

GORDON
TECHNICAL
COLLEGE

the
Gordon

Annual
Report
2023



Acknowledgement of Country

The Gordon respectfully acknowledges the Traditional Owners throughout Victoria and acknowledge their ancestors and Elders past, present and emerging who have taught their children and adults on this land.

Our facilities recognise the Traditional Custodians of Country at following campuses:

- Geelong City campus - Wadawurrung Country
- East Geelong campus - Wadawurrung Country
- Werribee campuses - Wadawurrung, Woiwurrung and Boonwurrung Country.

Cover art

Title: *Bunjil Creator of Life*

Artist: Gerard Black

Gerard Black is a proud Worimi Gathang man who has a deep connection to Wadawurrung Country.

His work, *Bunjil Creator of Life*, finds its roots in his upbringing in Torquay. This connection to the land and his heritage is vividly expressed through his art.

Located at the entrance to The Gordon's City Campus, adjacent the Kitjarra wurrun ngeen Centre and the Culinary precinct, this beautiful digitally designed and physically layered, large-scale mural honours and embeds Bunjil and Wadawurrung creation stories within the fabric of our campus life.

The Annual Report 2023

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The Gordon Annual Reports 2022 and 2021 are available online at thegordon.edu.au

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Our welcome

Joint Statement from Board Chair and Chief Executive Officer

On behalf of The Gordon Institute of TAFE and its Board, we are honoured to present the 2023 Annual Report. This document not only represents a comprehensive overview of our operations but also celebrates our collective achievements and the unwavering dedication of our staff and partners throughout the year.

At the heart of our achievements are our teaching staff, whose exceptional dedication and adaptability have empowered learners, particularly those facing disadvantage. This ethos of inclusion and support has been a driving force behind our educational approach and is reflected in every aspect of our operations.

We extend heartfelt congratulations to our graduates. Your achievements represent not only your personal success but also a shared triumph with your family and supporters. Equipped with the skills and confidence fostered at The Gordon, we urge you to embrace new challenges, seize the opportunities that lie ahead, and actively contribute to crafting a brighter, more innovative future.

Our industry partnerships have been pivotal in shaping job-ready, lifelong learners equipped to thrive in today's dynamic work environment. This year, notable collaborations, including our initiative with Cherry Creek Youth Justice Centre, have underscored our role as a vanguard in vocational education, offering transformative pathways that significantly influence lives and communities.

A pivotal achievement in our journey towards inclusive education is the development of the Centre of Excellence for Inclusion in Disability, Health and Community Support. This significant initiative, made possible by a \$36 million grant from the Victorian Government, represents a significant advancement towards ensuring universal access to education. It underscores The Gordon's leadership and commitment to addressing critical needs in these essential sectors within the TAFE network.

The recognition of our Aboriginal Education Support team, which won the 2023 Wurreker Award for Innovative Koorie Learner Pathways, is a source of immense pride. This award underscores our dedication to culturally rich and inclusive education, celebrating our strength-based approach and the leadership of our First Nations staff, alongside the invaluable contributions of community members, in nurturing profound connections. The Mumgu-dhal tyama-tiyt program, designed for local Aboriginal & Torres Strait Islander students aged 15 to 17, stands out, directly contributing to our achievements by supporting students' growth in understanding, self-connection, and cultural identity through positive and inclusive learning.

In alignment with our vision for a sustainable future, The Gordon has made important advances in the clean economy sector in 2023, notably through our partnership with Deakin University on the proposed Solarstore green hydrogen power program. Currently in the development stage, the project is focused on creating a stable, carbon-free power solution that will provide an excellent foundation for trade training in green hydrogen power at an industrial scale. Furthermore, our research in the advanced manufacturing industry in Geelong has been crucial in identifying critical skills for transitioning to a clean economy.

The success of The Gordon this year has been significantly influenced by our focus on the Institute's Strategic Plan, which encompasses six crucial elements: enriching our students' education, improving their overall experience, cultivating strong partnerships, actively serving our communities, empowering our staff and advancing our operational effectiveness. Fueled by strong support from the Victorian and Australian governments to address skills shortages, we have made significant strides in developing and delivering best-in-class, progressive education that enhances career opportunities for our students, now and into the future.

Looking ahead to 2024, we are eager to embrace new ideas and proposals that will enhance The Gordon's standing as the first choice in vocational education across the region. We recognise the importance of adapting our strategies to the evolving demands of our region's labour market and remain committed to continuous improvement and innovation.

We acknowledge and thank the Hon. Gayle Tierney MP, Minister for Skills and TAFE and Minister for Regional Development, for her support in 2023. The commitment and continuing support by the Minister, along with the efforts of the Victorian Skills Authority and the Office of TAFE Coordination and Delivery, have been invaluable during a year that presented both challenges and rewards for The Gordon.

In closing, we extend our heartfelt thanks to all staff, students and partners for their outstanding contributions. Your support and commitment have been the cornerstone in our success.

We look forward to the future with optimism. We are committed to maintaining our legacy of excellence in vocational education and training, and continuing to have a positive impact through our educational offerings and community engagement.



David Bowen
Board Chair



Joe Ormeno
Chief Executive Officer



Artist Dr Deanne Gilson

Dr Deanne Gilson is a proud Wadawurrung woman residing in Ballarat, Victoria.

Title *Bundjil's Blessing*

2022, Kitjarra wurrun-geen Centre

At the beginning of time on Wadawurrung Dja, Dja means Country in Wadawurrung language, the people of the Kulin nation were created by a powerful being called Karringalabil. Karringalabil was once a man who had magical powers. He called upon all the spirits residing in the great manna gum tree to assist in the creation of all things. He turned the spirits into all the birds we see today. Waa the crow was his first helper, breathing life into the people in which Karringalabil made from bark of the manna gum and clay from the river. Karringalabil created Parrwang the magpie, who lifted the sky from darkness to light, giving us the first sunrise. Once the sun came up he could see his creation of the endless mountains, waterways, plants, birds, animals and people.

After which he turned himself into a wedge-tailed eagle we call Bundjil and flew high up into the night sky with his two wives Kunuwarra the black swan sisters. Once in the sky, Bundjil then turned himself and his wives into the brightest stars in the night sky. He is said to watch over us all today as an eagle in the day and a star at night.



Our organisation

The Gordon, one of Victoria's premier regional TAFEs, operates under Victorian Government legislation. It offers a wide range of educational programs, from Certificate I through to Advanced Diploma levels and across multiple campuses. Our ambition is to lead in unlocking human potential with innovative and flexible education, setting our students on the path to career success, stimulating industry growth and empowering our communities.

To deliver an education and skills mix that moves with the changing face of the economic and social landscape, The Gordon partners with secondary schools, universities, employers and community groups. This extensive partnership network ensures our education and training programs are agile, high-quality and aligned with both current and future workforce requirements, providing clear pathways for our students' further education and careers.

Our strategy focuses on enhancing student experiences through personalised support and engagement, building strong, innovative partnerships with industry and making positive contributions to our communities. We are committed to empowering our staff, recognising their critical role in the success of our students and partners. Operational excellence is a priority, as we streamline processes to ensure efficiency, effectiveness and long-term sustainability. These efforts underscore The Gordon's commitment to maintaining its leadership in vocational education and preparing a skilled, inclusive and future-ready community.

In 2023, The Gordon offered an extensive suite of more than 127 nationally accredited qualifications, 32 other accredited training products, a range of senior secondary programs, along with 47 specialist short courses, both accredited and non-accredited. With the support of over 800 staff, we achieved more than 12,000 enrolments, serving more than 11,000 students through diverse learning modes, including on-campus, off-campus, full-time, part-time, online and through industry-based learning. We managed over 4,000 apprenticeships and traineeships across Australia.

This report provides a detailed overview of our yearly operations, celebrating our collective achievements and the dedication of our team and partners. It highlights the essence of our collaborative efforts and the dynamic partnerships that underpin our success. Through such initiatives, The Gordon has not only reinforced its reputation as a vocational education leader but also demonstrated a deep commitment to fostering a skilled, inclusive and empowered community that is ready for future challenges and opportunities.





Our values

We are The Gordon



We are one team, united through purpose, strengthened by difference, and better for our collective contribution.

We bring our best



We deliver results that make a difference and of which we are proud.

We create the future



We think big and bold, and push ourselves to be better.

We are student minded

We put our students at the centre of our every decision and action.

Our strategic direction



1

Our students and their education

We will develop and deliver best-in-class, progressive, stimulating education, enhancing career opportunities for our students now and into the future.



2

Our Students and their experience

We will provide impactful and empowering student experiences through better understanding who our customers are – student, alumni and community – and creating personalised experiences that make them feel more valued.



3

Our partners

We will develop trusted, synergistic partnerships with industry, enabling cutting-edge applied research, innovation and agile execution of evidence-based progressive strategies to raise workforce capability and promote career advancement



4

Our communities

We will be an unstoppable force for positive social change, championing the needs of our communities, providing access to education and careers and unquestionable value for all.



5

Our people

We will value, enable and empower our people to continually grow and work effectively to unlock current and future value for our students, our partners and our communities.



6

Our operations

We will work relentlessly to build systems, structures and processes to enable our people to deliver their best to our students, our partners and our communities, and create long-term organisational sustainability through strong financial performance.



Our structure

The Board, committees and executive

The Gordon Institute of TAFE Board was established under the *Education Training and Reform Act 2006*. The Board reports to the Hon. Gayle Tierney MP, Minister for Skills and TAFE. The Board sets the strategic direction and oversees and governs the operations of The Gordon Institute of TAFE. The Board is responsible to the Victorian Government for the overall strategy, governance and performance of The Gordon's functions. The Board's business is consistent with the role, responsibilities and powers detailed in the Constitution and Board Charter.

| The Gordon Board |
|---|
| David Bowen Ministerial (Board Chair) |
| Darryl Mohr Co-opted (Deputy Chair) |
| Jennifer Cromarty Ministerial (appointed 1 October 2023) |
| Trish Crossin Ministerial |
| Luisa Drent Elected Director (1 January 2023 – 27 June 2023) |
| Corrina Eccles Co-opted |
| Patti Manolis Ministerial |
| Damien Marchant Elected Director (appointed 1 September 2023) |
| Gillian Miles Ministerial (1 January 2023 – 30 September 2023) |
| Joe Ormeno (CEO) |
| Daniel Smedley Co-opted |
| Matthew Wright Ministerial |

| Board Committees | |
|---|--|
| Audit and Risk Management Committee | Remuneration Committee |
| Darryl Mohr Chair Patti Manolis Trish Crossin Daniel Smedley | David Bowen Chair Darryl Mohr Trish Crossin |

Joe Ormeno **Chief Executive Officer**

| Executive | | | |
|---|--|--|--|
| Vacancy* | Amanda Achterberg | Vacancy* | Mary-Louise Edwards |
| Chief Financial, People & Operating Officer | Executive Director- Education Excellence | Executive Director of Commercial Business | Acting Executive Director Student Experience |
| Business Services Corporate Information Solutions Facilities Finance People, Culture & Employee Experience Risk, Safety & Wellness | Educational Development Geelong TECH School Program Support Quality Assurance Vocational Education and Training (VET) Delivery | Commercial activities Community and Industry Engagement English Language Centre International activities Marketing and Communications Skilling the Bay and Local Jobs Program | Aboriginal Support Customer Service Careers & Training Services Library, Learning Hub and Bookshop Student Administration Student Support |

* These portfolios are currently being managed across the executive team in the interim.



**Student
Satisfaction**

80.1%

(2023 Victorian Skills
Authority Satisfaction Survey)



**Employer
Satisfaction**

76.0%

(2023 Victorian Skills
Authority Satisfaction Survey)



81

Active Commercial
Agreements
with Industry



Our stats at a glance

4,036

Apprentice & Trainee Enrolments



2,324

FreeTAFE Students



19

Awards Earned



79.7%

Proportion of students who achieved their main reason for training (2023 Victorian Skills Authority Satisfaction Survey)



91%

Proportion of staff affirming their ability to contribute meaningfully at work (2023 People Matter Survey)



3,044

students completed their Studies





L - R
Pippa Macpherson -
Apprentice of the Year,
Rachel Parrot - Student
of the Year

Our awards for excellence

Aboriginal Education Association Inc (VAEAI's) awards

Wurreker Award for Innovative Koorie Learner
Pathways Award The Gordon

Apprenticeship Employment Network Apprentice Training Awards

Apprentice of the Year - Pippa MacPherson

Belmont Rotary

Bert Fagg Apprentice of the Year Award - Reece Babington
Bert Fagg Apprenticeship Award - James Hetherington

Independant Cabinet Makers Geelong Apprentice Awards

Geelong Apprentice of the Year - Robert Batch
Geelong Best 1st Year Apprentice - Meah Bodger
Geelong Best 2nd Year Apprentice - Scott Russell
Geelong Best 3rd Year Apprentice - David Pezaro

Master Painters Association Award

Apprentice of the Year (2nd year) - Kyle Mossiery
Runner Up Apprentice of the Year - Rosie Eastwood

Master Builders Victoria

Victorian Metropolitan Apprentice of the Year - Edan Dowling
Certificate of Merit for Structural Trades Award - Joel Muir
Certificate of Merit Developing Leader Award - Jayden Bell
Best First Year Certificate of Merit - Jaksyn Muna
Best First Year Certificate of Merit - Darcy Ryan

Melbourne International Flower and Garden Show

First Place Intermediate Student Competition - Bridie Conway

National WorldSkills Competition

Carpentry Bronze medallion - Trey McAuley
Mechatronics Silver medallion - Tristan Rozenfeld and Jack Terrill

Victorian Training Awards

Vocational Student of the Year Finalist - Nick Roberts

The Gordon Awards for Excellence


Student of the Year - Rachel Parrot
Apprentice of the Year - Pippa Macpherson



Our year in snapshot

Apprentice and Student of the Year MARCH

Honouring excellence, the Institute awards Pippa Macpherson as Apprentice of the Year (Cookery) and Rachel Parrot as Student of the Year (Animal Studies), spotlighting their outstanding dedication.



Skilling the Bay MAY

Securing \$2.9 million from the State Budget for Skilling the Bay underscores a three-year commitment to advancing regional skills and fostering community growth.




Industry Design Sprints MARCH

The Geelong Tech School leads pioneering Industry Design Sprints, merging creativity with technology and shaping future innovators.




Koorie Aspirations Day MAY

Co-hosted by the Tech School and Geelong LAECG, the event inspires Koorie secondary students to pursue excellence in STEM fields through immersive and engaging learning experiences.




FreeTAFE Commencements JANUARY

The FreeTAFE initiative heralds a banner year with 1,741 students embarking on their educational journeys, underscoring our commitment to accessible, quality education for all.




World of Work Immersion Programs MAY

Introduction of innovative World of Work Immersion Programs, offering Geelong's secondary students practical insights into diverse industries.

