisholm Hair Academy's assets, liabilities and operations to be transferred to Chisholm Institute and forgave the related party debt owed to Chisholm Institute.

4. THE ASSETS WE INVESTED IN

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.

4.1 Property, plant and equipment

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

	Gross carrying amount	Gross carrying amount	Accumulated depreciation	Accumulated depreciation	Net carrying amount	Net carrying amount
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Land	58,196	52,927	-	-	58,196	52,927
Buildings	196,789	208,919	-	(18,933)	196,789	189,986
Construction in progress	16,000	3,014	-	-	16,000	3,014
Plant and equipment	24,091	22,836	(19,237)	(17,896)	4,854	4,940
Motor vehicles	990	1,056	(710)	(712)	280	344
Leasehold improvements	3,044	3,024	(2,394)	(1,937)	650	1,087
Land improvements	2,502	1,732	-	(281)	2,502	1,451
Total	301,612	293,508	(22,341)	(39,759)	279,271	253,749

Chisholm

Land	58,196	52,927	-	-	58,196	52,927
Buildings	196,789	208,919	-	(18,933)	196,789	189,986
Construction in progress	16,000	3,014	-	-	16,000	3,014
Plant and equipment	24,091	22,828	(19,237)	(17,896)	4,854	4,932
Motor vehicles	990	1,056	(710)	(712)	280	344
Leasehold improvements	3,044	2,647	(2,394)	(1,895)	650	752
Land improvements	2,502	1,732	-	(281)	2,502	1,451
Total	301,612	293,123	(22,341)	(39,717)	279,271	253,406

Initial Recognition

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.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.1 Property, plant and equipment (continued)

Subsequent measurement

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

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

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

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

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

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

The latest revaluations of land and building assets (including land improvements) were based on independent assessments as at 31 December 2017, which resulted in a net revaluation increase of \$5.3 million and \$13.1 million respectively. The revaluation was carried out by Valuer-General Victoria, Opteon Solutions Pty Ltd. Chisholm's land assets were managerially revalued in accordance with FRD 103F as at 31 December 2016 using indices supplied by the Victorian Valuer-General with a resultant revaluation surplus that amounted to \$7.9 million.

Revaluations of non-financial physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows - other comprehensive income', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the

net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

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

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

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

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.1 Property, plant and equipment (continued)

4.1.1 Depreciation, amortisation and impairment

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation				
Buildings	5,178	5,299	5,178	5,299
Plant and equipment	1,341	1,354	1,336	1,353
Motor vehicles	64	44	64	44
Land improvements	80	77	80	77
Leasehold improvements	456	543	339	502
Total depreciation	7,120	7,317	6,997	7,275
Amortisation of non-current physical and intangible assets				
Software	1,093	1,027	596	597
Total amortisation	1,093	1,027	596	597
Total depreciation and amortisation	8,213	8,344	7,593	7,872

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

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

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

Class of Assets	Useful Life
Buildings	5 - 60 years (2016: 5 - 60 years)
Plant and equipment	3 - 10 years (2016: 3 - 10 years)
Motor vehicles	6.6 years (2016: 6.6 years)
Leasehold improvements	5 - 6 years (2016: 5 - 6 years)
Land improvements	15 - 40 years (2016: 15 - 40 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.

Impairment

Non-financial assets, including items of 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 amount 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.

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.1 Property, plant and equipment (continued)

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.

4.1.2 Gain/loss on property, plant and equipment

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Net gain/(loss) on disposal of property plant and equipment	(47)	(4,390)	(47)	(4,390)
Total	(47)	(4,390)	(47)	(4,390)

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

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

4.1.3 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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated 2017								
Opening balance	52,927	189,986	3,014	4,940	344	1,087	1,451	253,749
Additions	-	-	13,128	1,227	-	20	-	14,375
Revaluations	5,269	12,010	-	-	-	-	1,046	18,325
Disposals	-	(79)	-	-	(66)	-	-	(145)
Depreciation writeback	-	21	-	-	192	-	588	801
Transfers	-	29	(142)	28	-	-	85	-
Depreciation	-	(5,178)	-	(1,341)	(190)	(457)	(668)	(7,834)
Closing balance	58,196	196,789	16,000	4,854	280	650	2,502	279,271
Consolidated 2016								
Opening balance	45,057	194,969	871	5,020	70	1,254	1,498	248,739
Additions	-	-	4,884	1,307	318	376	30	6,915
Revaluations	7,870	-	-	-	-	-	-	7,870
Disposals	-	(5,291)	-	(95)	-	-	-	(5,386)
Depreciation writeback	-	932	-	62	-	-	-	994
Transfers	-	2,741	(2,741)	-	-	-	-	-
Depreciation	-	(5,299)	-	(1,354)	(44)	(543)	(77)	(7,317)
Impairment reversal	-	1,934	-	-	-	-	-	1,934
Closing balance	52,927	189,986	3,014	4,940	344	1,087	1,451	253,749

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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chisholm 2017								
Opening balance	52,927	189,986	3,014	4,933	344	752	1,451	253,407
Additions	-	-	13,128	1,229	-	237	-	14,594
Revaluations	5,269	12,010	-	-	-	-	1,046	18,325
Disposals	-	(79)	-	-	(66)	-	-	(145)
Depreciation writeback	-	21	-	-	192	-	588	801
Transfers	-	29	(142)	28	-	-	85	-
Depreciation	-	(5,178)	-	(1,336)	(190)	(339)	(668)	(7,711)
Closing balance	58,196	196,789	16,000	4,854	280	650	2,502	279,271

Chisholm 2016

Opening balance	45,057	194,969	871	5,020	70	1,254	1,498	248,739
Additions	-	-	4,884	1,298	318	-	30	6,530
Revaluations	7,870	-	-	-	-	-	-	7,870
Disposals	-	(5,291)	-	(95)	-	-	-	(5,386)
Depreciation writeback	-	932	-	63	-	-	-	995
Transfers	-	2,741	(2,741)	-	-	-	-	-
Depreciation	-	(5,299)	-	(1,353)	(44)	(502)	(77)	(7,275)
Impairment reversal	-	1,934	-	-	-	-	-	1,934
Closing balance	52,927	189,986	3,014	4,933	344	752	1,451	253,407

4.1.4 Capital commitments

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

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	64,003	1,743	64,003	1,743
Later than one year but not later than five years	13,592	916	13,592	916
Total capital expenditure commitments	77,595	2,659	77,595	2,659
GST reclaimable on the above	7,054	242	7,054	242
Net capital expenditure commitments	70,541	2,417	70,541	2,417

4. THE ASSETS WE INVESTED IN (CONTINUED)

4.2 Intangible assets

Chisholm has capitalised software development expenditure for the upgrade of its student management system (STRATA) software. The carrying amount of the capitalised software development expenditure is \$2.72 million (2016: \$1.24 million). Its useful life is 4 years.

TAFE Online Pty Ltd has capitalised software development expenditure in relation to its relation to its online enrolment system and online learning modules. The carrying amount of the capitalised software development expend is \$0.50 million (2016: 0.79 million). Its useful life is 3 years.

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Software				
Gross carrying amount				
Opening balance	4,657	3,690	3,113	2,487
Additions from internal developments	2,279	967	2,075	626
Closing balance	6,936	4,657	5,188	3,113
Accumulated amortisation and impairment				
Opening balance	(2,629)	(1,602)	(1,877)	(1,280)
Amortisation charge	(1,093)	(1,027)	(596)	(597)
Closing balance	(3,722)	(2,629)	(2,473)	(1,877)
Net carrying amount at end of the year	3,214	2,028	2,715	1,236

Initial recognition

When recognition criteria *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

Intangible assets with finite lives are amortised on a straight basis over their useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

Impairment

Goodwill and 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. THE ASSETS WE INVESTED IN (CONTINUED)

4.3 Investments and other financial assets

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current investments and other financial assets				
Australian dollar term deposits > three months	51,261	21,107	50,000	20,000
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	51,261	21,107	56,000	26,000

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 2017						
2017 - Term deposits	51,261	51,261	-	-	-	-
Total	51,261	51,261	-	-	-	-
Consolidated 2016						
2016 - Term deposits	21,107	21,107	-	-	-	-
Total	21,107	21,107	-	-	-	-
Chisholm 2017						
2017 - Term deposits	50,000	50,000	-	-	-	-
Investments in subsidiary	6,000	6,000	-	-	-	-
Total	56,000	56,000	-	-	-	-
Chisholm 2016						
2016 - Term deposits	20,000	20,000	-	-	-	-
Investments in subsidiary	6,000	6,000	-	-	-	-
Total	26,000	26,000	-	-	-	-

5. BALANCES FROM OPERATIONS

5.1 Receivables

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Contractual				
Sale of goods and services	5,922	1,694	5,918	1,694
Provision for doubtful contractual receivables	(353)	(135)	(353)	(135)
Revenue receivables	6,361	5,714	6,257	5,585
Other receivables	2,608	1,357	4,463	4,769
Total contractual receivables	14,538	8,630	16,285	11,913
Total current receivables	14,538	8,630	16,285	11,913

Receivables consist of contractual receivables, which include mainly debtors in relation to goods and services, revenue receivables, accrued income and accrued investment income.