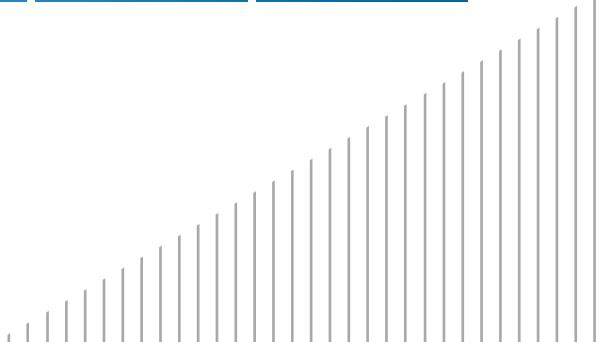


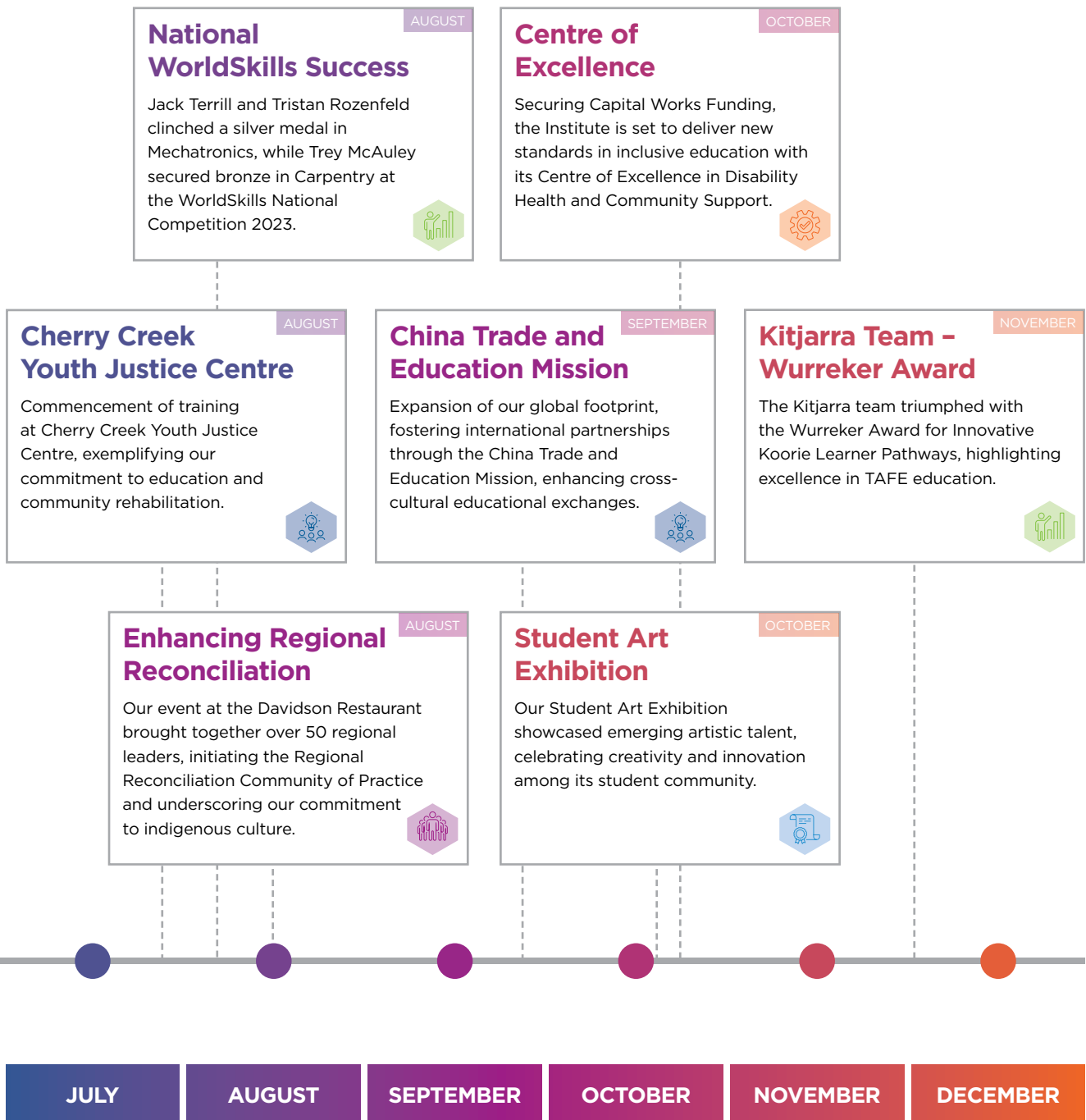
Culinary Training Precinct JUNE

Completion of the state-of-the-art Culinary Precinct, marking a beacon of excellence in hospitality training and elevating Geelong's vibrant culinary landscape.




- JANUARY
- FEBRUARY
- MARCH
- APRIL
- MAY
- JUNE





Our highlights



Centre of Excellence for Inclusion in Disability, Health and Community Support

The Gordon's Centre of Excellence for Inclusion in Disability, Health and Community Support, set to launch in June 2026, is poised to be a transformative force in vocational education. With a commitment of \$36 million from the Victorian Government for construction, this project is not just a building; it's a vision for the future, designed to adapt and grow with the expansion in the health and community services sector.

Revolutionising training and facilities

The Centre is set to transform The Gordon's City campus, ushering in an era of future-focused vocational training within a state-of-the-art environment. Its redevelopment is not just a physical upgrade; it is a strategic move to support advanced educational practices that will drive growth in disability, health and community service programs. The Centre's design will foster collaboration, seamlessly integrating industry, government and community partners. This will create a vibrant precinct for an array of programs, ranging from health and wellness to nursing and allied health, shaping the future of vocational education.

Disability Resource Centre

A core element of the Centre of Excellence is the Disability Resource Centre (DRC), envisioned as a pivotal support hub for students with disability. Critical to the DRC's mission is to elevate aspirations and provide specialised support, ensuring complete accessibility in both physical and digital realms. This initiative aligns with the Centre's overarching commitment to inclusivity, directly addressing the challenges faced by students with disability in education settings.

Community integration

The development of the Centre of Excellence will be deeply rooted in the principles of co-design, with guidance from dedicated advisory committees. These committees, comprising industry experts, community representatives and educators, will play a crucial role in shaping the Centre's vision and ensuring it meets the diverse needs of students, particularly those with disability.

TAFE Network Impact

The Centre of Excellence will have a substantial network-wide impact, leading in curriculum development, quality assurance and resource sharing. It will foster training inclusivity and accessibility, while also piloting innovative programs and learning resources. This approach is not only about meeting current educational needs but also about shaping the future of the care economy. The Centre's forward-looking and collaborative efforts will contribute significantly to both social and economic infrastructure, bolstering equity and diversity in vocational education and strengthening community and industry ties.





Clean economy

The Gordon, in partnership with industry and academia, is committed to identifying the training and skills required to advance the clean economy in the Geelong region.

Clean economy skills for the future workforce

The Gordon is delivering a suite of projects to identify the future clean economy training needs of the advanced manufacturing industry. Identifying the training and skills required for the clean economy is essential to supporting the industry and facilitating a seamless workforce transition.

The Institute has secured a Victorian Government grant to deliver a suite of projects to identify future training needs, skills and opportunities for the education sector to help train and prepare the advanced manufacturing workforce in the Geelong region for the transition to a clean economy.

The project will deliver a:

- Clean economy advanced manufacturing training needs analysis
- Teacher industry immersion program
- Clean economy advanced manufacturing graduate pilot program
- Work readiness program to help prepare TAFE graduates for work in the clean economy advanced manufacturing space.

The project partnership includes The Gordon, Geelong Manufacturing Council, City of Greater Geelong, Skilling the Bay and Geelong Tech School.

Deakin University Solarstore

The Institute is collaborating with Deakin University as the key skills and training partner on the Solarstore green hydrogen power program. This innovative project, which is under development pending investment decisions, aims to create a stable, carbon-free power solution for Deakin's Waurn Ponds campus, using green hydrogen derived from local solar and wind sources.

Solarstore is an ideal platform for industrial-scale trade training in green hydrogen power. As The Gordon aligns with Deakin and various market development partners, the focus is on bringing this project to life. This collaboration is poised to establish a major Australian platform for skills transition in green energy, equipping individuals for the future job market in sustainable energy sectors.

This partnership is a testament to the potential of collaborative efforts in driving the transition to green energy and preparing the workforce for tomorrow's green jobs.

Sustainable hairdressing practices

The Gordon was the first Victorian TAFE to initiate the 'Sustainable Salons Program' in our hairdressing salon, which has since extended to include beauty therapy. In partnership with Sustainable Salons Australia, the Institute identified products that can be recycled within a beauty salon and invested in more sustainable methods and materials.

The hair and beauty team now recycles all used foil, paper, plastic and hair. All proceeds raised are donated to OzHarvest (Australia's leading food rescue organisation), which provides meals for disadvantaged people. Hair that is 15cm or longer is donated to make ponytail wigs for children with alopecia, while the rest is transformed into hair booms to help contain and absorb oil spills in oceans and waterways across the world. Any oil that is trapped in the hair boom is then extracted and sold back to the oil refineries.

A custom training partnership to upskill a Zero Emission Vehicle workforce

The rapid adoption of hybrid, electric and hydrogen/fuel cell vehicle technologies in Australia is exerting pressure on the skills capacity of the automotive workforce. The servicing and repair of zero emission vehicles (ZEVs) require new diagnostics, coding and electrical skills.

Industry recognised the urgency to upskill their workforces and subsequently reached out to The Gordon to enhance the skills of their employees in hybrid and battery electric vehicle (EV) training. The Gordon has commenced delivery of Certificate IV in Automotive Mechanical Diagnosis. This course can be completed by those who already have a Certificate III in an automotive qualification.

The training provided is transferrable across all ZEV systems now and into the future, which reduces the costs of retraining for the industry.





Future Health Skills

The Future Health Skills program is pioneering a new approach to healthcare education. Developed in collaboration with the Victorian Government and leading healthcare organisations, it focuses on addressing skill gaps in the health sector. The program has introduced a micro-credential model and an array of non-accredited training modules, utilising advanced technology and innovative online platforms. These efforts aim to improve patient-centred care, close industry-recognised skill gaps, enhance training access and flexibility, and attract more skilled workers to the health sector.

In 2023, the program expanded internationally through a partnership with Australia HMS Pty Ltd. This initial engagement, focusing on developing four micro-credentials for graduate pharmacists in China, is set for a three-year term. The expansion not only highlights the Institute's expertise on a global scale but also opens opportunities for further collaborations and additional micro-credentials in the future. The move showcases The Gordon's educational expertise internationally while enhancing its offerings in the Australian market.

Cherry Creek Youth Justice Centre

The Gordon is proud to be a key partner of Victoria's newest youth justice facility, Cherry Creek, delivering vocational education programs to young people within the Centre. This collaboration marks a new era in the state's approach to youth justice, emphasising rehabilitation, skill development and providing options to young people to prevent recidivism.

Our vocational education programs at Cherry Creek are designed to empower 15-19-year-old young men within the justice system, by reigniting their passion for education and providing them with a pathway to a meaningful career, an essential factor for successful reintegration into society. Through a comprehensive and quality vocational education delivery, The Gordon addresses diverse vocational areas, equipping the young people with practical skills that enhance their employability upon release. Course offerings are linked to the Victorian Skills Plan and regional employment needs, span building and construction, horticulture, design, civil construction, hospitality and first aid.

We recognise the importance of education as a catalyst for change, and our dedicated teachers have been recruited specifically to engage the cohort and are being upskilled in trauma-informed education. They are committed to creating a supportive learning environment that encourages personal growth and development, as well as re-engaging young people in education.

This strategic partnership with the Cherry Creek Youth Justice Centre and The Department of Education underscores The Gordon's commitment to social responsibility and community engagement, and demonstrates our leadership in the Vocational Education Sector. We hope to increase our involvement and course offerings across Cherry Creek and other justice facilities into the future.

Building Careers through Smart Skilling

The Building Careers through Smart Skilling project is funded through the Victorian Government's Workforce Training Innovation Fund. The project contributes to regional economic recovery by training individuals living with disadvantage for roles in sectors with workforce shortages, such as Early Childhood Education and Care, Aged Care, Disability, Hospitality, and Tourism. The program also upskills existing workers, promoting job redesign and workplace flexibility.

Employing innovative training methods, including digital tools and AI-enabled analytics, the initiative successfully delivers immersive industry experiences and utilises advanced digital resources such as augmented reality and 360-degree video scenarios. A standout feature, the Skills Assessment Matrix, identifies skill gaps to develop customised training solutions.

The program has facilitated successful employment placements and continued educational pursuits in target sectors. Key industry partners, including Barwon Health and Tourism Greater Geelong and the Bellarine, have shown a keen interest in the program's scalability.





Geelong Tech School

The Geelong Tech School is a state-of-the-art 'technology hub' that facilitates programs and working relationships that enable skills needed for the 21st century. Across 2023, the Geelong Tech School continued to drive change through innovative program delivery, engaging with over 5,591 secondary school students.

Industry Design Sprints: Unleashing student potential

At the heart of Geelong Tech School's curriculum are the Industry Design Sprints, exemplifying its commitment to hands-on, real-world learning. In 2023, the sprints involved over 64 students from 13 secondary schools in Geelong, who collaborated in small teams. The uniqueness of the program lay in its approach: students were not just passive learners; they were active innovators confronting genuine industry problems.

Teams visited local businesses including Ford, Barwon Water, WorkSafe and Conflux Technology to understand the specific challenges being presented by industry. This direct interaction enabled students to empathise with real-world scenarios, fostering a deeper understanding of the complexities and nuances of each sector.

The following days were marked by intense brainstorming and design thinking as students developed their ideas. Their solutions addressed critical areas such as workplace safety, environmental sustainability, and community engagement, reflecting a keen understanding of each industry's needs. The students' pitches were not merely theoretical exercises; they were viable, thoughtful solutions that impressed industry professionals.

This program's success lies in the creative ideas generated and in the invaluable skills imparted to the students. They learned to navigate the demands of innovation, teamwork and problem-solving in a professional context: skills that are increasingly crucial in the modern workforce.

Koorie Aspirations Day: Inspiring futures in STEM

The Koorie Student Aspirations Day, held in collaboration with the Geelong Local Aboriginal Education Consultative Group, was a significant event aimed at encouraging Koorie secondary students to explore and excel in STEM fields. Expert facilitators from Geelong Tech School led a variety of immersive workshops, covering topics like 3D CAD design, drone piloting, laser cutting and virtual reality. Keynote speakers, including Brett Leavy and Chris Warrior, shared their expertise in virtual reality and drones, offering valuable insights and demonstrating the vast potential within these fields. This event was more than just a learning opportunity; it was a platform for connection, inspiration and empowerment, igniting a passion for STEM among Koorie students.

Girls in STEM Day: Empowering future female leaders

The Girls in STEM Day, held in August, was a transformative event for young women aspiring towards STEM careers. Seventy-five students participated in various STEM workshops, gaining invaluable insights and hands-on experience. The event was further enriched by the presence of seven female STEM professionals from Geelong, who interacted with the students throughout the day. A highlight was the Q&A panel discussion hosted by Tegan Philip, featuring representatives from GHD, The Gordon, Hanlon Industries, Barwon Water and VIVA Energy. This panel provided a platform for meaningful dialogue and inspiration, further empowering the students and emphasising the importance of female representation in STEM fields.