Receivables are stated inclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments.

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

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136 Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Movement in the provision for doubtful contractual receivables				
Balance at the beginning of the year	(135)	(126)	(135)	(126)
Reversal of unused provision recognised in net result	8	20	8	20
Increase in provision recognised in net result	(353)	(134)	(353)	(134)
Reversal of provision for uncollectable receivables written off during the year	127	105	127	105
Balance at the end of the year	(353)	(135)	(353)	(135)

5. BALANCES FROM OPERATIONS (CONTINUED)

5.1 Receivables (continued)

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 2017						
Trade receivables	5,569	3,116	1,948	37	468	-
Revenue receivable	6,361	6,361	-	-	-	-
Other receivables	2,608	2,608	-	-	-	-
Total	14,538	12,085	1,948	37	468	-

Consolidated 2016

Trade receivables	1,559	1,134	53	372	-	-
Revenue receivable	5,714	5,714	-	-	-	-
Other receivables	1,357	1,357	-	-	-	-
Total	8,630	8,205	53	372	-	-

Chisholm 2017

Trade receivables	5,565	3,112	1,948	37	468	-
Revenue receivable	6,257	6,257	-	-	-	-
Other receivables	4,463	4,463	-	-	-	-
Total	16,285	13,832	1,948	37	468	-

Chisholm 2016

Trade receivables	1,559	1,134	53	372	-	-
Revenue receivable	5,585	5,585	-	-	-	-
Other receivables	4,769	4,769	-	-	-	-
Total	11,913	11,488	53	372	-	-

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

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

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

5. BALANCES FROM OPERATIONS (CONTINUED)

5.2 Payables

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Contractual				
Supplies and services	8,075	6,438	8,211	6,478
Total contractual payables	8,075	6,438	8,211	6,478
Statutory				
GST payable	(68)	138	(56)	239
FBT payable	25	26	25	26
Other taxes payable	310	266	297	255
Total statutory payables	267	430	266	520
Total current payables	8,342	6,868	8,477	6,998

Payables consist of:

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

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

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

5. BALANCES FROM OPERATIONS (CONTINUED)

5.2 Payables (continued)

	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 2017						
Supplies and services	8,075	8,075	7,647	428	-	-
Total	8,075	8,075	7,647	428	-	-

Consolidated 2017						
Supplies and services	6,438	6,438	6,020	418	-	-
Total	6,438	6,438	6,020	418	-	-

Chisholm 2017						
Supplies and services	8,211	8,211	7,704	249	-	258
Total	8,211	8,211	7,704	249	-	258

Chisholm 2016						
Supplies and services	6,478	6,478	5,802	392	-	284
Total	6,478	6,478	5,802	392	-	284

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

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

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

5.3 Other liabilities

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Revenue in advance	3,099	3,038	3,044	3,031
Total current liabilities	3,099	3,038	3,044	3,031

Revenue received in advance

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

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	9,526	4,929	8,780	4,053
Deposits at call	36,911	52,232	36,911	52,232
Total cash and deposits	46,437	57,161	45,691	56,285

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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Reconciliation of operating result after income tax to net cash flows from operating activities				
Net result for the year	33,192	13,445	32,357	15,888

Non cash movements

Depreciation and amortisation of non-financial assets	8,213	8,344	7,593	7,872
Net (gain)/loss on sale of non financial assets	58	4,390	58	4,390
Greener Government loan discount	55	64	55	64

Movements in assets and liabilities

Decrease/(increase) in receivables	(3,461)	1,338	(5,393)	(1,051)
Decrease/(Increase) in inventories	(43)	(38)	(43)	(15)
(Decrease)/ increase in payables	(727)	2,437	2,500	2,766
(Decrease)/ increase in provisions	(631)	332	(628)	320
Decrease/(increase) in other assets	(220)	(701)	(85)	(691)
(Decrease)/ increase in other liabilities	64	(132)	13	(138)
Net cash flows from/(used in) operating activities	36,500	29,479	36,427	29,405
Per cash flow statement	36,500	29,479	36,427	29,405

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)

6.1 Cash and deposits (continued)

6.1.2 Interest income

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest from financial assets not at fair value through profit and loss				
Interest on bank deposits	1,367	1,161	1,334	1,134
Total interest income	1,367	1,161	1,334	1,134

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

6.2 Borrowings

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Advances from Government	351	351	351	351
Non-current				
Advances from Government	1,279	1,575	1,279	1,575
Total borrowings	1,630	1,926	1,630	1,926

Borrowings

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

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

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

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

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 2017						
Advances from Government	1,630	1,630	-	-	351	1,279
Total	1,630	1,630	-	-	351	1,279

Consolidated 2016

Advances from Government	1,926	1,926	-	-	351	1,575
Total	1,926	1,926	-	-	351	1,575

Chisholm 2017

Advances from Government	1,630	1,630	-	-	351	1,279
Total	1,630	1,630	-	-	351	1,279

Chisholm 2016

Advances from Government	1,926	1,926	-	-	351	1,575
Total	1,926	1,926	-	-	351	1,575

6.3 Contributed capital

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'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

Contributed capital

Funding that are in the nature of contributions by the Victorian State Government are treated as contributed capital when designated in accordance with *UIG Interpretation 1038 Contribution by Owners Made to Wholly-Owned Public Sector Entities*. Commonwealth capital funds are not affected and are treated as income.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

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

Categories of financial instruments

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Receivables and cash				
Cash and deposits	46,437	57,161	45,691	56,285
Trade receivables	5,569	1,559	5,565	1,559
Revenue receivable	6,361	5,714	6,257	5,585
Other receivables	2,608	1,357	4,463	4,769
Term deposits	51,261	21,107	50,000	20,000
Investments at cost				
Investment in subsidiary	-	-	6,000	6,000
Total contractual financial assets	112,236	86,898	117,976	94,198

Contractual financial liabilities

Loans and payables

Supplies and services	8,075	6,438	8,211	6,478
At amortised cost				
Advances from Government	1,630	1,926	1,630	1,926
Total contractual financial liabilities	9,705	8,364	9,841	8,404

Categories of financial instruments

Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities 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 impairment). Chisholm recognises the following assets in this category:

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

Held to maturity financial assets: If Chisholm has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Chisholm makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes certain term deposits and debt securities for which Chisholm intends to hold to maturity.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

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

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Offsetting financial instruments

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

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Chisholm does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

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

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

- Chisholm has transferred its rights to receive cash flows from the asset and either:

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

(b) has transferred control of the asset.

Impairment of financial assets

At the end of each reporting period, Chisholm assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136 Impairment of Assets*.

Reclassification of financial instruments:

Subsequent to initial recognition and under rare circumstances non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

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

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

7.1.1 Financial risk management objectives and policies

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

Chisholm's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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

Risk management is carried out by Financial Services under policies approved by the Board. The Board provides written principles for financial risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. There has been no significant change in Chisholm's exposure, or its objectives, policies and processes for managing Chisholm's financial risks or the methods used to measure the risk from the previous reporting period.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1.2 Credit Risk

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

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

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

The trade receivables balance at 31 December 2017 and 31 December 2016 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

In addition, Chisholm does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed

interest, except for cash assets, which are mainly cash at bank. Chisholm's policy is to only deal with banks with high credit ratings.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Chisholm'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 2017				
Cash and deposits	9,526	36,911	-	46,437
Receivables	8	7,575	6,955	14,538
Investments and other financial assets	-	50,767	494	51,261
Total contractual financial assets	9,534	95,253	7,449	112,236

Consolidated 2016

Cash and deposits	4,929	52,232	-	57,161
Receivables	8	5,944	2,678	8,630
Investments and other financial assets	-	20,605	502	21,107
Total contractual financial assets	4,937	78,781	3,180	86,898

Chisholm 2017

Cash and deposits	8,780	36,911	-	45,691
Receivables	5	7,337	8,943	16,285
Investments and other financial assets	-	50,000	6,000	56,000
Total contractual financial assets	8,785	94,248	14,943	117,976

Chisholm 2016

Cash and deposits	4,053	52,232	-	56,285
Receivables	5	5,587	6,321	11,913
Investments and other financial assets	-	20,000	6,000	26,000
Total contractual financial assets	4,058	77,819	12,321	94,198

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

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1.3 Liquidity Risk

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

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

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

Chisholm manages liquidity risk by:

- maintaining an 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's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

7.1.4 Market Risk

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

Chisholm's exposure to market risk are primarily through foreign currency risk, equity price risk and interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Foreign currency risk

Chisholm is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian dollar, and payables relating to purchases of supplies and consumables from overseas. As there are a limited amount of transactions denominated in foreign currencies, Chisholm's foreign currency exposure risk is limited.

Chisholm does not have any foreign currency bank accounts denominated in foreign currency at 31 December 2017.

Interest rate risk

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

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

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

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

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and Chisholm's sensitivity to interest rate risk are set out below.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.1 Financial instruments (continued)

	Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
	%	\$'000	\$'000	\$'000	\$'000
Chisholm 2017					
Cash and deposits	1.72	45,691	45,691	-	-
Receivables					
Trade receivables		5,565	-	-	5,565
Revenue receivable		6,257	-	-	6,257
Other receivables		4,463	-	-	4,463
Investment in subsidiary		6,000	6,000	-	-
Term deposits	1.68	50,000	-	50,000	-
Total financial assets		117,976	51,691	50,000	16,285
Supplies and services		8,211	-	-	8,211
Advances from Government		1,630	-	-	1,630
Total financial liabilities		9,841	-	-	9,841
Chisholm 2016					
Cash and deposits	1.24	56,285	56,285	-	-
Receivables					
Trade receivables		1,559	-	-	1,559
Revenue receivable		5,585	-	-	5,585
Other receivables		4,769	-	-	4,769
Investment in subsidiary		6,000	-	-	6,000
Term deposits	2.17	20,000	-	20,000	-
Total financial assets		94,198	56,285	20,000	17,913
Supplies and services		6,478	-	-	6,478
Advances from Government		1,926	-	-	1,926
Total financial liabilities		8,404	-	-	8,404

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

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 2017 (31 December 2016: nil) that may have a material effect on the financial operations of Chisholm.

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.

This section sets out information on how Chisholm 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:

- financial assets and liabilities at fair value through operating result; and
- land, buildings, plant and equipment, vehicles, lease hold 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 determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value estimation

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

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

Fair value determination of financial assets and liabilities.

Chisholm 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 by the end of the 2018 reporting period.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

Fair value determination of non-financial assets

Chisholm holds property, plant and equipments for which fair values are determined. Below is the relevant fair value information relating to those assets.

	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
Consolidated 2017				
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	3,687	-	3,687	-
Specialised buildings	193,102	-	-	193,102
Total buildings at fair value	196,789	-	3,687	193,102
Plant and equipment	4,854	-	-	4,854
Vehicles	280	-	-	280
Leasehold improvements	650	-	-	650
Land improvements	2,502	-	-	2,502
Total other assets at fair value	8,286	-	-	8,286
Consolidated 2016				
Non specialised land	5,810	-	5,810	-
Specialised land	47,117	-	-	47,117
Total land at fair value	52,927	-	5,810	47,117
Non specialised buildings	3,586	-	3,586	-
Specialised buildings	186,400	-	-	186,400
Total buildings at fair value	189,986	-	3,586	186,400
Plant and equipment	4,940	-	-	4,940
Vehicles	344	-	-	344
Leasehold improvements	1,087	-	-	1,087
Land improvements	1,451	-	-	1,451
Total other assets at fair value	7,822	-	-	7,822

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

Fair value determination of non-financial assets

Chisholm holds property, plant and equipments for which fair values are determined. Below are the relevant fair value information relating to those assets.

	Carrying amount at 31 December	Level 1 Quoted Prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
Chisholm 2017				
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	3,687	-	3,687	-
Specialised buildings	193,102	-	-	193,102
Total buildings at fair value	196,789	-	3,687	193,102
Plant and equipment	4,854	-	-	4,854
Vehicles	280	-	-	280
Leasehold improvements	650	-	-	650
Land improvements	2,502	-	-	2,502
Total other assets at fair value	8,286	-	-	8,286

Chisholm 2016

Non specialised land	5,810	-	5,810	-
Specialised land	47,117	-	-	47,117
Total land at fair value	52,927	-	5,810	47,117
Non specialised buildings	3,586	-	3,586	-
Specialised buildings	186,400	-	-	186,400
Total buildings at fair value	189,986	-	3,586	186,400
Plant and equipment	4,933	-	-	4,933
Vehicles	344	-	-	344
Leasehold improvements	752	-	-	752
Land improvements	1,451	-	-	1,451
Total other assets at fair value	7,480	-	-	7,480

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

Valuations of property, plant and equipment

Fair value assessments have been performed at 31 December 2017 for all classes of assets. This assessment demonstrated an increment in the carrying value of land and buildings. The fair value of all other asset classes was materially similar to carrying value. The next scheduled full revaluation for Chisholm will be conducted in 2022.

Non specialised land and non specialised buildings

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

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

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

Specialised land and specialised buildings

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

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

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

An independent valuation of 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.

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 Level 3 assets.

There were no changes in valuation techniques throughout the period to 31 December 2017. For all assets measured at fair value, the current use is considered the highest and best use.

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

Reconciliation of level 3 fair value movements

	Specialised land	Specialised buildings	Plant and equipment	Motor vehicles	Leasehold improvements	Land improvements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated 2017						
Opening balance	47,117	186,400	4,940	344	1,087	1,451
Purchases (sales)	-	-	1,256	-	61	-
Transfers in (out) of Level 3	-	-	-	(66)	-	-
Depreciation	-	-	(1,342)	2	(498)	-
Revaluation	5,581	6,702	-	-	-	1,051
Closing balance	52,698	193,102	4,854	280	650	2,502

Consolidated 2016

Opening balance	40,146	193,369	5,020	70	1,254	1,498
Purchases (sales)	-	-	1,307	318	375	30
Transfers in (out) of Level 3	-	(1,725)	(24)	-	-	-
Depreciation	-	(5,244)	(1,363)	(44)	(542)	(77)
Revaluation	6,971	-	-	-	-	-
Closing balance	47,117	186,400	4,940	344	1,087	1,451

Chisholm 2017

Opening balance	47,117	186,400	4,933	344	752	1,451
Purchases (sales)	-	-	1,263	-	396	-
Transfers in (out) of Level 3	-	-	-	(66)	-	-
Depreciation	-	-	(1,342)	2	(498)	-
Revaluation	5,581	6,702	-	-	-	1,051
Closing balance	52,698	193,102	4,854	280	650	2,502

Chisholm 2016

Opening balance	40,146	193,369	5,020	70	1,254	1,498
Purchases (sales)	-	-	1,300	318	-	30
Transfers in (out) of Level 3	-	(1,725)	(24)	-	-	-
Depreciation	-	(5,244)	(1,363)	(44)	(502)	(77)
Revaluation	6,971	-	-	-	-	-
Closing balance	47,117	186,400	4,933	344	752	1,451

7. MANAGING RISKS AND UNCERTAINTIES (CONTINUED)

7.3 Fair value determination (continued)

Description of significant unobservable inputs to Level 3 valuations

2017 and 2016	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Useful life of buildings
Motor vehicles	Depreciated replacement cost	Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Useful life of plant and equipment

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

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

Position	Name	Relevant Period
Minister for Training and Skills	The Hon. Gayle Tierney MLC	Full year
Director and Chief Executive Officer (Accountable Officer)	Ms Maria Peters	Full year
Board Member	Mr Stephen G. Marks (Chair)	Full year
Board Member	Prof. Anne Jones	Full year
Board Member	Mr David Mann	Full year
Board Member	Mr John Bennie	Full year
Board Member	Ms Lisa Norman	Full year
Board Member	Dr. Mei Ling Doery	Full year
Board Member	Mr Peter Malone	Full year
Board Member	Ms Sandra Andersen	Full year
Board Member	Mr Todd Hartley	Full year

*All board members were members for the entire 2017 year.