Skilling the Bay

Skilling the Bay is a unique regional initiative established in 2012 to address the economic and industry changes affecting the Geelong and Barwon regions. It is led by The Gordon and delivered in partnership with Deakin University and supported by the Victorian Department of Education.

Skilling the Bay stands out for its integrated approach, bringing together education providers, community organisations, and industry. The focus is on developing and delivering programs that not only improve education and employment outcomes but also strengthen and diversify pathways for individuals into sustainable and rewarding careers.

In 2023, Skilling the Bay continued to build on its foundational goals. The program saw active participation from 1,692 students across multiple initiatives, reflecting its effective reach and influence in the education sector. Collaborative efforts with 24 secondary schools and the direct involvement of 53 employers in program delivery underscored a strong link between education and industry.

Funding boost and strategic alignment

A key development this year was the Victorian State Budget's allocation of \$2.9 million to Skilling the Bay for the 2024–2026 period. This funding is pivotal in continuing the delivery of diverse programs that align with the evolving economic needs of the region and the Victorian Government's Senior Secondary Pathways Reform agenda.

Innovative education and pathways programs

Skilling the Bay delivered six industry immersion programs aligned to industries of regional significance, including four new World of Work Industry Immersion Programs — WOW Visitor Economy, WOW Digital Technologies, WOW Creative Industries and WOW Government and Professional Services — marking a significant step in providing hands-on industry exposure to students. These programs engaged 73 students from 12 schools, broadening their understanding of the employment landscape in key regional industries. In total over 220 students participated in a WOW Industry Immersion program.

Geelong Tertiary Futures Program

The Geelong Tertiary Futures Program (GTFFP), reaching ten schools this year, demonstrated a positive influence on student engagement and interest in vocational education and training (VET) pathways, as evidenced by feedback from schools, with reports that up to 50% of the 2023 cohort would be participating in VET in 2024.

Local Jobs Program: Addressing local community workforce needs

The Workforce Australia Local Jobs program, integral to Skilling the Bay in 2023, adopted innovative strategies to meet diverse industry and community needs. Key highlights included the Barwon Healthcare Jobs Expo, which transformed recruitment practices by enabling on-the-spot interviews and job offers, thus streamlining the hiring process. Another significant event was the 'You Can't Ask That' session, hosted at the Eastern Hub. This event, in collaboration with industry partners, facilitated open discussions about the healthcare sector, breaking down barriers and fostering a deeper understanding among participants. These initiatives underscore the program's commitment to responsive, community-focused employment solutions.

Enhancing apprenticeship and employment opportunities

The Apprenticeship and Traineeship Support Forum and the inaugural Visitor Economy Jobs Expo were positive steps in boosting apprenticeship and traineeship participation, addressing regional labour shortages and facilitating crucial employer-apprentice connections.

Across the year, Skilling the Bay has continued to affirm its commitment to the development of the Barwon region's workforce, leveraging its strong partnerships and community-focused initiatives. Moving forward, the program will focus on adapting to the dynamic needs of the Barwon region, enhancing partnerships across sectors and diversifying funding sources. Focused on ensuring accessibility to education and employment opportunities for all community members, Skilling the Bay will remain at the forefront of workforce development, responsive to both current and emerging regional challenges.





Skills and Jobs Centre

In 2023, The Gordon's Skills and Jobs Centre (SJC) exceeded all newly introduced Key Performance Indicators for service delivery, including delivery of workshops, one-on-one appointments, employer engagement and client satisfaction. The SJC provided exceptional one-on-one career support to over 2,047 community members, including current students, and conducted more than 154 employment readiness and careers workshops for 2,604 participants. The centre supported over 315 local businesses in their recruitment efforts, enhancing the employment landscape within our community. Additionally, the SJC fostered strong community partnerships to ensure a responsive and place-based approach to the design and delivery of all services.

During the year, the Victorian Skills Authority granted an additional 12 months of surge capacity funding, bolstering the SJC's capacity to assist more clients in the Geelong and Wyndham regions. The Institute was also appointed as a Cluster Lead in the state-wide SJC network and played a pivotal role in co-designing a new Learn Local partnerships framework, set to launch in 2024.

Multi-Tiered Service Model

In 2023, the Institute significantly enhanced the student journey through our Multi-Tiered Service Model (MTSM), a strategic framework that has reshaped our approach to student support. This model leverages data insights and collaborative expertise to provide a comprehensive support structure across the educational lifecycle - from initial enquiry to successful completion and beyond. Here's how it unfolds across each tier:

Tier 0: Marks the digital entry point for students, featuring a redesigned Student Portal and Learning Lounge. These platforms offer accessible educational resources and micro-activities, ensuring students are well-prepared for their studies.

Tier 1: Focuses on accessibility, with initiatives such as laptop loans and assistive technologies ensuring equitable access to learning tools. This tier also includes dedicated support spaces and a multi-channel support system, guiding students through their campus and academic life.

Tier 2: Offers personalised support with contextualised co-curricular activities, peer-led study groups - and pre-enrolment consultations for students with additional needs. This tier emphasises collaborative learning and individualised success planning.

Tier 3: Provides targeted, one-on-one support to address specific learning challenges, alongside cultural safety and support at the Kitjarra Centre for First Peoples students. The Reconnect Program further extends our outreach, supporting broader community engagement with education and employment.

Tier 4: Extends our framework by building bridges to community organisations and expert services, ensuring students are well-supported in their transition from academic success to real-world endeavours.

The MTSM model embodies the Institute's commitment to fostering an inclusive, supportive and empowering learning environment. It illustrates our dedication to meeting the diverse needs of our student body and to paving the way for their future success. This strategic approach underscores our role as educators and innovators, propelling The Gordon towards a future in which education is transformative and accessible to all.

Celebrating excellence: The Wurreker Award 2023

In 2023, the Institute's Aboriginal Education Support team was honoured with the Innovative Koorie Learner Pathways TAFE Award, recognising our innovative programs that have significantly improved pathways and career outcomes for Koorie learners in Victoria. This accolade, presented by the Victorian Aboriginal Education Association Inc (VAEAI), celebrates our alignment with the principles of the Marrung Strategy, emphasising self-determination and community engagement.

Supported by the Wurreker grant, our team has developed a robust framework for Aboriginal education, highlighted by the establishment of the Kitjarra Wurrun ngeen space, a culturally safe environment for our students. Our initiatives, including the Geelong Koorie Aspirations Days and Mumgu-dhal tyama-tiyt program, underscore our commitment to creating meaningful pathways and support systems for Aboriginal students. These efforts are bolstered by strategic partnerships that enhance community engagement and provide tangible employment opportunities, exemplifying our dedication to fostering an inclusive and empowering educational landscape.





Reconciliation Action Plan

In 2023, The Gordon made significant strides in our journey towards reconciliation, demonstrating a steadfast commitment to fostering understanding, respect and collaboration within our community. Our Reconciliation Action Plan (RAP) initiatives have been guided by a dedication to not only acknowledging but actively celebrating the rich cultures, histories and contributions of Aboriginal and Torres Strait Islander peoples. By nurturing strong partnerships, engaging in meaningful cultural celebrations, innovating in education and focusing on professional development, The Gordon has emerged as a leader in the RAP space, setting benchmarks for best practice and impactful action.

Key achievements in our 'innovate' RAP journey

- **Community partnerships:** We have built relationships with regional leaders and groups, creating a foundation of trust and collaboration essential for meaningful reconciliation.
- **Cultural engagement:** Student-led events, supported by the Kitjarra wurrun ngeen team, especially on significant cultural dates, have fostered a vibrant community spirit and cultural respect, reflecting best practices in educational engagement.
- **Inclusive education:** New courses designed for First Nations peoples, with input from First Nations working groups, exemplify our commitment to culturally responsive education, setting a benchmark for inclusivity.
- **Cultural awareness:** Our tiered professional development model has heightened cultural understanding across our staff, ensuring a supportive, respectful educational environment.

Through these focused efforts, the Institute continues to lead by example in the RAP space, embodying the principles of reconciliation in every aspect of our work. Our initiatives contribute to a reconciled Australia and inspire other institutions to embrace similar paths towards understanding, respect and collaboration.



Enhancing Reconciliation through Regional Collaboration

The Institute's landmark Enhancing Reconciliation through Regional Collaboration event in August marked a significant advancement in our reconciliation efforts. Hosted at the Davidson Restaurant, this event brought together over 50 leaders from the region, catalysing the establishment of the Regional Reconciliation Community of Practice. The evening was underscored by a menu featuring Indigenous ingredients and facilitated discussions that led to the identification of five key actions for advancing reconciliation:

- **Who Are We?** – Fostering a deep regional identity and sharing knowledge
- **Grow Together** – Encouraging every organisation to contribute to reconciliation, with actions benefiting the region
- **Connection/Community of Practice** – Investing in cultural resources and enlisting champions to support Traditional Owners
- **Relationships** – Emphasising the journey of reconciliation, continuous conversation, and the establishment of yarning circles
- **Voice to Parliament** – Supporting regional advocacy through the G21 First Nations Pillar, encompassing language, education, cultural safety and self-determination.

This collaborative effort set the stage for continuing dialogue and action and underscored the shared commitment to walking together on the path of reconciliation.





The Gordon's gender equality milestones and future vision

At The Gordon, our journey towards achieving gender equality, as outlined in our ambitious Gender Equality Action Plan 2021-2025, has been both transformative and inspiring. This year has been a testament to our commitment of creating a workplace that epitomises safety, respect and inclusivity.

Empowering change through education and awareness

We have taken significant strides in employee training and development, focusing on equal opportunity, anti-bullying and embracing diversity. These initiatives are more than compliance; they are about building an understanding and respect for diversity at every level. Our introduction of targeted learning modules has deepened this awareness, ensuring that The Gordon's values are ingrained in our daily practices.

Cultivating professional growth and flexibility

In 2023, our People and Culture team significantly elevated our professional development landscape. Through the introduction of more adaptable and varied programs, we have crafted pathways for each staff member to advance, learn and thrive in their distinct journeys. This initiative has empowered 399 individuals to bolster their personal and organisational skills, marking a year of unparalleled growth and success.

Celebrating our diverse community

This year has been rich with celebrations of diversity, from Victoria Pride to International Women's Day, each event underscoring our commitment to an inclusive culture. These celebrations are not just events; they are powerful statements of our continuing dedication to promoting gender equality and inclusive work practices.

Leadership and policy advancements

We are incredibly proud of the achievements of our women leaders, with notable completions of the Leaders for Geelong program. Furthermore, our enhanced parental leave policy is a step towards making The Gordon an employer of choice, reflective of our progressive values.

Auditing and planning for a gender-equitable future

In line with the *Gender Equality Act 2020*, The Gordon's comprehensive gender audit has been a catalyst for change. This audit provided crucial insights into our workplace's gender dynamics. It has enabled us to identify specific areas for improvement, shaping targeted strategies to bridge the gender gap. This process is integral to our commitment to enhancing workplace equality, ensuring every member of our community is valued and supported in an equitable environment.

Envisioning a future of equality

The Gordon's vision extends beyond recognition of diversity; we aspire to be a community in which every unique attribute is celebrated. This vision propels us towards a future in which gender equality and inclusivity are not just ideals but realities embedded in the fabric of our daily operations. We are committed to being a model of inclusivity, where every individual's diverse experiences and perspectives enrich our collective journey. As we move forward, this vision will remain the guiding force in our quest to establish a truly equitable and inclusive environment.





International Operations

Onshore developments and student profile

In the early part of 2023, the global academic sector continued to navigate the complexities brought about by the COVID-19 pandemic, with visa processing delays presenting significant challenges. Despite these challenges, The Gordon maintained a robust international student body, welcoming 89 students from across the globe, including 55 newcomers distributed throughout four intake periods. The most sought-after programs were the Diploma of Nursing, Laboratory Technology, Cookery, and Hospitality, attracting students primarily from the Philippines, India and China. This demographic diversity underscores The Gordon's global appeal and our commitment to fostering an inclusive, multicultural learning environment. Central to our ethos, the support and well-being of our students remained a top priority, affirming our dedication to facilitating both their academic and personal growth.

Global outreach and partnership initiatives

The Gordon's international strategy was characterised by proactive engagement and partnership development, with key visits to Indonesia, the Philippines, Vietnam and China. These missions were integral to our student recruitment efforts and provided avenues for exploring collaborative offshore projects. Over the year, our participation in more than 30 international fairs and exhibitions was pivotal in enhancing our global presence.

Furthering our engagement, we hosted over 45 offshore agents through inbound Study Melbourne missions from South East Asia, Japan, South Korea and Latin America. An additional 50+ partner agents were invited to our campus, where they experienced firsthand our state-of-the-art facilities, particularly in Cookery and Hospitality, Laboratory Technology, Nursing, and Early Childhood Education. These visits were instrumental in showcasing the hands-on, practical training for which The Gordon is renowned.

Our involvement in Global Victoria Outbound Missions to China and Vietnam was particularly noteworthy, offering valuable opportunities to establish key partnerships and gain insights into regional training needs.

Offshore collaborations and strategic engagements

A key aspect of our offshore initiatives was the collaboration with the Zhuhai government delegation, aimed at enhancing vocational education links between Zhuhai and the Institute. This collaboration resulted in the signing of a Memorandum of Understanding in November, establishing a framework for future training partnerships.

Our continuous dialogue and cooperation with international partners underscore our commitment to extending our vocational education programs globally, fostering an environment of mutual learning and growth.

Risk management and compliance

The Gordon employs a rigorous framework for risk management, ensuring the resilience and strategic compliance of our international operations. This includes regular monitoring, audits and reviews conducted by the Risk and Compliance Committee and the Board of Studies. Our strategies encompass:

- Systematic internal audits of international activities.
- Regular program area meetings and comprehensive board reporting.
- Detailed bi-monthly assessments of strategic growth initiatives.
- Annual audits of compliance with the *Education Services for Overseas Students Act 2000* and a review of international policies and procedures.
- Effective management of agent partnerships and student performance.
- Consistent professional development programs and annual business plan reviews.
- Strategic consultations with senior management, TAFE networks and relevant government bodies to ensure our strategic direction remains aligned with industry standards and educational excellence.

Performance evaluation and strategic alignment

Our international projects are meticulously aligned with The Gordon's strategic objectives, prioritising sectors with critical skill shortages. We conduct monthly evaluations of our pipeline activities, ensuring each project is subject to comprehensive risk assessments, quality assurance reviews, contract evaluations, and financial planning. This thorough approach ensures the commercial viability and organisational capability of our international operations, aligning with our commitment to excellence and strategic growth.

Our compliance information

Conduct and employment principles

The Gordon continues to promote its Code of Conduct, which is aligned to the Code of Conduct for Victoria Public Sector Employees through our induction and welcome experience. The Code of Conduct is available to employees at all times via the intranet.

The Gordon follows recruitment guidelines and procedures for appointment and classification based on best practice public sector approaches. These procedures support merit-based appointments along with policies and processes to support equal opportunity, gender equality and flexible working options, together with reasonable adjustment

Health, safety and wellbeing

Throughout 2023, The Gordon has actively implemented a range of health, safety and wellbeing activities to ensure a safe working environment for staff, students, contractors and visitors. To guarantee that The Gordon met its obligations under the *Occupational Health and Safety Act 2004*, the Risk, Safety and Wellness team focused on compliance with legislation and regulations, injury, incident and risk management.

| Key Performance Indicators | 2023 | 2022 | 2021 | Explanation for variances |
|--|----------|-----------|----------|--|
| Number of staff hazards/incidents per 100 FTE | 7.85 | 8.8 | 4.8 | |
| Number of student hazards/incidents per 100 students | 0.0002 | 0.01 | 0.2 | |
| Number of staff lost time injury claims per 100 FTE | 10.09 | 2.2 | 0.1 | An increase in staff-related injuries and worker compensation claims, these are considered minor claims. |
| Number of student serious injury claims per 100 students | 0.01 | 0.01 | 0.01 | |
| Average cost per staff lost time claim | \$15,444 | \$132,297 | \$28,550 | In 2022, three (3) claims were submitted, incurring significant claims costs and lost time. |

Workforce data reporting by FTE*

| 2023 | | | | | | | |
|-----------|-----------|------------|-----------|------------|---------|------------------|--------------|
| | Full-time | | Part-time | | Casual | | Total |
| | Ongoing | Fixed term | Ongoing | Fixed term | Teacher | Other | |
| PACCT | 155.9 | 50.7 | 46.2 | 20.7 | 0 | 24.4 | 297.9 |
| Executive | 0 | 4.0 | 0 | 0 | 0 | 0 | 4.0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Teacher | 130.7 | 23.4 | 66.9 | 33.3 | 25.4 | 0 | 279.7 |
| | | | | | | Total FTE | 581.6 |

| 2022 | | | | | | | |
|-----------|-----------|------------|-----------|------------|---------|------------------|--------------|
| | Full-time | | Part-time | | Casual | | Total |
| | Ongoing | Fixed term | Ongoing | Fixed term | Teacher | Other | |
| PACCT | 139.4 | 67.0 | 46.9 | 20.6 | 0 | 17.5 | 291.4 |
| Executive | 0 | 4.8 | 0 | 0 | 0 | 0 | 4.8 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Teacher | 115.1 | 42.9 | 44.4 | 52.3 | 22.1 | 0 | 276.8 |
| | | | | | | Total FTE | 573.0 |

| 2023 | | | | | | | |
|----------------------------|-----------------------|------------|--------------------------|--------------------------|------------|-----------------------|------------|
| | All employees | | Ongoing | | | Fixed-term & Casuals | |
| | Number (Headcount) | FTE | Full-time (Headcount) | Part-time (Headcount) | FTE | Number (Headcount) | FTE |
| Gender | | | | | | | |
| Women executives | 2 | 1 | 0 | 0 | 0 | 2 | 1 |
| Women (total staff) | 544 | 333 | 146 | 138 | 220 | 260 | 113 |
| Men executives | 3 | 3 | 0 | 0 | 0 | 3 | 3 |
| Men (total staff) | 347 | 249 | 169 | 44 | 180 | 134 | 69 |
| Self-described | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Age | | | | | | | |
| 15-24 | 29 | 11 | 4 | 0 | 3 | 25 | 8 |
| 25-34 | 97 | 52 | 31 | 13 | 30 | 53 | 22 |
| 35-44 | 202 | 128 | 65 | 33 | 76 | 104 | 52 |
| 45-54 | 272 | 197 | 105 | 57 | 139 | 110 | 58 |
| 55-64 | 228 | 163 | 94 | 63 | 128 | 71 | 35 |
| Over 64 | 63 | 31 | 16 | 16 | 24 | 31 | 7 |
| Total employees | 891 | 582 | 315 | 182 | 400 | 394 | 182 |
| 2022 | | | | | | | |
| | All employees | | Ongoing | | | Fixed-term & Casuals | |
| | Number (Headcount) | FTE | Full-time (Headcount) | Part-time (Headcount) | FTE | Number (Headcount) | FTE |
| Gender | | | | | | | |
| Women executives | 2 | 2 | 0 | 0 | 0 | 2 | 2 |
| Women (total staff) | 562 | 336 | 135 | 119 | 190 | 308 | 146 |
| Men executives | 3 | 3 | 0 | 0 | 0 | 3 | 3 |
| Men (total staff) | 343 | 237 | 147 | 36 | 156 | 160 | 81 |
| Self-described | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Age | | | | | | | |
| 15-24 | 31 | 7 | 1 | 0 | 1 | 30 | 6 |
| 25-34 | 81 | 46 | 24 | 10 | 24 | 47 | 22 |
| 35-44 | 203 | 126 | 56 | 33 | 71 | 114 | 55 |
| 45-54 | 277 | 194 | 98 | 40 | 116 | 139 | 78 |
| 55-64 | 251 | 170 | 89 | 59 | 115 | 103 | 55 |
| Over 64 | 62 | 29 | 14 | 13 | 18 | 35 | 11 |
| Total employees | 905 | 573 | 282 | 155 | 346 | 468 | 227 |



Environmental performance

The Gordon's commitment to improving environmental performance continued in 2023, with the implementation of practical strategies and the development of a new Environmental Sustainability Policy.

Environmental Sustainability Policy

During 2023 we updated our Environmental Policy Statement, providing a clear direction and robust framework as we strive towards Net Zero.

Underpinning this statement are six key Commitment Areas, each with aligned initiatives and objectives;

- Energy and Emissions Reduction
- Waste and Water Management
- Climate Resiliency
- Sustainable Transport
- Education and Training
- Sustainable Policies and Reporting

Reporting boundary for environmental data

All business activities under the operational control of the Gordon are included within the reporting boundary for this period. The data encompasses all campus sites, excluding locations where staff facilitate off-site delivery.

Our Student Residence facility has been included in this report for the first time. As such, historical data is not available and total consumption and CO₂-e output figures cannot be directly compared to previous years. The Student Residence is a 50-bed facility located adjacent to our East Campus. It includes an on-site Residence Manager's flat, common room, laundry and short-term flat.

The Gordon has used FTE as the normalisation factor for environmental reporting. The declared FTE for the 2023 calendar year is 582.

Greenhouse Gas Emissions

The Gordon reports its greenhouse gas emissions broken down into emissions scopes, consistent with national and international reporting standards, where:

Scope 1 = emissions from burning fossil fuels in vehicles, machinery and plant

Scope 2 = indirect emissions from using electricity from the grid

Scope 3 = indirect emissions from corporate air travel and waste disposal

As the largest vocational education provider and one of the largest employers in the Geelong region, The Gordon recognises its responsibility to lead by example in the promotion of sustainable future concepts and the implementation of energy efficiency projects.

In support of our Energy & Emissions Reduction and Reporting targets under the updated policy, we commenced phase one of our Building Management System (BMS) upgrade and integration project.

Broadly, this project includes an upgrade of the BMS software and the progressive integration of occupant comfort systems. Due to the age of some of our electrical and mechanical systems, significant infrastructure and equipment upgrades are required to fully integrate these services.

Phase one, completed in late 2023, included updating or installing readers/controllers on all HVAC assets at our City and East campuses, transitioning to the new BMS software, then programming and commissioning the various systems. System balancing continues into 2024.

| Indicator | 2023 | 2022 | 2021 |
|---|--------------|--------------|--------------|
| G1. Total Scope 1 greenhouse gas emissions (tonnes CO₂-e) | 510 | 423 | 441 |
| G2. Total Scope 2 greenhouse gas emissions (tonnes CO₂-e) | 2,421 | 2,370 | 2,209 |
| G3. Total Scope 3 greenhouse gas emissions (tonnes CO₂-e) | 211 | 368 | 537 |

Electricity Production and Consumption

Electricity consumption data has been obtained from retailer invoices and represents a 12-month period. (a)

The 4% rise in electricity consumption is primarily due to the inclusion of the Student Residence in 2023 reporting, as well as the completion of the Culinary Project - re-occupation of approximately 1,200m² of usable floor space at the City Campus, including three teaching kitchens and two new elevators.

The Gordon does not yet have the capacity to report on individual buildings or business areas. As our BMS upgrade project matures, we will have more control and reporting functionality of our lighting, HVAC, access and security systems.

| Indicator | 2023 | 2022 | 2021 |
|---|--------------|--------------|--------------|
| EL1. Total electricity consumption (MWh) | 3,325 | 3,261 | 2,971 |
| Purchased electricity (b) | 3,088 | 3,009 | 2,692 |
| Not directly purchased but from outside the organisation (c) | 29 | 41 | 36 |
| Self-generated | 209 | 210 | 242 |
| EL2. On-site electricity generated (MWh) | 217 | 210 | 242 |
| Solar PV, consumption behind the meter | 209 | 210 | 242 |
| Solar PV, exports (d) | 8 | | |
| EL3. On-site installed generation capacity - Solar PV (MW) | 0.22 | 0.22 | 0.22 |

Notes:

(a) Calendar year data included where meter billing cycles align. A set period of 12-months of data used for other meters, eg. Nov'22 to Oct'23

(b) 2023 data includes Student Residence

(c) Electricity consumption at Princes Campus (shared tenancy arrangement) and common spaces at Watton Campus

(d) Data not recorded prior to 2023

Stationary Fuel Use

Sources of emissions from stationary fuel include natural gas used in most buildings' heating and hot water systems, natural gas used in teaching and commercial kitchens, and petrol used in groundskeeping equipment. Consumption data was obtained from retailer invoices and represents a 12-month period. (a)

Reported stationary fuel use increased by 30.9% between the 2022 and 2023 reporting periods. The inclusion of the Student Residence in 2023 reporting accounts for 73.1% of this increase, the balance is made up of an 8.3% increase in natural gas consumption across all other meters.

The Gordon is committed to the electrification of end of life heating and hot water systems across all owned sites. Several gas hot water systems were replaced with electric in 2023 and in 2024 we will replace our largest gas-fed boiler system, which services one quarter of our total UFA, with an electric heat-pump unit.

| Indicator | 2023 | 2022 | 2021 |
|--|------------------|------------------|------------------|
| F1. Total fuel consumption (MJ) | 8,598,264 | 6,572,083 | 7,336,385 |
| Buildings | 8,588,605 | 6,559,731 | 7,328,477 |
| Natural gas (b) | 8,588,605 | 6,559,731 | 7,328,477 |
| Machinery | 9,659 | 12,352 | 7,908 |
| Petrol (c) | 9,659 | 12,352 | 7,908 |
| F2. Greenhouse gas emissions from stationary fuel consumption (Tonnes CO₂-e) | 443.2 | 338.9 | 378.2 |
| Natural gas | 442.6 | 338.0 | 377.6 |
| Petrol | 0.7 | 0.8 | 0.5 |

Notes:

(a) Calendar year data included where meter billing cycles align. A set period of 12-months of data used for other meters, eg. Nov'22 to Oct'23

(b) Includes gas used in ovens and stoves in teaching and commercial kitchens, not separately metered

(c) Petrol used in groundskeeping equipment. Where practical, items are replaced with battery-operated equipment as they reach end of life

Transportation

The Gordon held a fleet of 40 vehicles in 2023. The general (bookable) fleet made up 78% of total passenger vehicles, executive vehicles account for 22%.

At this point, The Gordon fleet does not include any EVs. A transition plan is being developed, in line with the Victorian Government's commitment to reaching a fully decarbonised road transport sector and Net Zero by 2045.

| Indicator | 2023 | 2022 | 2021 |
|--|----------------|------------------|----------------|
| T1. Total energy used in transportation (MWh) | 984,774 | 1,234,452 | 920,048 |
| Road vehicles | 984,774 | 1,234,452 | 920,048 |
| Petrol | 782,425 | 994,707 | 720,833 |
| Diesel | 202,349 | 239,745 | 199,215 |
| T3. Greenhouse gas emissions from vehicle fleet (Tonnes CO₂-e) | 67 | 84 | 63 |
| Petrol | 53 | 67 | 49 |
| Diesel | 14 | 17 | 14 |
| T4. Total distance travelled by commercial air travel (Passenger km) | 140,459 | 82,430 | - |

| Indicator | 2023 | % | 2022 | % | 2021 | % |
|--|-----------|--------------|-----------|--------------|-----------|--------------|
| T2. Number and proportion of vehicles | 40 | 100.0 | 42 | 100.0 | 38 | 100.0 |
| Passenger vehicles | 37 | 92.5 | 36 | 85.7 | 32 | 84.2 |
| Petrol | 30 | 75.0 | 31 | 73.8 | 28 | 73.7 |
| Diesel/biodiesel | 7 | 17.5 | 5 | 11.9 | 4 | 10.5 |
| Buses | 1 | 2.5 | 2 | 4.8 | 2 | 5.3 |
| Petrol | 1 | 2.5 | 1 | 2.4 | 1 | 2.6 |
| Goods/Operational vehicles | 2 | 5.0 | 4 | 9.5 | 4 | 10.5 |
| Petrol | - | 0.0 | 1 | 2.4 | 1 | 2.6 |
| Diesel/biodiesel | 2 | 5.0 | 3 | 7.1 | 3 | 7.9 |

Total Energy Use

| Indicator | 2023 | 2022 | 2021 |
|--|-------------------|-------------------|-------------------|
| E1. Total energy usage from fuels (MJ) | 9,583,033 | 7,806,534 | 8,256,433 |
| E2. Total energy used from electricity (MJ) | 11,969,484 | 11,737,853 | 10,694,170 |
| E3. Total energy used segmented into renewable and non-renewable sources (MJ) | 21,552,517 | 19,544,387 | 18,950,604 |
| Renewable | 2,841,916 | 2,804,161 | 2,693,223 |
| Non-renewable | 18,710,600 | 16,740,227 | 16,257,381 |
| E4. Units of energy used normalised by FTE | 37,032 | 26,447 | 32,730 |

Water Use

Reportable water consumption for 2023 increased by 50.9% on 2022 figures. Major works on the fire system at our East Campus accounted for 50.3% of this increase and the inclusion of the Student Residence accounts for 29.5%. All other meters averaged a 3.4% increase, attributed to higher on-campus attendance of staff, students and visitors.