8. GOVERNANCE DISCLOSURES (CONTINUED)

8.1 Responsible persons (continued)

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of Chisholm during the reporting period was in the range: \$680,000 - \$689,999 (2016: \$330,000 - \$339,999).

Included in the remuneration above is payment of annual leave and long service leave on termination in the range: \$310,000 - \$319,999.

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

	2017	2016
Income range		
\$0	1	1
\$10,000 - \$19,999	-	5
\$20,000 - \$29,999	-	2
\$30,000 - \$39,999	5	3
\$40,000 - \$49,999	2	-
\$70,000 - \$79,999	1	1
Total number	9	12
Total remuneration (\$'000)	345	303

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 total remuneration of executive officers, other than the CEO, and their total remuneration during the reporting period are 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.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated.

	Consolidated		Chisholm	
	2017	2016(i)	2017	2016(i)
	\$'000	\$'000	\$'000	\$'000
Remuneration				
Short-term employee benefits	1,974	-	1,974	-
Other long-term benefits	496	-	496	-
Termination benefits	228	-	228	-
Total remuneration	2,698	-	2,698	-
Total number of executives	11	-	11	-
Total annualised employee equivalents (ii)	8	-	8	-

(i) Note that for the first year of implementation (2017), no comparatives will be required.

(ii) 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 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); and
- all entities that are controlled and consolidated into Chisholm's consolidated financial statements.

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

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

- TAFE Online Pty Ltd;
- Caroline Chisholm Education Foundation; and
- Chisholm Academy Pty Ltd (until 30 November 2017).

8. GOVERNANCE DISCLOSURES (CONTINUED)

8.3 Related parties (continued)

Significant transactions with related entities

Chisholm provided a loan of \$711,538 (2016: \$305,217) to TAFE Online Pty Ltd during the current financial year.

Chisholm provided a donation of \$155,072 (2016: \$123,890) and resources free of charge of \$110,067 (2016:\$98,318) to Caroline Chisholm Education Foundation during the current financial year.

Chisholm provided a loan of \$1,471,679 (2016: \$2,420,882) to Chisholm Academy Pty Ltd from 1 January to 30 November. The entire loan amount was forgiven by Chisholm as part of the voluntary de-registration of Chisholm Academy Pty Ltd.

Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Related party transactions				
Debtor - TAFE Online Pty Ltd	-	-	1,933	1,222
Debtor - Caroline Chisholm Education Foundation (CCEF)	-	-	253	284
Donations provided to CCEF	155	124	-	-
Resources provided free of charge to CCEF	110	98	-	-
Revenue collected for TAFE Online Pty Ltd	88	250	-	-
Expenses paid for TAFE Online Pty Ltd	800	555	-	-
Revenue collected for Chisholm Academy Pty Ltd	1,320	482	-	-
Expenses paid for Chisholm Academy Pty Ltd	2,792	2,903	-	-
Total	5,265	4,412	2,186	1,506

8. GOVERNANCE DISCLOSURES (CONTINUED)

8.3 Related parties (continued)

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

Compensation of key management personnel

	Consolidated		Chisholm	
	2017	2016(i)	2017	2016(i)
	\$'000	\$'000	\$'000	\$'000
Remuneration				
Short-term employee benefits	1,361	-	1,361	-
Other long-term benefits	90	-	90	-
Total remuneration	1,451	-	1,451	-

(i) Note that for the first year of implementation (2017), no comparatives will be required.

Transactions and balances with key management personnel and other related parties

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

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

8.4 Remuneration of auditors

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Remuneration of the Victorian Auditor-General's Office for:				
Audit of the financial statements	73	64	56	50
Total remuneration of the Victorian Auditor-General's Office	73	64	56	50
Remuneration of other auditors				
Internal audit services	181	171	181	171
Total remuneration of other auditors	181	171	181	171
Total	254	235	237	221

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

9. OTHER NOTE DISCLOSURES

9.1 Other economic flows included in net result

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
(a) Net gain/(loss) on financial instruments				
Foreign currency exchange gain/(loss)	(92)	(177)	(92)	(177)
Greener Government loan discount	(55)	(64)	(55)	(64)
Impairment of loans and receivables	(338)	(201)	(338)	(201)
Total net gain/(loss) on financial instruments	(485)	(442)	(485)	(442)
(b) Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service leave liability	371	(588)	345	(613)
Net gain/(loss) arising from revaluation of annual leave liability	5	(534)	5	(518)
Total other gains/(losses) from other economic flows	376	(1,122)	350	(1,131)
Total other economic flows included in net result	(109)	(1,564)	(135)	(1,573)

Net gain/(loss) from revaluation of long service leave liability and annual liability are changes arising due to changes in bond rates.

'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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Physical asset revaluation surplus				
Balance at 1 January	60,513	50,709	60,513	50,709
Revaluation increment on non-current asset	18,325	7,870	18,325	7,870
Reversal of impairment losses	-	1,934	-	1,934
Balance at 31 December	78,838	60,513	78,838	60,513

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

9. OTHER NOTE DISCLOSURES (CONTINUED)

9.3 Ex-gratia expenses

	Consolidated		Chisholm	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Compensation for economic loss	316	78	316	78
Total ex-gratia payments	316	78	316	78

All ex-gratia payments made during 2017 and 2016 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	2017%	2016%
TAFE Online Pty Ltd	(a)	Australian	Ordinary	100	100
Chisholm Academy Pty Ltd	(b)	Australian	Ordinary	100	100
Caroline Chisholm Education Foundation	(c)	Unincorporated entity			

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

(b) Chisholm Academy Pty Ltd is a company incorporated under the *Corporations Act 2001* with share capital at \$2.

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

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.

Chisholm Academy Pty Ltd

In 2017, the Chisholm Institute Board approved for Chisholm Hair Academy's assets, liabilities and operations to be transferred to Chisholm Institute and forgave the related party debt owed to Chisholm Institute.

9. OTHER NOTE DISCLOSURES (CONTINUED)

9.5 Events after reporting dates

No matters or circumstances have occurred subsequent to period end that has 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. Chisholm Academy Pty Ltd's operations have now been integrated into Chisholm Institute and the entity has been deregistered.

9.6 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 2017 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Chisholm of their applicability and early adoption where applicable.

As at 31 December 2017, the following Australian Accounting Standards have been issued by the AASB, but are not mandatory for year ending 31 December 2017. Chisholm has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on entity financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1/01/2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1/01/2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. No change for lessors.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1/01/2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.	1/01/2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

VAGO INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

To the Board of Chisholm Institute

<p>Opinion</p>	<p>I have audited the accompanying performance statement of the Chisholm Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement • Declaration by Board Chair, Chief Executive Officer and Chief Finance Officer <p>In my opinion, the performance statement of the Chisholm Institute in respect of the year ended 31 December 2017 presents fairly, in all material respects.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the statement of performance in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Board's responsibilities for the statement of performance</p>	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the statement of performance</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>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.</p>

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 the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
9 March 2018



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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

In our opinion, the accompanying Performance Statement of Chisholm Group in respect of the 2017 financial year is presented fairly.

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

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



STEPHEN G MARKS

Board Chair

Date: 28 February 2018
Place: Dandenong



GRANT RADFORD

Acting Chief Executive Officer

Date: 28 February 2018
Place: Dandenong



SHEHANI MENDIS

Chief Finance Officer

Date: 28 February 2018
Place: Dandenong

PERFORMANCE STATEMENT

For the year ended 31 December 2017

Chisholm Group

Key performance indicators (KPIs)	Description and methodology	Metric	2017 Target	2017 Actual	Explanation of variances	Note	Prior year result
Training revenue diversity	Government Funded		54.0%	59.1%	Not achieved	a	54.7%
	Fee for Service	Percentage	27.0%	22.1%	Not achieved	a	25.7%
	Student Fees and Charges		19.0%	18.7%	Not achieved	a	19.6%
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	70.0%	65.6%	Achieved		69.8%
Training revenue per teaching FTE	Training revenue (excl. revenue delivered by third parties) / Teaching FTEs	Dollars	\$ 200,000	\$ 213,150	Achieved		\$ 192,752
Operating margin percentage	EBIT excluding Capital Contributions) / Total Revenue (excl Capital Contributions)	Percentage	> 0%	7.9%	Achieved		1.0%

KPIs against the 2017 Statement of Corporate Intent

Growth in Skills First student enrolments of 1%	Number of students enrolled who qualify for the Victorian Training Guarantee	Number of students	15,358	16,095	Achieved		15,206
Growth in fee for service enrolments of 1%	Number of students enrolled in fee for service courses.	Number of students	19,210	18,890	Not achieved	a	19,020
A positive EBITDA in 2017 (excluding capital contributions)	Earnings before income tax and depreciation/amortisation (EBITDA) (\$'000)	Dollars	\$ 8,000	\$ 19,618	Achieved		\$ 9,610
Increased market share in south east of Melbourne	Percentage market share	Percentage	30%	30.9%	Achieved		26.9%

Notes

a. Growth in Government funded training revenues coupled with a reduction in fee for service revenues resulted in Chisholm not achieving its 2017 revenue diversity target.

DISCLOSURE INDEX

STANDARD DISCLOSURES IN THE REPORT OF OPERATIONS (2017)

Item No.	Source	Summary of reporting requirement	Page number
Report of operations			
Charter and purpose			
1	FRD 22H	Manner of establishment and the relevant Minister	3, 34
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	34
3	FRD 22H	Nature and range of services provided including communities served	3,34
Management and structure			
4	FRD 22H	Organisational structure and chart, including responsibilities and details of the accountabilities of an entity's main activities	30-33, 35-36
5	FRD 22H	Names of Board and committee members	30, 35-36
Financial and other information			
6	FRD 03A	Accounting for Dividends	N/A
7	FRD 07B	Early adoption of authoritative accounting pronouncements	88
8	FRD 10A	Disclosure Index	93-96
9	FRD 17B	Long Service leave and annual leave for employees	51-52
10	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
11	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	29,92
12	FRD 22H	Occupational health and safety statement including performance indicators, performance against those indicators. Reporting must be on the items listed at 5.10(a) to (e) in the FRD.	22
13	FRD 22H	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 (see Attachment B for details of the Department's required reporting approach to all workforce data).	20
14	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	29
15	FRD 22H	Summary of significant changes in financial position	43
16	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	6-19
17	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	88
18	FRD 22H	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	101
19	FRD 22H	Discussion and analysis of operating results and financial results	29

20	FRD 22H	Significant factors affecting performance	29
21	FRD 22H	Where a TAFE has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	N/A
22	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from 5.16(a) – (d) in the FRD	100
23	FRD 22H	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	99
24	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy	98
25	FRD 22H	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	97
26	FRD 22H and FRD 24C	Summary of Environmental Performance including a report on office based environmental impacts	104-110
27	FRD 22H	Consultants: Report of Operations must include a statement disclosing each of the following <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period <p>AND for each consultancy more than \$10,000, a schedule is to be published on the TAFE institute website listing:</p> <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 	101
28	FRD 22H	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
29	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at 5.19(a) – (l) in the FRD)	98
30	FRD 22H	<i>An entity shall disclose the following in the report of operations:</i> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX). 	101
31	FRD 25C	Victorian Industry Participation Policy Disclosures	97
32	FRD 26B	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
33	FRD 29B	Workforce Data Disclosures on the public service employee workforce. Note: TAFEs <u>must</u> report on a calendar year basis (ie not financial year basis).	20-21
34	SD 3.7.1	<i>The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.</i>	37
35	FRD 22H	An entity's report of operations shall contain general and financial information, including other relevant information, outlining and explaining an entity's operations and activities for the reporting period.	6-19, 29
36	SD 5.2.1(a)	<i>The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, these Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.</i>	2, 41, 48

37	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	2
38	CG 10 (clause 27)	Register of Major Commercial Activities and Report	100
39	CG 12 (clause 33)	TAFE Institute Controlled Entities	87

Financial report

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

40	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> • The financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period. • The financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	41
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Other requirements under Standing Direction / *Financial Management Act 1994*

41	SD 5.2.2(a) and FMA s 49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> • 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. 	41
42	FRD 30D	Rounding of amounts	47
43	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> • review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister. 	34-35

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

44	FRD 11A	Disclosure of ex-gratia payments	87
45	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	82-85
46	FRD 102A	Inventories	N/A
47	FRD 103F	Non-financial physical assets	28-43, 56-62
48	FRD 105B	Borrowing costs	N/A
49	FRD 106A	Impairment of assets	71
50	FRD 107B	Investment properties	N/A
51	FRD 109A	Intangible assets	58, 61
52	FRD 110A	Cash flow statements	45
53	FRD 112D	Defined benefit superannuation obligations	51, 53
54	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	62
55	FRD 114B	Financial instruments – general government entities and public non-financial corporations	70-75
56	FRD 119A	Transfers through contributed capital	43, 69

57	FRD 120K	Accounting and reporting pronouncements applicable to the reporting period	48
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Compliance with other legislation, subordinate instruments and policies

58	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, (and which should be listed in the Report) including, but not limited to, the following: <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 1983</i> • <i>Protected Disclosure Act 2012</i> • <i>Victorian Industry Participation Policy Act 2003</i> 	98
59	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2017	102
60	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Principles	97
61	Key Performance Indicators	See table on page 6 of the guidelines for required formatting. Institutes to report against: <ul style="list-style-type: none"> • <i>KPIs set out in the annual Statement of Corporate Intent; and</i> • <i>Employment costs as a proportion of training revenue;</i> • <i>Training revenue per teaching FTE;</i> • <i>Operating margin percentage;</i> • <i>Training Revenue diversity.</i> 	92

Overseas operations of Victorian TAFE institutes

62	PAEC and VAGO (June 2003 Special Review item 3.110)	<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. 	26-28
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ADDITIONAL COMPLIANCE REPORTS

VICTORIAN PUBLIC SECTOR TRAVEL PRINCIPLES

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

Directly linked to the travel policy are policies involving staff code of conduct, fraud, due diligence, health and safety, child safety and use of Chisholm property including intellectual property.

In early 2017, a comprehensive International Induction Package was rolled out to inform staff of the Institute's expectations and measures to ensure staff safety.

APPLICATION AND OPERATION OF THE PROTECTED DISCLOSURE ACT 2012

The Protected Disclosure Act 2012 encourages and helps people disclose improper conduct by public officers and public bodies. It provides protection to people who make disclosures and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Chisholm does not tolerate improper conduct by employees, nor reprisals taken against those who disclose such conduct. It is committed to ensuring transparency and accountability in administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Chisholm takes all reasonable steps to protect people from any detrimental action in reprisal for making such disclosures.

Making a disclosure

Disclosures of improper conduct or detrimental action by Chisholm or any of its employees may be made to:

Ms Delia McIver

Protected Disclosure Coordinator
Executive Director, People, Culture and Safety

Chisholm Institute
Street address:
121 Stud Road, Dandenong VIC 3175

Mailing address:
PO Box 684, Dandenong VIC 3175
T: +61 3 9212 5360
E: delia.mciver@chisholm.edu.au

or one of the following officers of the Institute:

- a manager or supervisor of a person from the Institute who chooses to make a disclosure
- a manager or supervisor of a person from the Institute about whom a disclosure has been made

or:

The Independent Broad-based Anti-corruption Commission (IBAC)

Street address:
Level 1, North Tower
459 Collins Street, Melbourne VIC 3000

Postal address:
GPO Box 24234, Melbourne VIC 3001
T: 1300 735 135
www.ibac.vic.gov.au

Disclosures under the Protected Disclosure Act 2012

	2017	2016
The number of disclosures made by an individual to Chisholm and notified to the Independent Broad-based Anti-corruption Commission – assessable disclosures	0	0

LOCAL JOBS FIRST - VICTORIAN INDUSTRY PARTICIPATION POLICY IMPLEMENTATION

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

During 2017-18, Chisholm Institute commenced three Local Jobs First - VIPP applicable or Local Industry Development Plan (LIDP) applicable procurements totalling \$76 million of total project cost. Of those projects, one was located in Frankston, the other two are located at Berwick. These represented 93% and 83% per cent of estimated local content respectively. These were split:

- Metropolitan 70%
- Regional 20% and
- State 10%

During 2017 the total VIPP Plan or LIDP commitments achieved as a result of contracts completed include:

- 13 new jobs and 240 retained jobs
- 10 new apprenticeships/traineeships and 14 retained apprenticeships/traineeships

During 2017, there were 240 small to medium sized businesses that prepared a VIPP Plan or LIDP for contracts.