The Gordon employs proactive strategies to detect and remedy water leaks, and has a policy of not using potable water on gardens and lawns, or for external cleaning (except in emergency circumstances).

| Indicator | 2023 | 2022 | 2021 |
|--|---------------|--------------|--------------|
| W1. Total water consumption by an Entity (kilolitres) | 12,892 | 9,376 | 8,782 |
| Potable water consumption (a) | 11,343 | 6,923 | 7,398 |
| Metered rainwater collection consumption (b) | 1,550 | 2,453 | 1,384 |
| W2. Units of metered water consumed normalised by FTE | 22 | 12.7 | 15.2 |

Notes:

(a) Calendar year data included where meter billing cycles align. A set period of 12-months of data used for other meters, eg. Nov'22 to Oct'23

(b) Total harvested water capacity - 183 kL

Waste and Recycling

The Gordon has several programs in place to reduce waste production and maximise recycling and recovery, including:

- Dedicated bins for paper/card, mixed recycle and general waste across all locations
- Dedicated recovery and recycle programs for toner, batteries, e-waste, pallets, polystyrene, timber, bricks, sawdust and metals
- All redundant IT equipment recycled or repurposed through Greenbox
- Organics recovery programs operating in all commercial and teaching kitchens
- Green waste recovery programs in place for our groundskeepers, as well as Floristry and Horticulture teaching departments

Prior to July 2022, The Gordon used a simple litres-to-kilograms method for estimating the weight of each waste stream. We took the opportunity when retendering the waste management contract in 2022 to include a requirement for the contractor to provide comprehensive data on each collection, including the weight of each lift. Modeling on the 2023 waste to landfill data shows that the volume-to-weight conversion method yields an over estimation of 303% (a). This accounts for the significant reduction in waste disposal reported over the past two years.

| Indicator | 2023 | % | 2022 | % | 2021 | % |
|---|----------------|-------------|----------------|-------------|----------------|-------------|
| WR1. Total units of waste disposed (kg and %) | 284,242 | | 345,771 | | 556,086 | |
| Landfill (disposal) | 154,230 | 54.3 | 277,558 | 80.3 | 412,842 | 74.2 |
| Recycling/recovery | 130,012 | 45.7 | 68,213 | 19.7 | 143,244 | 25.8 |
| WR2. Percentage of office sites covered by dedicated collection services for | | | | | | |
| Printer cartridges | | 100 | | 100 | | 100 |
| Batteries | | 100 | | 100 | | 100 |
| e-waste | | 100 | | 100 | | 100 |
| Soft plastics (b) | | 0 | | 0 | | 0 |
| WR3. Total units of waste disposed of normalised by FTE (kg/FTE) | 488.39 | | 467.89 | | 960.42 | |
| WR4. Recycling Rate (%) | | 45.7 | | 19.7 | | 25.8 |
| WR5. Greenhouse gas emissions associated with waste disposal (tonnes CO₂-e) | 200.50 | | 360.83 | | 536.69 | |
| Landfill | 200.50 | | 360.83 | | 536.69 | |

Notes:

(a) Vs actual weight data provided by our waste management contractor

(b) The Gordon does not receive commercial quantity or quality soft plastics. Collection program discontinued until domestic collection resumes

Financial and other information

Summary of operating results

The primary factor influencing the movement in the Institute's working capital ratio continues to be the decline in cash reserves held. Whilst this has remained at a stable level for the past two years, it is heavily driven by the movement in our cash balances at year's end. This stability has been notably impacted by the investments made into the Culinary School development, financed through our existing cash reserves and the strategic timing of capital fund allocations. As we move forward, we anticipate that the scale of our capital projects, coupled with the dynamics of funding receipt and expenditure timelines, might introduce changes to our financial stance.

Whilst 2023 reported an increase in obligations, this was predominately the impact of the recognition of a liability to return funding associated with a project to the Department. We also experienced a significant movement in regards to the timing of enrolments with 2023 recognising a shift in the volume enabling a \$1M in the obligations for delivery by the recognition of fees in advance. Much of this was impacted by international enrolments for future years.

As we navigate through a period of readjustment towards a more familiar operational environment, The Gordon faces new challenges in specific segments of our operations. Despite these hurdles, we've successfully sustained our operational stability without relying on government support designed for business continuity. This resilience is noteworthy, especially considering the reduction in one-off grant funding we've seen from the previous year. Rather than view this as a setback, we've taken it as an opportunity to reallocate our focus and resources towards initiatives that promise long-term, positive impacts for our students.

Our operational revenue has outperformed expectations, buoyed by an increase in Student Contact Hours (SCH). Nevertheless, the financials tell a nuanced story, with a significant portion of our revenue in 2022 - \$10.5M from contract liabilities - overshadowing the \$1.7M recognised in 2023. This discrepancy doesn't fully capture our advancements in delivery. The job market dynamics are evolving, with a noticeable shift after a period of low unemployment and high demand for skilled labour. Government initiatives to promote TAFE education, like the Free-TAFE scheme, have been instrumental in attracting students to sectors with high employment demand. Additionally, our Fee for Service offerings have seen modest gains, largely attributed to the success of the VET Delivered to Secondary Schools program.

The increase in operating expenses this year was notably driven by a \$4.6 million rise in depreciation charges. This was due to the revaluation of our building assets in the prior year, driving a reset in depreciation expenses recognised. Concurrently, the culinary area, following its refurbishment, was accounted for as an operational asset for the first time in a full fiscal year, further contributing to the increase in depreciation expense.

The transition of our key operating systems to cloud-based solutions resulted in a \$761,000 impairment charge for our existing on-premises systems. In line with prudent financial management, all non-essential expenditures were curtailed, enabling us to realise savings. This was achieved notwithstanding the escalation in costs associated with procuring classroom materials, a direct consequence of increased enrolment demand. Furthermore, this fiscal period witnessed a heightened utilisation of accrued leave by staff, which contributed to a reduction in our overall leave liability.

| Summary of Operating Results | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
|--|---------|--------|---------|----------|---------|--------|--------|--------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Working Capital | | | | | | | | |
| Current Assets | 23,105 | 21,251 | 31,702 | 55,061 | 56,074 | 61,436 | 71,015 | 68,367 |
| Less: Current Liabilities | 14,310 | 13,298 | 24,368 | 22,456 | 16,935 | 15,077 | 14,253 | 11,730 |
| Net Working Capital | 8,795 | 7,953 | 7,334 | 32,605 | 39,139 | 46,359 | 56,762 | 56,637 |
| Net Working Capital Ratio | 1.61 | 1.60 | 1.30 | 2.45 | 3.31 | 4.07 | 4.98 | 5.83 |
| Financial Results | | | | | | | | |
| Operating Revenue * | 88,412 | 95,335 | 77,262 | 67,774 | 68,194 | 71,480 | 70,666 | 67,567 |
| Operating Expenditure ** | 93,426 | 87,930 | 82,521 | 79,706 | 75,489 | 70,398 | 67,640 | 66,477 |
| Operating Surplus/(Deficit) *** | (5,014) | 7,405 | (5,259) | (11,932) | (7,295) | 1,082 | 3,026 | 1,090 |
| Operating Surplus/(Deficit) excluding Abnormal and Extraordinary Items **** | (5,014) | 7,405 | (5,259) | (11,932) | (7,295) | 1,082 | 3,026 | 1,844 |
| Contact Hours | | | | | | | | |
| Total Funded SCH '000 | 2,767 | 2,426 | 2,916 | 2,483 | 2,849 | 2,581 | 2,614 | 2,472 |
| Fee for Service \$'000 | 6,660 | 6,609 | 6,635 | 6,663 | 6,287 | 5,278 | 4,808 | 4,905 |
| * Operating Revenue includes net gain/(loss) on disposal of non-financial assets. | | | | | | | | |
| ** Operating Expenditure includes Depreciation and Long Service Leave expenses that are both unfunded liabilities of the Institute. For consistency and comparability, the Long Service Leave has been calculated using the Department of Treasury and Finance Present Value Model. Includes other gains/(losses) from other economic flows. | | | | | | | | |
| *** Operating Surplus (Deficit) including Abnormal and Extraordinary items; the 2016 result included the write off of Building works. | | | | | | | | |
| **** Operating Surplus (Deficit) excluding Abnormal and Extraordinary items. | | | | | | | | |

Information and Communication Technology expenditure

Details of Information and Communication Technology (ICT) expenditure

For the 2023 reporting period, The Gordon had total ICT expenditure of \$6,531,841 made up of the following:

| TOTAL \$7,177,285 | | | |
|---|--|-------------------------|---------------------|
| Business As Usual (BAU) ICT expenditure | Non-Business As Usual (non-BAU) ICT expenditure | | |
| (Total \$) | (Total \$ = Operational expenditure and Capital Expenditure) | Operational Expenditure | Capital Expenditure |
| 6,593,974 | 583,311 | 192,421 | 390,890 |

ICT expenditure refers to the costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

** note capital expenditure relates to fully acquittable project in 2023.

Consultants

In 2023, two consultants were used with fees payable to each of \$10,000 or more. The combined amount for these services was \$300,282 (ex GST). Consultancy details are made available on the Institute's website thegordon.edu.au. There were no consultants utilised during the year with fees payable under \$10,000).

| Consultant | Purpose of consultancy | Total approved project fee (exclu. GST) | Expenditure 2023 (exclu. GST) | Future expenditure \$(ex GST) |
|---------------------------|----------------------------|---|-------------------------------|-------------------------------|
| NOUS GROUP | Business advisory services | \$290,282.01 | \$290,282.01 | \$- |
| SHERIDAN CONSULTING GROUP | Business advisory services | \$10,000.00 | \$10,000.00 | \$- |
| | | \$300,282 | \$300,282 | \$- |
| < \$10K: | - | - | - | - |
| | | \$- | \$- | |
| | Total | \$300,282 | | |

Enrolment Statistics

| Totals | | | |
|------------|----------|-----------|-----------|
| Enrolments | Students | SCH | As_At |
| 12,097 | 11,553 | 3,352,411 | 31-Dec-23 |

| Enrolments vs Students | | | |
|------------------------|-----------|-----------|-------------|
| | Full-time | Part-time | Grand Total |
| Students | 3,290 | 8,263 | 11,553 |
| Enrolments | 3,637 | 8,460 | 12,097 |

| Enrolments by Gender and Status | | | |
|---------------------------------|--------------|--------------|---------------|
| Enrolments | Full-time | Part-time | Grand Total |
| Male | 1,812 | 5,575 | 7,387 |
| Female | 1,825 | 2,885 | 4,710 |
| Grand Total | 3,637 | 8,460 | 12,097 |

| Students by Gender and Status | | | |
|-------------------------------|--------------|--------------|---------------|
| Students | Full-time | Part-time | Grand Total |
| Male | 1,661 | 5,430 | 7,091 |
| Female | 1,629 | 2,833 | 4,462 |
| Grand Total | 3,290 | 8,263 | 11,553 |

| Enrolments by Age and Status | | | |
|------------------------------|--------------|--------------|---------------|
| Enrolments | Full-time | Part-time | Grand Total |
| 0 - 15 | 1 | 264 | 265 |
| 15 - 18 | 497 | 3,320 | 3,817 |
| 19 - 25 | 1,679 | 2,399 | 4,078 |
| 26 - 35 | 752 | 1,143 | 1,895 |
| 36+ | 708 | 1,334 | 2,042 |
| Grand Total | 3,637 | 8,460 | 12,097 |

| Enrolments by Funding and AQF Level | | | | | |
|-------------------------------------|------------|-----------------|---------------|----------------|---------------|
| | Enrolments | AQF Level 0-1-2 | AQF Level 3-4 | AQF Level 5-6+ | Grand Total |
| Profile | | 730 | 2,141 | 787 | 3,658 |
| Trade Apprentices | | | 3,634 | 1 | 3,635 |
| Fee-for-Service and Other | | 3,444 | 991 | 83 | 4,518 |
| Other Trainees | | | 276 | 10 | 286 |
| Grand Total | | 4,174 | 7,042 | 881 | 12,097 |

| Student contact hours by Funding and AQF Level | | | | | |
|--|-----------------------|-----------------|------------------|----------------|------------------|
| | Student Contact Hours | AQF Level 0-1-2 | AQF Level 3-4 | AQF Level 5-6+ | Grand Total |
| Profile | | 282,307 | 846,544 | 481,685 | 1,610,536 |
| Trade Apprentices | | | 1,162,067 | 385 | 1,162,452 |
| Fee-for-Service and Other | | 268,023 | 179,815 | 42,675 | 490,513 |
| Other Trainees | | | 86,577 | 2,333 | 88,910 |
| Grand Total | | 550,330 | 2,275,003 | 527,078 | 3,352,411 |



VCE and Pathway Statistics

| Further Education Program Participation & Completion | | | |
|--|--------------------------------|-----|----------------------|
| | Victorian Pathways Certificate | VCE | VCE Vocational Major |
| Participation | 65 | 73 | 59 |
| Completion | 56 | 57 | 47 |
| Completion rate % | 86% | 79% | 80% |

| Further Education Program Student Outcomes | | | |
|---|--------------------------------|-----------|----------------------|
| | Victorian Pathways Certificate | VCE | VCE Vocational Major |
| Achieved year level and further study pathway | 49 | 41 | 38 |
| Achieved year level and employment | 0 | 6 | 12 |
| Achieved Year level (pathway unknown) | 7 | 10 | 0 |
| Further study with non-completion | 5 | 1 | 2 |
| Employment with non-completion | 0 | 7 | 6 |
| Non completion due to Health Issues | 1 | 4 | 0 |
| Withdrawn Other / Unknown | 3 | 4 | 1 |
| Total | 65 | 73 | 59 |



Further compliance

Freedom of Information Act 1982

The Gordon is subject to the provisions of the Freedom of Information Act 1982 and delegates responsibilities under the Act to a Freedom of Information (FOI) Officer to ensure that the information it provides in relation to any request complies with the Act. In 2023, The Gordon received twenty five (25) applications for the release of information under the Act.

Compliance with the Building Act 1993

The Gordon considers that new buildings constructed after the effective date of the Building Act 1993, conform to the relevant requirements of the Act. Buildings in existence prior to the Building Act 1993, comply with the relevant building regulations, existent at that time. The Gordon's ongoing maintenance programs and any improvements or alterations to buildings are completed in a manner compliant with the relevant requirements of the Building Act 1993.

Competition Policy

The Gordon has implemented a strategy ensuring each appropriate segment of operations, that is not recurrently funded, is required to recover full overheads, including an allowance for net competitive advantages, where they exist. This includes developing and maintaining a pricing model that ensures prices charged for business activities reflect all costs incurred, and that all advantages and disadvantages of Government ownership be taken into account, and the Institute's pricing regime continued to meet the requirements of both National Competition Policy and Victorian Government policies on competitive neutrality.

Public Interest Disclosures Act 2012

The Gordon has maintained its policy in relation to the Public Interest Disclosures Act 2012, which covers the procedures staff may access to disclose any concerns in relation to the Act. No disclosures were made under the Act during the 2023 reporting period.

Carers Recognition Act 2012

The Gordon provides a range of flexible workplace options to ensure employees can balance work and caring responsibilities.

Additional information

Consistent with the requirements of the Freedom of Information Act 1982 and the Financial Management Act 1994, information on the following items is available on request from the Accountable Officer:

- (a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- (b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- (c) details of publications produced by the entity about itself, and how these can be obtained;
- (d) details of changes in prices, fees, charges, rates and levies charged by the entity;
- (e) details of any major external reviews carried out on the entity; (f) details of major research and development activities undertaken by the entity;
- (f) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (g) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- (h) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (i) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- (j) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- (k) details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

Local Jobs First Policy Disclosures

The Local Jobs First Act 2003 requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2023 The Gordon had two applicable projects - with one of these projects active and continuing into 2024. The total value of Local Jobs First Project within the 2023 reporting period is \$66.9m.