During 2017, no projects had the minimum formal weighting of 10 per cent applied for local content in the tender evaluation of the VIPP Plan or LIDP.

For design contracts or grants provided during 2017, no interaction reference numbers were obtained.

NATIONAL COMPETITION POLICY

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

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

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

Chisholm has developed costing and pricing models that apply to its costs including overhead, infrastructure and other indirect costs, where appropriate, to take into account any competitive advantage that Chisholm may have. This enables Chisholm to comply with National Competition Policy, including the requirements of the government policy statement, *Competitive neutrality: A Statement of Victorian Policy*, as well as the 'Victorian Government Timetable for the Review of Legislative Restrictions' and subsequent reforms. Chisholm is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the National Reform Agenda.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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

Enquiries regarding this information should be directed to:

The Chief Operating Officer
Chisholm Institute
PO Box 684
Dandenong VIC 3175
T: +61 3 9212 5259
E: grant.radford@chisholm.edu.au

COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

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

- *Education and Training Reform Act 2006* (ETRA)
- TAFE institute constitution
- Directions of the Minister for Training and Skills (or predecessors)
- TAFE institute Commercial Guidelines
- TAFE institute Strategic Planning Guidelines
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1983*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*
- *Financial Management Act 1994*
- Australian Accounting Standards
- *Fair Work Act 2009* and Fair Work Regulations 2009
- *Occupational Health and Safety Act 2004* and Occupational Health and Safety Regulations 2007.

COMPLIANCE WITH THE BUILDING ACT 1993

General statement

Chisholm Institute holds all plans and documentation for building extensions and new buildings lodged for issue of building approvals by certified building surveyors. Upon completion of construction, the Institute has obtained Certificates of Occupancy and practical completion certificates from the relevant architects and surveyors.

Assurance programs

Certification of building projects

The architects provided completion certificates and necessary building compliance and regulatory certificates were received for all projects completed.

Building maintenance programs

Chisholm Institute has an ongoing maintenance program (using Institute staff and engagement of specialist external contractors) for works to the existing buildings controlled by Chisholm.

Compliance statement

It is considered that all buildings on campus currently conform to the Building Regulations as existed at the time of construction of the respective buildings. All new buildings constructed since the promulgation of the *Building Act 1993* comply with those relevant standards. Chisholm Institute has an ongoing program to ensure that any alterations or improvements to buildings meet the necessary standards to ensure that they are safe and fit for purpose.

For the year ended 31 December 2017, progress towards full compliance with the Building Act is summarised as follows:

Building works	2017	2016	2015	2014	2013	2012
New buildings certified for approval	0	1	0	3	0	0
Works in progress subject to mandatory inspections	4	2	0	2	3	0
New occupancy permits issued	0	0	0	3	0	0

Maintenance	2017	2016	2015	2014	2013	2012
Notices issued for substandard buildings requiring urgent attention	0	0	0	0	0	0
Other notices issued involving major expenditure and urgent attention	0	0	0	0	0	0

Conforming	2017	2016	2015	2014	2013	2012
Number of owned buildings occupied by Chisholm (note the numbers are buildings in their entirety; floors and levels have not been considered.)						
Frankston	19*	17*	18	18	17	17
Dandenong	25*	26	27	27	27	27
Berwick	9	9	10	10	9	9
Cranbourne	5	5	5	5	5	5
Bass Coast	5	5	5	5	4	4
Mornington Peninsula	7	7	7	11	6	6
Total	70	69	72	76	68	68

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

Frankston Campus:

*Four portables are located in Frankston campus – two hired, two owned.

*There is one leased building in 58 Beach Street for the Built Environment Services (BES) department, including 32 vehicle carparks.

*Buildings A & B Frankston were demolished to enable the start of new FRP works.

Dandenong Campus

*Dandenong: Q building was demolished and 24 carparks were created.

Leased buildings

- 399 Lonsdale St, Melbourne
- 234 Flinders Lane, Melbourne
- 126 Springvale Road Springvale Adult Migration 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 is related 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 requires all buildings to be provided with this document and subsequent Annual Essential Safety Measures Reports prior to 13 June 2009.

Building works undertaken by Chisholm during the year ended 31 December 2017 were as follows:

- Frankston Redevelopment Project, demolition of building A and B
- Casey Tech school project \$10m, commenced 2017
- Berwick centre for health project \$15m, commenced 2017

REPORT ON MAJOR COMMERCIAL ACTIVITY

There was no other Major Commercial Activity conducted by Chisholm in this reporting period.

ADVERTISING 2017

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

Name of campaign	Campaign summary	Start/End Date	Advertising expenditure (media) (excluding GST)	Creative and campaign development expenditure (excluding GST)	Research and evaluation expenditure (excluding GST)	Print and Collateral expenditure (excluding GST)	Other campaign expenditure (excluding GST)
January 2017 Recruitment	Main acquisition campaign		\$376,993	\$1,500			
Mid-Year Recruitment	Integrated acquisition campaign for mid-year enrolment	April - July 2017	\$390,534	\$715			\$5,040
Tactical campaign - DPR boost	Boost campaign	3/09/2017 - 14/10/2017	\$259,264				
2018 Recruitment Campaign - Chase Your Calling	Chase Your Calling launch	6/11/2017 - 31/03/2018	\$1,966,680	\$860,500			

ICT EXPENDITURE

The Information Technology Services Business Area provided staff and students secure access to over 4,000 devices in 2017, with all desktop and laptop computers upgraded to Windows 10. The migration of applications to the Cloud continued with the successful migration of student email and the Chisholm website from on-premise delivery to the Cloud. Preparation commenced for the refresh of the network infrastructure with a successful proof of concept at the Springvale campus.

Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period	\$11,591,608
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Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period – Operational expenditure	\$1,001,003
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Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period – Capital expenditure	\$3,000,817
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APPLICATION OF THE FREEDOM OF INFORMATION ACT 1982

Chisholm Institute has defined procedures which, subject to privacy and confidentiality provisions, facilitate all reasonable requests for information from students, staff and the general public without recourse to the *Freedom of Information Act 1982*. General enquiries about Chisholm Institute should be addressed to:

Chisholm Institute
PO Box 684, Dandenong Vic 3175
or chisholm.edu.au

All Freedom of Information requests should be forwarded to:

Freedom of Information Officer
Chisholm Institute
PO Box 684, Dandenong Vic 3175

Chisholm Institute may levy a charge for information provided that is subject to a Freedom of Information request in accordance with the Freedom of Information (Access Charges) Regulations 2014.

During the year ended 31 December 2017, Chisholm Institute received two (2) applications for access to documentary information under Section 17 of the Freedom of Information Act.

ENGAGEMENT OF CONSULTANTS

For the year ended 31 December 2017

The Financial Reporting Directions and guidance FRD 22G defines a consultant as a particular type of contractor that is engaged primarily to perform a discrete task for an entity that facilitates decision making through:

- provision of expert analysis and advice; and/or
- development of a written report or other intellectual output.

Consultancy Expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2017, there were 22 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017 in relation to these consultancies is \$1,308,639 (excluding GST). Details of individual consultancies can be viewed at www.chisholm.edu.au/about-us/publications

Details of consultancies under \$10,000

In 2017, there were 7 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2017 in relation to these consultancies was \$34,910 (excl. GST).

COMPULSORY NON-ACADEMIC STUDENT FEE INCOME STATEMENT

For the year ended 31 December 2017

Chisholm has a range of fees and charges for programs and services.