Register of Major Commercial Activities

The register is required to comply with Commercial Guideline 10. The Board is responsible for oversight of the register. The Gordon's policy mandates compulsory reporting of activities that are in excess of 5% of total revenue, and compulsory reporting of any activity that exposes The Gordon to significant risk. In 2023 no activity was reported.

Compulsory non-academic fees, subscriptions and charges

There were no compulsory non-academic fees charged in 2023. A list of fees and charges are available on The Gordon's website: www.thegordon.edu.au.

Victorian Public Sector Travel Policy

The Gordon's travel policy adheres to the Public Sector principles for travel.

Ex-gratia payments

The Gordon made \$52,000 ex-gratia payments for the period ending 31 December 2023.

Compliance Statement

The Gordon Institute of TAFE functions, powers and duties are detailed in the Education and Training Reform Act 2006 and the Constitution of The Gordon Institute of TAFE.

The Gordon Institute of TAFE complies with all other relevant legislation and subordinate instruments including, but not limited to, the following:

- Directions of the Minister for Skills and TAFE (or predecessors)
- TAFE Institute Commercial Guidelines
- TAFE Institute Strategic Planning Guidelines
- Public Administration Act 2004
- Financial Management Act 1994
- Freedom of Information Act 1982
- Building Act 1993
- Public Interest Disclosure Act 2012
- Carers Recognition Act 2012
- Local Jobs First Act 2003
- Gender Equality Act 2020
- Disability Act 2006
- Infringements Act 2006
- Public Records Act 1973

Financial Management Compliance Attestation Statement

I, David Bowen, on behalf of the Responsible Body, certify that for the period 1 January 2023 to 31 December 2023, The Gordon has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.



David Bowen
Board Chair
29 February, 2024

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Our financial statements

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Statements

For the Year Ended 31 December 2023

Gordon Institute of TAFE

ABN 27 241 053 246

For the Year Ended 31 December 2023

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Independent Auditor's Report

To the Board of the Gordon Institute of TAFE

Opinion

I have audited the financial report of the Gordon Institute of TAFE (the institute) which comprises the:

- balance sheet as at 31 December 2023
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration by Board Chair, Chief Executive and Chief Finance and Accounting Officer.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- presenting fairly, in all material respects, the financial position of the institute as at 31 December 2023 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the institute in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the institute'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.

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
8 April 2024



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board, The Gordon Institute of TAFE

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Gordon Institute of TAFE for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
8 April 2024

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Report For the Year Ended 31 December 2023

Declaration by Board Chair, Chief Executive and Chief Finance and Accounting Officer

The attached financial statements for the Gordon Institute of TAFE ("The Gordon") have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

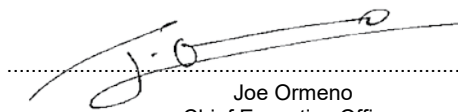
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2023 and financial position of the Gordon Institute of TAFE as at 31 December 2023.

At the date of signing this financial report, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

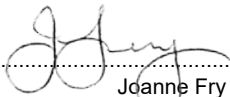
The Board Chair, Chief Executive, and Chief Finance and Accounting Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of the Gordon Institute of TAFE.



David Bowen
Board Chair



Joe Ormeno
Chief Executive Officer



Joanne Fry
Acting Chief Finance and Accounting Officer

Dated 4th April 2024
Geelong

Gordon Institute of TAFE

ABN 27 241 053 246

Comprehensive Operating Statement

For the Year Ended 31 December 2023

| | 2023 | 2022 |
|--|-----------------|-----------------|
| Note | \$'000 | \$'000 |
| Continuing operations | | |
| Revenue and income from transactions | | |
| Government grants | | |
| Operating grants - revenue | 2.1.1 41,560 | 33,790 |
| Operating grants - income | 2.1.1 26,787 | 35,128 |
| Capital grants - income | 2.1.2 1,660 | 10,582 |
| Revenue from fees, charges and sales | 2.2 16,449 | 14,710 |
| Other income | 2.3 1,813 | 1,007 |
| Total revenue and income from transactions | 88,269 | 95,217 |
| Expenses from transactions | | |
| Employee benefits | 3.1.1 (61,604) | (60,625) |
| Depreciation and amortisation | 3.6 (11,046) | (6,416) |
| Supplies and services | 3.3 (13,414) | (13,476) |
| Finance costs | 3.5 (95) | (86) |
| Other operating expenses | 3.4 (7,181) | (8,024) |
| Total expenses from transactions | (93,340) | (88,627) |
| Net result from transactions | (5,071) | 6,590 |
| Other economic flows included in net result | | |
| Net gain/(loss) on disposal of non-financial assets | 4.1.3 143 | 118 |
| Net gain/(loss) on financial instruments | 9.1 118 | (42) |
| Other gains/(losses) from other economic flows | 9.1 (204) | 739 |
| Total other economic flows included in net result | 57 | 815 |
| Net result | (5,014) | 7,405 |
| Other economic flows - other comprehensive income | | |
| Items that will not be reclassified to net result | | |
| Gain/(loss) on revaluation of physical assets | 9.2 (265) | 33,890 |
| Total other economic flows - other comprehensive income | (265) | 33,890 |
| Comprehensive result | (5,279) | 41,295 |

The above financial statement should be read in conjunction with the accompanying notes.

Gordon Institute of TAFE

ABN 27 241 053 246

Balance Sheet

As At 31 December 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|-----------------------------------|------|----------------|----------------|
| ASSETS | | | |
| FINANCIAL ASSETS | | | |
| Cash and cash equivalents | 6.1 | 17,080 | 15,980 |
| Receivables | 5.1 | 3,715 | 3,564 |
| TOTAL FINANCIAL ASSETS | | 20,795 | 19,544 |
| NON-FINANCIAL ASSETS | | | |
| Property, plant and equipment | 4.1 | 192,111 | 196,413 |
| Right-of-use assets | 6.4 | 2,175 | 1,779 |
| Intangible assets | 4.2 | 704 | 1,420 |
| Other non-financial assets | 5.2 | 2,310 | 1,707 |
| TOTAL NON-FINANCIAL ASSETS | | 197,300 | 201,319 |
| TOTAL ASSETS | | 218,095 | 220,863 |
| LIABILITIES | | | |
| Payables | 5.3 | 5,764 | 4,214 |
| Contract liabilities | 5.4 | 1,785 | 749 |
| Other liabilities | 5.4 | 1,500 | 1,660 |
| Employee provisions | 5.5 | 11,918 | 12,132 |
| Other provisions | 5.6 | 65 | 118 |
| Borrowings | 6.2 | 1,107 | 1,225 |
| Lease liabilities | 6.4 | 2,487 | 2,017 |
| TOTAL LIABILITIES | | 24,626 | 22,115 |
| NET ASSETS | | 193,469 | 198,748 |
| EQUITY | | | |
| Accumulated surplus | | 47,313 | 52,333 |
| Contributed capital | 6.3 | 27,729 | 27,729 |
| Reserves | 9.2 | 118,427 | 118,686 |
| NET WORTH | | 193,469 | 198,748 |

The above financial statement should be read in conjunction with the accompanying notes.

Gordon Institute of TAFE

ABN 27 241 053 246

Statement of Changes in Equity

For the Year Ended 31 December 2023

2022

| | Physical Asset Revaluation Surplus \$'000 | Special and General Purpose Reserves \$'000 | Accumulated Surplus \$'000 | Contributions by Owner \$'000 | Total \$'000 |
|--|---|---|----------------------------------|-------------------------------------|-----------------|
| Balance at 1 January 2022 | 83,473 | 1,328 | 44,923 | 27,729 | 157,453 |
| Net result for the year | - | - | 7,405 | - | 7,405 |
| Other economic flows - other comprehensive income | 33,890 | - | - | - | 33,890 |
| Total comprehensive income | 33,890 | - | 7,405 | - | 41,295 |
| Transfers (to)/from reserve | - | (5) | 5 | - | - |
| Balance at 31 December 2022 | 117,363 | 1,323 | 52,333 | 27,729 | 198,748 |

2023

| | Physical Asset Revaluation Surplus \$'000 | Special and General Purpose Reserves \$'000 | Accumulated Surplus \$'000 | Contributions by Owner \$'000 | Total \$'000 |
|--|---|---|----------------------------------|-------------------------------------|-----------------|
| Balance at 1 January 2023 | 117,363 | 1,323 | 52,333 | 27,729 | 198,748 |
| Net result for the year | - | - | (5,014) | - | (5,014) |
| Other economic flows - other comprehensive income | (265) | - | - | - | (265) |
| Total comprehensive income | (265) | - | (5,014) | - | (5,279) |
| Transfers (to)/from reserve | - | 6 | (6) | - | - |
| Balance at 31 December 2023 | 117,098 | 1,329 | 47,313 | 27,729 | 193,469 |

The above financial statement should be read in conjunction with the accompanying notes.

Gordon Institute of TAFE

ABN 27 241 053 246

Cash Flow Statement

For the Year Ended 31 December 2023

| | 2023 | 2022 |
|---|--------------------|-----------------|
| Note | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts | | |
| Government contributions | 73,779 | 74,080 |
| Receipts from customers - fees, charges and sales | 17,561 | 14,137 |
| Goods and services tax recovered from the ATO | 2,887 | 4,206 |
| Interest received | 732 | 287 |
| Other receipts | 1,506 | 399 |
| Total receipts from operating activities | 96,465 | 93,109 |
| Payments | | |
| Payments to employees | (62,022) | (62,431) |
| Payments to suppliers | (22,005) | (18,906) |
| Goods and services tax paid to the ATO | (4,785) | (4,034) |
| Short-term, low value and variable lease payments | (382) | - |
| Interest paid - lease liability | (95) | - |
| Other payments | - | (353) |
| Total payments from operating activities | (89,289) | (85,724) |
| Net cash provided by/(used in) operating activities | 6.1.1 7,176 | 7,385 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payments for property, plant and equipment | (5,955) | (16,924) |
| Proceeds from sale of non-financial assets | 318 | 137 |
| Net cash provided by/(used in) investing activities | (5,637) | (16,787) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment of lease liabilities | (439) | (1,059) |
| Net cash provided by/(used in) financing activities | (439) | (1,059) |
| Net increase/(decrease) in cash and cash equivalents | 1,100 | (10,461) |
| Cash and cash equivalents at the beginning of the financial year | 15,980 | 26,441 |
| Cash and cash equivalents at the end of the financial year | 6.1 17,080 | 15,980 |

The above financial statement should be read in conjunction with the accompanying notes.

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements

For the Year Ended 31 December 2023

1 About This Report

Gordon Institute of TAFE ("The Gordon") 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).

The Gordon is a Technical and Further Education (TAFE) provider, based predominantly in Geelong, Victoria.

Its registered office and principal address is:

Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of The Gordon. These financial statements have been prepared in accordance with the historical cost convention, unless a different measurement basis is specifically disclosed in the notes associated with the item measured on a different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Judgements, estimates and assumptions are required to be made about the financial information being presented. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring The Gordon's satisfaction of a performance obligation (refer to Note 2.1); and
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4).

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

- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.5);
- the loss rate used in calculating the allowance for expected credit losses (refer to Note 7.1.2);
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3); and
- the fair value of assets measured at current replacement cost as a result of rising costs of construction and inflation.

Gordon Institute of TAFE

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Notes to the Financial Statements

For the Year Ended 31 December 2023

1 About This Report (continued)

1.1 Basis of preparation (continued)

These 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.

These financial statements cover The Gordon. All transactions related to the operation of its controlled entity, Gotec Limited, are reported separately and are not consolidated based on materiality.

Goods and Services Tax (GST)

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

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

Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*, 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 Gordon operates one controlled entity whose operations are reported separately and not consolidated based on materiality.

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.

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

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

1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), the *Australian Charities and Not-for-profits Act 2012* and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

Gordon Institute of TAFE

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Notes to the Financial Statements

For the Year Ended 31 December 2023

1 About This Report (continued)

1.3 Impact of COVID-19

In 2023, the impacts of the COVID-19 pandemic, including movement and density restrictions, were no longer significant to The Gordon's operations.

Between 2020 and 2022, various restrictions such as self-isolation and border entry rules were enforced and implemented by the government in order to contain the spread of the virus and to prioritise the health and safety of our communities. The Gordon conducted classes through remote learning where possible, held examinations online, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements where possible. The Department of Jobs, Skills, Industry and Regions (formerly Department of Education) also provided grants to assist The Gordon with response to the pandemic in order to retain staff, assist with the transition to online and remote learning and maintain government funding at pre-pandemic levels.

Following the easing of restrictions in 2022, learning returned to campus and no further funding was provided by the Department in relation to the pandemic.

Gordon Institute of TAFE

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2 How We Earned Our Funds

This section presents the sources and amounts of revenue and income raised by The Gordon. Grants are received from both State and Commonwealth Government, and from other fees and charges.

2.1 Government Grants

2.1.1 Revenue and income from government grants

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Grants and other transfers | | |
| Government grants - operating revenue | | |
| <i>Government - contestable</i> | | |
| DE/DJSIR | 41,560 | 33,790 |
| Total government grants - operating revenue | 41,560 | 33,790 |
| Government grants - operating income | | |
| <i>Government - other grants</i> | | |
| DE/DJSIR | 25,581 | 34,626 |
| Other VIC Government Departments | 700 | 25 |
| <i>Commonwealth government - other grants</i> | | |
| Commonwealth | 506 | 477 |
| Total government grants - operating income | 26,787 | 35,128 |
| Total government grants - operating | 68,347 | 68,918 |

Note: The above comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Revenue and income from government grants

The Gordon is first required to determine whether the government grants received should be accounted for as Revenue per AASB 15 or Income per AASB 1058.

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

Revenue from government grants

The Gordon's revenue streams are predominantly for transactions relating to the delivery of courses to students and education services to clients. In all cases, the total transaction price for these services is allocated amongst the various performance obligations based on the consideration specified in the contract with the customer. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time as The Gordon satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.4).

Revenue is measured at the amount of consideration to which The Gordon expects to be entitled in exchange for transferring promised goods or services to a customer.