For 2017, the fees and charges included:

- Tuition fees for eligible Skills First Program students. These ranged from nil to \$13.40 per hour, depending on the course, cohort and competitive forces. There was no minimum fee and maximums did not apply (with the exception of VCAL, which was capped at \$1,560).
- Students who were ineligible for the Skills First Program paid tuition fees of up to \$16.80 per hour.
- A compulsory student services and amenities fee was charged for the purpose of providing student services and amenities. This fee of \$175 (or \$75 for concession card holders studying at Certificate IV level or below) applied for the 2017 calendar year.
- An ancillary fee of \$25 was charged in 2017. The fee was used to assist with providing information and communications technology equipment and access to students.
- A non-compulsory materials fee for eligible Skills First Program students was charged to cover the actual cost of providing materials or services used or retained by a student in a particular course of study. The fee varied by course depending on requirements. Full details were provided to each student prior to enrolment.
- Recognition of prior learning fees were charged at 50 per cent of the tuition fee that would be charged for participation in training for the same qualification.
- All eligible Skills First Program students who held current and valid concession cards (Commonwealth Health Care Card, Pensioner Concession Card and Veteran's Gold Card) received an 80 per cent discount on tuition fees and paid a maximum of \$75 for the services and amenities fee (at Certificate IV level and below).
- Programs and services provided on a fee-for-service basis were priced in accordance with National Competition Policy principles.
- Programs and services provided to international students and industry-based customers were costed on a commercial basis.
- Other fees and charges were on a cost-recovery basis, for example, library and parking fines, photocopying and printing charges.



GRANT RADFORD

Acting Chief Executive Officer

28 February 2018

ENVIRONMENTAL PERFORMANCE

Chisholm Institute supports the principle of integration of economic, social and environmental considerations into its operational activities. By continuing to implement sound environmental strategies, practices and procedures as the basis for ecologically sustainable development, Chisholm continues to contribute to the protection and sustainability of our environment by minimising the impact our operations have on the health and wellbeing of all stakeholders, the environment we live in as well as minimising cost and the use of valuable and diminishing resources.

In 2010 Chisholm began implementing its education for sustainability action plan for staff and students, as a part of the ResourceSmart program developed by the Department of Sustainability & Environment, and the aim of which was to align the sustainable actions of tertiary institutes with Government policy commitments.

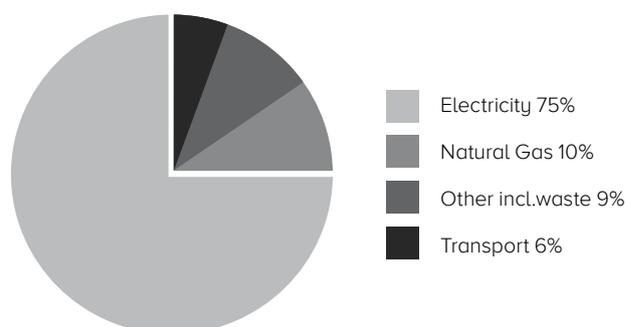


Figure 1: Major contribution to the 2017 environmental footprint

Sustainability Index

The following table compares the Target Sustainability Index based on the ResourceSmart strategy targets, against the Actual Sustainability Index based on Chisholm's environmental performance.

The index is calculated using weighted emissions, energy and water consumption against Students (EFTSL) plus Staff (Equivalent Full Time hours-EFT). This single measure enables Chisholm to take a holistic view of sustainability.

Year	FTESL + FTE	Target Sustainability Index	Target reduction %	Actual Sustainability Index	Actual % Performance
2007 Baseline	13,805	1.62	0.0%	1.62	0.0%
2015	16,758	1.03	-37.0%	1.30	-20.1%
2016	16,308	0.95	-42.0%	1.22	-25.3%
2017	17,348	0.90	-45.0%	1.10	-33.6%

Table 1: Actual versus Target sustainability indices

Carbon management

The Institute's carbon footprint has been measured for each calendar year since 2008-9. The carbon footprint as defined by the *National Greenhouse and Energy Reporting Act 2007*, has included the greenhouse gas emissions associated activities over which the institute has operational control.

Target	Short Term 2017	Long Term 2020
Emissions Reduction	-43%	-50%
Energy Reduction	-43%	-50%
GreenPower Purchase Increase	45%	60%
Onsite Renewable Energy Generation Increase	20%	30%
Water Reduction	-75%	-90%
Recycling Increased	65%	80%

Table 2: Sustainability targets based on ResourceSmart strategy relative to 2007 baselines specified payback period.

Carbon management (continued)

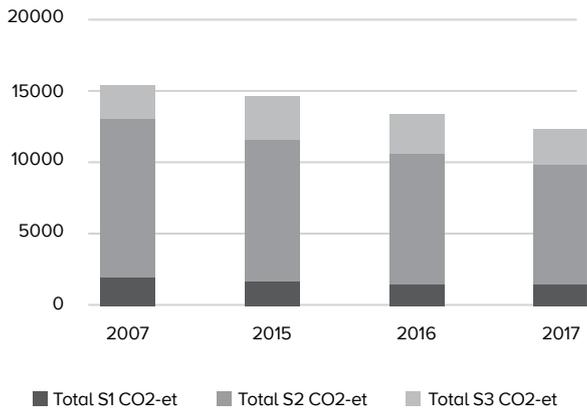


Table 3: The Institute's carbon footprint (tonnes CO₂-e emissions pa based on ResourceSmart strategy relative to 2007 baselines

Note:
 Scope 1 (On-site emissions arising from combustion of gas and fuels and the Scope 2 (Indirect emissions arising from the generation of imported electricity Scope 3 (Indirect emissions arising from the extraction, production and transport of gas, fuels and electricity; electricity lost in delivery; waste disposal; embodied energy in paper and water; business travel by staff; and transport.

Energy Consumption

To encourage the adoption of low energy and passive design in new buildings, a range of efficiency measures include the following:

- Improvements in the monitor and reporting infrastructure to measure consumption,
- Replacement of aging infrastructure including the replacement of end of life boilers.

Faculty	Total Energy (GJ)				Change btn 2016 & 2017
	2007 Baseline	2015	2016	2017	
Bass Coast	563	386	392	330	-15.8%
Berwick	3,805	7,084	6,317	6,075	-3.8%
Cranbourne	3,426	5,328	4,900	4,863	-0.8%
Dandenong	29,163	20,663	18,974	20,648	8.8%
Dandenong @311		418	433	395	-8.7%
Frankston	22,892	20,784	18,524	14,987	-19.1%
Melbourne City			862	575	-33.3%
Pakenham		64	44	5	-90.5%
Rosebud	1,788	1,483	1,406	1,304	-7.3%
Grand Total	61,637	56,212	51,852	49,182	-5.1%

Environmental Sustainable Design in New Works

The design, construction, operation, refurbishment and demolition of buildings can have significant environmental impact for the Institute.

New works currently underway incorporate sustainability objectives. The Institute has ensured that in planning new buildings and refurbishment of existing buildings, challenging targets are considered to enable the lowest possible use of energy and water. This will provide buildings which are fit for purpose and support the Institute reaching its sustainability targets, as well as providing a higher user satisfaction.

Water

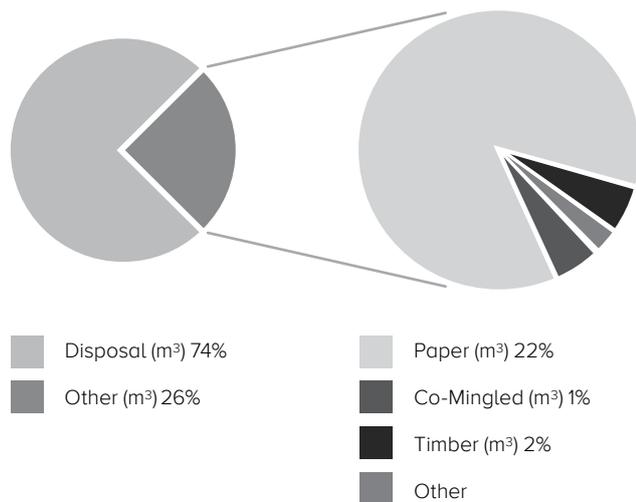
The institute has implemented a number of water efficiency measures such as flow restrictors and water efficient fittings, and have achieved reduction in water consumption by 26% from the 2008.

Waste

The Institute produced 1446 tonnes of waste in 2017 of which approximately 26% was recycled. These figures has doubled compared to the 2007 baseline figure.

Year	Total Waste Generated (t)	Waste Recycled (t)	% of waste Recycled %
2007	976	130	13%
2015	1459	332	23%
2016	1439	360	25%
2017	1435	371	25%

One area of focus has been to manage waste streams within departments, to reduce the amount of contamination.



Travel

Total fleet vehicle and private vehicle fuel consumption remained approximately the same in 2017 as in the previous year, at 108kltrs, still significantly below the baseline figure of 179 kLtrs.

The Institute continues to monitor and review the viability of electric and hybrid vehicles for fleet use.