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 How We Earned Our Funds (continued)

2.1 Government Grants (continued)

2.1.1 Revenue and income from government grants (continued)

Income from government grants

Income from government grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when The Gordon has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, The Gordon recognises any related grants by owners, increases in liabilities and decreases in assets ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*;
- a lease liability in accordance with AASB 16 *Leases*;
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; and
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Specific criteria in relations to determining whether government grants are accounted for as revenue per AASB 15 or income per AASB 1058 are set out below:

| Source of Funding | Nature | Performance Obligation | Timing of Satisfaction |
|---------------------------------|--|--|---|
| State government – contestable | Refers to Victorian state government funding for which The Gordon must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers. | The funding agreement for these grants outlines the performance obligations to provide education services to eligible students and relevant terms and conditions. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB 15. | Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement. |
| State government – other grants | Refers to funding that is not recognised as contestable and includes specific purpose grants. | In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The Gordon recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract. | |
| | | Where performance obligations are sufficiently specific in accordance with AASB 15. | Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered. |

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements For the Year Ended 31 December 2023

2 How We Earned Our Funds (continued)

2.1 Government Grants (continued)

2.1.2 Capital grants income

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Government grants - capital | | |
| State government - capital | 1,660 | 10,582 |
| Total government grants - capital | 1,660 | 10,582 |
| | | |
| Total government grants | 70,007 | 79,500 |

| Revenue Type | Nature | Performance Obligation | Timing of Satisfaction |
|----------------------------|---|---|--|
| State government – capital | Where The Gordon receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by The Gordon. | Whilst The Gordon has an obligation to acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058. | Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building. Where government grants has been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.4). |

2.2 Revenue from fees, charges and sales

| | | |
|---|---------------|---------------|
| Student fees and charges | 5,240 | 4,519 |
| Fee for service - government | 4,125 | 4,310 |
| Fee for service - international operations - onshore | 646 | 892 |
| Fee for service - international operations - offshore | 11 | 112 |
| Fee for service - other | 1,878 | 1,295 |
| Other non-course fees and charges | | |
| Sale of goods | 4,549 | 3,582 |
| Total revenue from fees, charges and sales | 16,449 | 14,710 |

The following table provides a breakdown of contractual sales with customers based on timing of revenue:

| | | |
|---|---------------|---------------|
| Revenue recognised over time | 9,346 | 9,275 |
| Revenue recognised at a point in time | 7,103 | 5,435 |
| Total revenue from fees, charges and sales | 16,449 | 14,710 |

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

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

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

Other non-course fees and charges are recognised as the service is delivered to the student. For example, student amenities and services revenue is recognised as The Gordon provides the service to the student.

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

| Revenue Type | Nature | Performance Obligation | Timing of Satisfaction |
|--|---|---------------------------------|---|
| Student fees and charges | The Gordon provides educational services to eligible domestic students. Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services. | Provision of education services | Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability. |
| Fee for service – government | Relates to course fees funded by State government departments (excluding revenue/income recognised in Note 2.1.1). | Provision of services | Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability. |
| Fee for service – International onshore/offshore | Relates to international student course fees and other revenue for onshore and offshore training operations. | | |

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

| Revenue Type | Nature | Performance Obligation | Timing of Satisfaction |
|----------------------------|---|------------------------|--|
| Fee for service - other | Relates to revenue from training programs to domestic students (who are not eligible for a government funded subsidy) and private organisations (industry) | | |
| Revenue from sale of goods | | Delivery of goods | Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately. |

Revenue recognised in relation to contract liabilities

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Student fees and charges | 1,785 | 749 |
| Revenue recognised from performance obligations satisfied in previous periods | 1,500 | 1,660 |
| Total | 3,285 | 2,409 |

Transaction price allocated to remaining performance obligations

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

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

| | 2024 \$'000 | 2025 \$'000 | 2026 \$'000 |
|-----------------------------------|----------------|----------------|----------------|
| Revenue expected to be recognised | 3,100 | 185 | - |

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

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- federal government assistance (VET Student Loan); and/or
- invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 30 days).

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

2.3 Other revenue and income

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------|----------------|----------------|
| Interest income | 732 | 286 |
| Rental income | 280 | 104 |
| Donations, bequests and grants | 130 | 96 |
| Other income | 671 | 521 |
| Total other income | 1,813 | 1,007 |

| Other Income Type | Nature | Performance Obligation | Timing of Satisfaction |
|-------------------------------------|---|------------------------|--|
| Interest | Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. | None | Recognised taking into account the effective interest rates applicable to the financial assets. |
| Rental income from operating leases | The Gordon 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. The Gordon also receives rental income from long term lease arrangements with third parties. | None | Rental income is recognised on a time proportional basis and is brought to account when The Gordon's right to receive the rental is established. |

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements For the Year Ended 31 December 2023

2 How We Earned Our Funds (continued)

2.3 Other revenue and income (continued)

| Other Income Type | Nature | Performance Obligation | Timing of Satisfaction |
|------------------------|--|---|---|
| Donations and bequests | From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific. | None | Recognised on receipt, when there are no sufficiently specific performance obligations. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied. |
| Other income | | Other income is recognised when The Gordon's right to receive payment is established. | |

3 How We Expended Our Funds

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Salaries, wages, overtime and allowances | 47,763 | 48,069 |
| Superannuation | 5,598 | 5,211 |
| Payroll tax | 876 | 805 |
| Mental health levy | 257 | 244 |
| Workers compensation | 1,021 | 674 |
| Annual leave | 4,444 | 4,358 |
| Long service leave | 1,000 | 598 |
| Termination benefits | 514 | 586 |
| Other | 131 | 80 |
| Total employee benefits | 61,604 | 60,625 |

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

Gordon Institute of TAFE

ABN 27 241 053 246

Notes to the Financial Statements

For the Year Ended 31 December 2023

3 How We Expended Our Funds (continued)

3.1 Employee benefits (continued)

3.1.1 Employee benefits in the comprehensive operating statement (continued)

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. The Gordon 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 which are expected to be wholly-settled more than 12 months after balance sheet date are discounted to present value.

3.2 Superannuation

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

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

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

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Paid Contribution for the Year | | |
| Defined benefits plans: | | |
| State Superannuation Fund - revised and new | 81 | 106 |
| Total defined benefit plans | 81 | 106 |
| Accumulation contribution plans: | | |
| VicSuper | 2,558 | 2,462 |
| Other | 3,074 | 2,929 |
| Total accumulation contribution plans | 5,632 | 5,391 |
| Total paid contribution for the year | 5,713 | 5,497 |
| Contribution outstanding at year end | | |
| Accumulation contribution plans: | | |
| VicSuper | 225 | 209 |
| Other | 283 | 254 |
| Total accumulation contribution plans | 508 | 463 |
| Total contribution outstanding at year end | 508 | 463 |

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Notes to the Financial Statements For the Year Ended 31 December 2023

3 How We Expended Our Funds (continued)

3.2 Superannuation (continued)

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Purchases of supplies and consumables | 3,790 | 3,575 |
| Building repairs and maintenance | 1,965 | 2,792 |
| Contract and other services | 1,527 | 1,696 |
| Cost of goods sold / distributed (ancillary trading) | 2,901 | 2,595 |
| Professional fees and charges | 2,316 | 1,545 |
| Operating lease payments | - | 7 |
| Computer software and hardware expenses | 915 | 1,266 |
| Total supplies and services | 13,414 | 13,476 |

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

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

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

| Payable | | |
|---|------------|------------|
| Within one year | 429 | 271 |
| Later than one year but not later than five years | - | - |
| Later than five years | - | - |
| Total short-term and low value lease commitments | 429 | 271 |
| GST claimable on the above | 39 | 25 |
| Net short-term and low-value lease commitments | 390 | 246 |

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Notes to the Financial Statements

For the Year Ended 31 December 2023

3 How We Expended Our Funds (continued)

3.3 Supplies and services (continued)

3.3.2 Other expenditure commitments

Commitments for future maintenance, repairs or enhancements to investment property in existence at reporting date but not recognised as liabilities are as follows:

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|------|----------------|----------------|
| Payable | | | |
| Within one year | | 459 | 984 |
| Later than one year but not later than five years | | 535 | - |
| Later than five years | | - | - |
| Total other expenditure commitments | | 994 | 984 |
| GST claimable on the above | | (90) | (89) |
| Net other expenditure commitments | | 904 | 895 |
| 3.4 Other operating expenses | | | |
| Audit fees and services | 8.4 | 287 | 224 |
| Equipment below capitalisation threshold | | 461 | 1,869 |
| Marketing and promotional expenses | | 1,719 | 1,591 |
| Staff development | | 286 | 380 |
| Travel and motor vehicle expenses | | 384 | 437 |
| Utilities | | 1,115 | 1,113 |
| General expenses | | 2,328 | 1,948 |
| Impairment loss allowance | | 211 | 217 |
| Expenses relating to short-term leases | | 382 | 238 |
| Expenses relating to low-value leases | | 8 | 7 |
| Total other operating expenses | | 7,181 | 8,024 |

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

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

3.5 Finance costs

| | | | |
|----------------------------|--|-----------|-----------|
| Finance costs | | 95 | 86 |
| Total finance costs | | 95 | 86 |

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Notes to the Financial Statements

For the Year Ended 31 December 2023

3 How We Expended Our Funds (continued)

3.6 Depreciation and amortisation

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Depreciation of non-financial assets | | |
| Leasehold improvements | 93 | 99 |
| Buildings | 7,409 | 3,809 |
| Plant and equipment | 1,570 | 1,243 |
| Motor vehicles | 91 | 136 |
| Library collections | 30 | 27 |
| Works of art | 4 | 5 |
| Right-of-use assets | 513 | 464 |
| Total depreciation of non-financial assets | 9,710 | 5,783 |
| Amortisation of non-financial assets | | |
| Amortisation - computer software, other | 1,336 | 633 |
| Total amortisation of non-financial assets | 1,336 | 633 |
| Total depreciation and amortisation | 11,046 | 6,416 |

4 The Assets We Invested In

4.1 Property, plant and equipment

Fair value measurement

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

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

| | Gross Carrying Amount | | Accumulated Depreciation | | Net Carrying Amount | |
|---------------------------------|-----------------------|----------------|--------------------------|-----------------|---------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Land | 39,500 | 39,750 | - | - | 39,500 | 39,750 |
| Buildings | 150,697 | 148,000 | (7,405) | - | 143,292 | 148,000 |
| Construction in progress | 1,648 | 716 | - | - | 1,648 | 716 |
| Plant and equipment | 22,981 | 22,538 | (17,008) | (15,775) | 5,973 | 6,763 |
| Plant and equipment in progress | 796 | 220 | - | - | 796 | 220 |
| Motor vehicles | 848 | 1,087 | (769) | (971) | 79 | 116 |
| Leasehold improvements | 1,158 | 1,138 | (790) | (697) | 368 | 441 |
| Library collection | 3,654 | 3,612 | (3,459) | (3,429) | 195 | 183 |
| Works of art | 264 | 224 | (4) | - | 260 | 224 |
| Net carrying amount | 221,546 | 217,285 | (29,435) | (20,872) | 192,111 | 196,413 |

Refer to 4.1.1 for reconciliation of movements in carrying amount of property, plant and equipment.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

Initial recognition

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

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

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

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

Subsequent measurement

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

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

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

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

For the majority of The Gordon's specialised buildings, the current 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 current replacement cost.

The last comprehensive independent valuation of land and building assets (including land improvements) was conducted for the year ended 31 December 2022 by the Office of the Victorian Valuer-General. A formal revaluation of Cultural Art Works was also undertaken by the Victorian Valuer-General for the year ended 31 December 2022.

In years in which a comprehensive independent valuation is not performed, The Gordon's management performs a fair value assessment using applicable indices obtained from the VGV. In accordance with Financial Reporting Direction (FRD) 103, a fair value adjustment will be processed if there is a cumulative movement greater than 10% from the last comprehensive independent valuation. If the cumulative movement is greater than 40%, a full comprehensive independent valuation is required subject to approval by the Department. At 31 December 2023, the cumulative movement was less than 10%.

Revaluations of non-financial physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting

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Notes to the Financial Statements

For the Year Ended 31 December 2023

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

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

| | Land \$'000 | Buildings \$'000 | Construction in Progress \$'000 | Plant and Equipment \$'000 | Plant and Equipment in Progress \$'000 | Motor Vehicles \$'000 | Leasehold Improvements \$'000 | Library Collection \$'000 | Works of Art \$'000 | Total \$'000 |
|----------------------------|----------------|---------------------|---------------------------------------|----------------------------------|---|-----------------------------|-------------------------------------|---------------------------------|---------------------------|-----------------|
| 2023 | | | | | | | | | | |
| Opening net book amount | 39,750 | 148,000 | 716 | 6,763 | 220 | 116 | 441 | 183 | 224 | 196,413 |
| Additions | - | - | 3,648 | - | 1,523 | 62 | 20 | 42 | 40 | 5,335 |
| Impairment | (250) | (15) | - | - | - | - | - | - | - | (265) |
| Disposals | - | - | - | (167) | - | (8) | - | - | - | (175) |
| Transfers | - | 2,716 | (2,716) | 947 | (947) | - | - | - | - | - |
| Depreciation | - | (7,409) | - | (1,570) | - | (91) | (93) | (30) | (4) | (9,197) |
| Net carrying amount | 39,500 | 143,292 | 1,648 | 5,973 | 796 | 79 | 368 | 195 | 260 | 192,111 |
| 2022 | | | | | | | | | | |
| Opening net book amount | 23,780 | 100,440 | 17,646 | 4,879 | 2,501 | 270 | 574 | 171 | 181 | 150,442 |
| Additions | - | 1,389 | 15,133 | 3,127 | 1,381 | - | - | 39 | 10 | 21,079 |
| Revaluations | 15,970 | 17,917 | - | - | - | - | (34) | - | 38 | 33,891 |
| Disposals | - | - | - | - | - | (18) | - | - | - | (18) |
| Transfers | - | 32,063 | (32,063) | - | (3,662) | - | - | - | - | (3,662) |
| Depreciation | - | (3,809) | - | (1,243) | - | (136) | (99) | (27) | (5) | (5,319) |
| Net carrying amount | 39,750 | 148,000 | 716 | 6,763 | 220 | 116 | 441 | 183 | 224 | 196,413 |

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Notes to the Financial Statements For the Year Ended 31 December 2023

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

4.1.2 Capital commitments

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Payable | | |
| Within one year | 2,445 | 1,890 |
| Later than one year but not later than five years | 37,155 | - |
| GST payable on the above | 3,600 | 172 |
| Net capital expenditure commitments | 36,000 | 1,718 |

The current year capital commitments relate to State Government funded capital works project for the Centre of Excellence for Inclusion in Disability Health and Community Support.

4.1.3 Gain / loss on property, plant and equipment

| | | |
|--|------------|------------|
| Net gain/(loss) on disposal of property plant and equipment | 143 | 118 |
| Net gain/(loss) on disposal of property plant and equipment | 143 | 118 |

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

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

4.2 Intangible assets

Software

Gross carrying amount

| | | |
|------------------------|--------------|--------------|
| Opening balance | 7,782 | 7,756 |
| Additions | 345 | 26 |
| Work in progress | 294 | - |
| Disposals | (22) | - |
| Closing balance | 8,399 | 7,782 |

Accumulated amortisation and impairment

| | | |
|---|----------------|----------------|
| Opening balance | (6,362) | (5,729) |
| Amortisation charge | (572) | (633) |
| Impairment | (761) | - |
| Closing balance | (7,695) | (6,362) |
| Net carrying amount at end of the year | 704 | 1,420 |

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Notes to the Financial Statements

For the Year Ended 31 December 2023

4 The Assets We Invested In (continued)

4.2 Intangible assets (continued)

Initial recognition

The Gordon's purchased intangible assets include ICT Software and are initially recognised at cost.

Internally generated intangible assets

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

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

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

Configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement

SaaS arrangements are service contracts providing The Gordon with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where The Gordon has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide The Gordon with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs capitalised as a prepayment are recognised as expenses over the duration of the SaaS contract.