SUSTAINABILITY PERFORMANCE

Chisholm monitors its sustainability performance against ResourceSmart targets quarterly.

The 2017 performance summary follows:

2017 VS 2007 baseline

Impacts/indicators	Measure	Baseline 2007	Actual 2017	% difference from the Baseline
Square metres (mth avg)	M ²	98,784	128,521	30.1%
Student contact hours (enrolled)	SCH	9,250,627	11,835,294	27.9%
Student enrolments	#	40,329	35,074	-13.0%
Staff FTE	FTE	956	910	-4.8%
Student FTESL (SCH/720)	FTESL	12,848	16,438	27.9%
Student (FTESL) + staff (FTE)	FTESL + FTE	13,805	17,348	25.6%
T1 - Emissions reduction (-43%)	t Co2e	14,257	12,571	-29.8%
	t CO2e/FTESL + FTE	1.03	0.72	
T2 - Energy reduction (-43%)	MJ	61,636,903	49,182,029	-36.5%
	Total MJ/FTESL + FTE	4,465	2,835	
T3 - GreenPower purchase (45%)	MJ	3,187,044	0	N/A
	%	9.8%	0%	
T4 - % Renewable energy of the total 2007 Energy Use (20%)	MJ	3,135	239,851	0.49%
	%	0.01%	0.49%	
T5 - Water reduction (-75%)	kL	36,744	26,628	-42.3%
	kL/FTESL + FTET	2.66	1.54	
T6 - Waste to landfill reduction (65%)	t	847	1,074	1.1%
	t/FTESL + FTE	0.061	0.062	
	% recycled	13.3%	25%	

2017 Environmental Data

Energy use

Total energy usage segmented by primary source, including GreenPower (megajoules)	Electricity	28,564,774
	Natural gas	20,617,255
	GreenPower	0
	Total	49,182,029
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tonnes CO ₂ e)	Electricity (S2)	8,569
	Electricity (S3)	793
	Natural gas (S1)	1,060
	Natural gas (S3)	89
	GreenPower	0
	Total	10,551
Percentage of electricity purchased as GreenPower (%)		0
Units of energy used per full time employee - FTE value used (megajoules per FTE)		54,046
Units of energy used per unit of office area (megajoules per m ²)		382

Waste production

Total units of office waste disposed of by destination (kg per year)	Landfill	1,073,974
	Recycled	360,943
	Total	1,434,916
Units of office waste disposed of per full time employee - FTE by destination (kg per FTE)		1,577
Recycling rate (% of total waste by weight)		25%
Greenhouse gas emissions associated with waste disposal (tonnes CO ₂ e)		1,181

Paper use

Total units of A4 equivalent copy paper used (reams) (1 ream = 500 pages/sheets). *Figure is based on the assumption that the total impressions/clicks are all calculated as printing double sided only to work out the total page/paper count. A3 paper usage has not been included.	Corridor printers*	16,716
	Print room	9,493
	Total	26,208
Units of A4 equivalent copy paper used per full time employee e-FTE (reams per FTE)		28.8
Percentage of recycled content in copy paper purchased (%)	Recycled content	-
	Carbon neutral	-
	FSC/PEFC accredited	48.6

Water consumption

Total units of metered water consumed by water source (kilolitres)	26,629
Units of metered water consumed in offices per FTE (kilolitres per full time employee - FTE)	29.3
Units of metered water consumed in offices per unit of office area (kilolitres per m ²)	0.21

2017 Environmental Data (continued)

Transportation

Total energy consumption by vehicle fleet segmented by vehicle type (MJ)	Diesel	285,812
	LPG	203,290
	Petrol	3,121,295
	Total	3,610,397
Total vehicle travel associated with entity operations (km)		1,264,134
Greenhouse gas emissions from vehicle fleet (tonnes CO ₂ e) segmented by vehicle type	Diesel (S1+3)	21
	LPG (S1+3)	13
	Petrol (S1+3)	221.6
	Total	255.6
Greenhouse gas emissions from vehicle fleet (Tonnes CO ₂ e) segmented by vehicle type per 1000km		0.20
Total distance travelled by air (km)		705,746

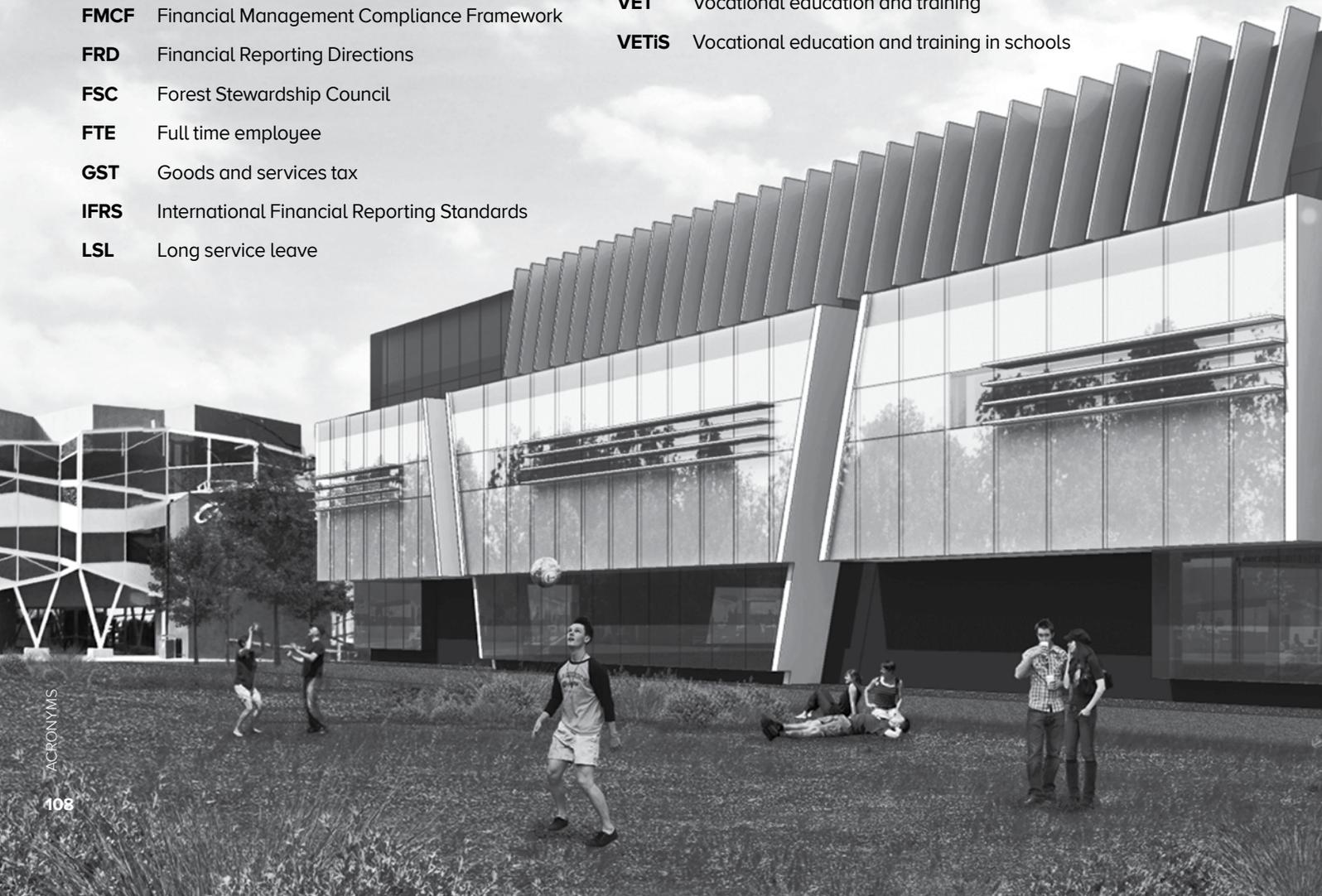
Greenhouse gas emissions

Total greenhouse gas emissions associated with energy use (tonnes CO ₂ e)	10,503
Total greenhouse gas emissions associated with vehicle fleet (tonnes CO ₂ e)	271
Total greenhouse gas emissions associated with air travel (tonnes CO ₂ e)	615
Total greenhouse gas emissions associated with waste disposal (tonnes CO ₂ e)	1182
Greenhouse gas emission offsets purchased (CO ₂ -e)	None
Total Emissions from all sources	12,571

ACRONYMS

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

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





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