Judgement is required in determining whether:

- costs incurred result in the creation of an intangible asset that meets the recognition criteria in AASB 138;
- the configuration and customisation costs provide a distinct service where such costs do not give rise to the recognition of an intangible asset.

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Notes to the Financial Statements For the Year Ended 31 December 2023

4 The Assets We Invested In (continued)

4.2 Intangible assets (continued)

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives as outlined in Note 4.3.

Intangible assets recognised in accordance with AASB 1059 are subsequently measured under the revaluation model.

Impairment of intangible assets

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement.

The Gordon did not capitalise any expenditure in relation to the development of software.

4.3 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment, freehold buildings and right-of-use assets.

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

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

| Class of Assets | Useful Life | Method |
|------------------------|---|---------------|
| Buildings | 50 years (2022: 50 years) | Straight Line |
| Plant & equipment | 4 - 12.5 years (2022: 4 - 12.5 years) | Straight Line |
| Motor vehicles | 5 years (2022: 5 years) | Straight Line |
| Library collections | 4 - 10 years (2022: 4 - 10 years) | Straight Line |
| Works of art | 50 years (2022: 50 years) | Straight Line |
| Leasehold improvements | 10 - 12.5 years (2022: 10 - 12.5 years) | Straight Line |
| Software | 2.5 - 10 years (2022: 2.5 - 10 years) | Straight Line |
| Right-of-use assets | Lease term (2022: Lease term) | Straight Line |

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

5 Balances from Operations

5.1 Receivables

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Current | | |
| Receivables from contracts with customers | | |
| Trade receivables | 2,641 | 2,589 |
| Loss allowance on trade receivables | (804) | (923) |
| Other receivables | 215 | 640 |
| Total receivables from contracts with customers | 2,052 | 2,306 |
| Statutory receivables | | |
| GST input tax credit recoverable | - | 37 |
| Accounts owing from the Victorian Government | 1,663 | 1,221 |
| Total statutory receivables | 1,663 | 1,258 |
| Total current receivables | 3,715 | 3,564 |

Receivables consist of:

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

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured similarly to contractual receivables, but are not classified as financial instruments and are not included in the category of financial assets at amortised cost, because they do not arise from a contract.

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

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

Due to the short-term nature of current receivables, their carrying amount approximates the fair value.

Impairment

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

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Notes to the Financial Statements For the Year Ended 31 December 2023

5 Balances from Operations (continued)

5.1 Receivables (continued)

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Balance at the beginning of the year | 923 | 1,181 |
| Amounts written off | (296) | (424) |
| Net remeasurement of loss allowance | 177 | 166 |
| Balance at the end of the year | 804 | 923 |

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

Ageing analysis of contractual receivables

| | Carrying amount \$'000 | Not past due and not impaired \$'000 | Less than 1 month \$'000 | 1-3 months \$'000 | 3 months to 1 year \$'000 | 1-5 years \$'000 |
|-------------------|------------------------------|--|--------------------------------|-------------------------|---------------------------------|---------------------|
| 2023 | | | | | | |
| Trade receivables | 1,837 | 353 | 501 | 241 | 349 | 393 |
| Other receivables | 215 | 215 | - | - | - | - |
| Total | 2,052 | 568 | 501 | 241 | 349 | 393 |
| 2022 | | | | | | |
| Trade receivables | 1,666 | 64 | 507 | 179 | 401 | 515 |
| Other receivables | 640 | 640 | - | - | - | - |
| Total | 2,306 | 704 | 507 | 179 | 401 | 515 |

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

The Gordon's receivables relate to commercial sales of goods. The average credit period on receivables is 31 days (2022: 31 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

5 Balances from Operations (continued)

5.2 Other non-financial assets

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current | | |
| Prepayments | 2,177 | 1,557 |
| Inventories | 133 | 150 |
| Total current other non-financial assets | 2,310 | 1,707 |

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

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

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

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

5.3 Payables

Current

Contractual payables

| | | |
|-----------------------|-------|-------|
| Supplies and services | 5,579 | 4,214 |
|-----------------------|-------|-------|

Total contractual payables

| | |
|-------|-------|
| 5,579 | 4,214 |
|-------|-------|

Statutory payables

| | | |
|-------------|-----|---|
| GST payable | 157 | - |
|-------------|-----|---|

| | | |
|-------------|----|---|
| FBT payable | 28 | - |
|-------------|----|---|

Total statutory payables

| | |
|-----|---|
| 185 | - |
|-----|---|

Total current payables

| | |
|-------|-------|
| 5,764 | 4,214 |
|-------|-------|

Payables consist of:

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

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

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

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Notes to the Financial Statements For the Year Ended 31 December 2023

5 Balances from Operations (continued)

5.3 Payables (continued)

Ageing analysis of contractual payables

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

| | Carrying amount \$'000 | Nominal amount \$'000 | Less than 1 month \$'000 | 1-3 months \$'000 | 3 months - 1 year \$'000 | 1-5 years \$'000 |
|-----------------------|------------------------------|-----------------------------|--------------------------------|-------------------------|--------------------------------|---------------------|
| 2023 | | | | | | |
| Supplies and services | 5,579 | 5,579 | 4,615 | 488 | 201 | 275 |
| Total | 5,579 | 5,579 | 4,615 | 488 | 201 | 275 |
| 2022 | | | | | | |
| Supplies and services | 4,214 | 4,214 | 3,387 | 397 | 130 | 300 |
| Total | 4,214 | 4,214 | 3,387 | 397 | 130 | 300 |

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

The average credit period is 30 days (2022: 30 days), with the exception of the agreement for the program Greener Government Buildings, which has an agreed payment schedule over 5 years to 2025. No interest is charged on the other payables.

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

Due to their short-term nature, the carrying amounts of trade and other payables are not considered to be materially different to their fair values.

5.4 Contract and other liabilities

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

| | 2023 \$'000 | 2022 \$'000 |
|-----------------------------------|----------------|----------------|
| Contract liabilities | | |
| Student fees and charges | 1,785 | 749 |
| Total contract liabilities | 1,785 | 749 |

Contract liabilities

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

5 Balances from Operations (continued)

5.4 Contract and other liabilities (continued)

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------|----------------|----------------|
| Other liabilities | | |
| Deferred capital grants | 1,500 | 1,660 |
| Total other liabilities | <u>1,500</u> | <u>1,660</u> |

Deferred capital grants

Grant consideration was received from the Victorian Government to support the construction of the Culinary Precinct. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the Culinary Precinct. As such, The Gordon has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Contractual

| | | |
|--|--------------|--------------|
| Deferred capital grants at beginning of the year | 1,660 | 6,976 |
| Grant consideration for capital works received during the year | 1,500 | 5,266 |
| Grant consideration recognised as income under AASB 1058 | (1,660) | (10,582) |
| Closing balance of deferred capital grants | <u>1,500</u> | <u>1,660</u> |

5.5 Employee benefits in the balance sheet

Current provisions

Employee benefits

Annual leave

| | | |
|---|-------|-------|
| Unconditional and expected to settle within 12 months | 3,278 | 3,519 |
| Unconditional and expected to settle after 12 months | - | - |

Long service leave

| | | |
|---|-------|-------|
| Unconditional and expected to settle within 12 months | 983 | 939 |
| Unconditional and expected to settle after 12 months | 4,892 | 5,138 |

On costs

Annual leave

| | | |
|---|-----|-----|
| Unconditional and expected to settle within 12 months | 495 | 445 |
| Unconditional and expected to settle after 12 months | - | - |

Long service leave

| | | |
|---|-----|-----|
| Unconditional and expected to settle within 12 months | 157 | 123 |
| Unconditional and expected to settle after 12 months | 769 | 656 |

| | | |
|---------------------------------|---------------|---------------|
| Total current provisions | <u>10,574</u> | <u>10,820</u> |
|---------------------------------|---------------|---------------|

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Notes to the Financial Statements

For the Year Ended 31 December 2023

5 Balances from Operations (continued)

5.5 Employee benefits in the balance sheet (continued)

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Non-current provisions | | |
| Long service leave | | |
| Conditional and expected to settle after 12 months | 1,159 | 1,160 |
| Long service leave - on costs | | |
| Conditional and expected to settle after 12 months | 185 | 152 |
| Total non-current provisions | <u>1,344</u> | <u>1,312</u> |
| Total employee provisions | <u>11,918</u> | <u>12,132</u> |

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$10.6m (2022: \$10.8m) is presented as current, since The Gordon does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, The Gordon does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

| | | |
|---|---------------|---------------|
| Unconditional and expected to settle within 12 months | 4,913 | 5,026 |
| Unconditional and expected to settle after 12 months | 5,661 | 5,794 |
| Total current employee provisions | <u>10,574</u> | <u>10,820</u> |

5.6 Other provisions

| | | |
|-------------------------------|-----------|------------|
| Make good provision | 65 | 118 |
| Total other provisions | <u>65</u> | <u>118</u> |

Make good provision

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

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

Reconciliation of other provisions

| | | |
|--|-----------|------------|
| Opening balance | 118 | 115 |
| Reductions arising from payments | (54) | - |
| Adjustments resulting from re-measurement or settlement without cost | 1 | 3 |
| Closing balance | <u>65</u> | <u>118</u> |

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6 How We Financed Our Operations

6.1 Cash and cash equivalents

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------|----------------|----------------|
| Cash at bank and on hand | 10,455 | 7,624 |
| Deposits at call | 6,625 | 8,356 |
| Total cash and deposits | 17,080 | 15,980 |

Cash and 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

| | | |
|---|--------------|--------------|
| Net result for the year | (5,014) | 7,405 |
| Non-cash movements | | |
| Depreciation / amortisation of non-financial assets | 11,046 | 6,416 |
| Net (gain) / loss on sale of non-financial assets | (143) | (118) |
| Transfers (to) / from equity | (6) | 5 |
| Movements in assets and liabilities | | |
| Decrease / (increase) in receivables | (151) | (915) |
| Decrease / (increase) in inventories | 17 | 12 |
| Decrease / (increase) in other assets | (620) | (315) |
| (Decrease) / increase in payables | 1,438 | 1,732 |
| (Decrease) / increase in provisions | (267) | (1,523) |
| (Decrease) / increase in contract and other liabilities | 876 | (5,314) |
| Net cash flows from / (used in) operating activities | 7,176 | 7,385 |
| Per cash flow statement | 7,176 | 7,385 |

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.

6.1.2 Changes in liabilities arising from financing activities

| | Lease Liability \$'000 | Total \$'000 |
|--|------------------------------|-----------------|
| Balance at 1 January 2022 | 2,750 | 2,750 |
| Net cash from/(used in) financing activities (per Cash Flow Statement) | (394) | (394) |
| Acquisition of leases | 242 | 242 |
| Lease modification | (581) | (581) |
| Balance at 31 December 2022 | 2,017 | 2,017 |
| Net cash from/(used in) financing activities (per Cash Flow Statement) | (484) | (484) |
| Acquisition of leases | 954 | 954 |
| Balance at 31 December 2023 | 2,487 | 2,487 |

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Notes to the Financial Statements For the Year Ended 31 December 2023

6 How We Financed Our Operations (continued)

6.2 Borrowings

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current | | |
| Advances from Government (interest-free loan) | 258 | 245 |
| Non-current | | |
| Advances from Government (interest-free loan) | 849 | 980 |
| Total borrowings | <u>1,107</u> | <u>1,225</u> |

Advances from Government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, and where applicable, adjusted for transaction costs unless The Gordon designated a financial liability at fair value through profit or loss.

The measurement basis subsequent to initial recognition depends on whether The Gordon 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.

For advances 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.

For advances at fair value through profit or loss, any changes in its fair value and if applicable, any interest related charges are reported in profit or loss.

Maturity analysis of borrowings

| | Carrying Amount \$'000 | Nominal Amount \$'000 | Less Than 1 Month \$'000 | 1-3 Months \$'000 | 3 Months to 1 Year \$'000 | 1-5 Years \$'000 |
|--------------------------|------------------------------|-----------------------------|--------------------------------|-------------------------|---------------------------------|---------------------|
| 2023 | | | | | | |
| Advances from Government | 1,107 | 1,107 | - | - | 258 | 849 |
| Total | <u>1,107</u> | <u>1,107</u> | <u>-</u> | <u>-</u> | <u>258</u> | <u>849</u> |
| 2022 | | | | | | |
| Advances from Government | 1,225 | 1,225 | - | - | 245 | 980 |
| Total | <u>1,225</u> | <u>1,225</u> | <u>-</u> | <u>-</u> | <u>245</u> | <u>980</u> |

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

6 How We Financed Our Operations (continued)

6.3 Contributed capital

| | 2023 | 2022 |
|-------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Balance at 1 January | 27,729 | 27,729 |
| Issued for cash | - | - |
| Balance at 31 December | 27,729 | 27,729 |

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

6.4 Leases

Policy

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

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

As a lessee

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

6 How We Financed Our Operations (continued)

6.4 Leases (continued)

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

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

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

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that The Gordon is reasonably certain to exercise, lease payments in an optional renewal period if The Gordon is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless The Gordon is reasonably certain not to terminate early.

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

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

6 How We Financed Our Operations (continued)

6.4 Leases (continued)

Right-of-use assets

| | Property \$'000 | Vehicles and Equipment \$'000 | Equipment \$'000 | Total \$'000 |
|---|--------------------|-------------------------------------|---------------------|-----------------|
| 2023 | | | | |
| Balance as at 1 January 2023 | 1,539 | 240 | - | 1,779 |
| Additions to right-of-use assets | 523 | 196 | 235 | 954 |
| Reductions in right-of-use assets due to changes in lease liability | - | (45) | - | (45) |
| Amortisation | (347) | (146) | (20) | (513) |
| Balance as at 31 December 2023 | 1,715 | 245 | 215 | 2,175 |
| 2022 | | | | |
| Balance as at 1 January 2022 | 2,352 | 86 | - | 2,438 |
| Additions to right-of-use assets | 144 | 242 | - | 386 |
| Reductions in right-of-use assets due to changes in lease liability | (581) | - | - | (581) |
| Amortisation | (376) | (88) | - | (464) |
| Balance as at 31 December 2022 | 1,539 | 240 | - | 1,779 |

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Within one year | 620 | 367 |
| Later than one year but not later than five years | 2,021 | 1,826 |
| Total undiscounted lease liabilities as at 31 December | 2,641 | 2,193 |
| Future finance charges | (154) | (176) |
| Total discounted lease liabilities as at 31 December | 2,487 | 2,017 |
| Lease liabilities included in the balance sheet at 31 December | | |
| Current | 550 | 306 |
| Non-current | 1,937 | 1,711 |
| Total lease liabilities | 2,487 | 2,017 |

Short-term and low value leases

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

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Notes to the Financial Statements

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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

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|------|----------------|----------------|
| Contractual financial assets | | | |
| Financial assets measured at amortised cost | | | |
| Cash and deposits | 6.1 | 17,080 | 15,980 |
| Trade receivables | 5.1 | 1,837 | 1,666 |
| Other receivables | 5.1 | 215 | 640 |
| Total contractual financial assets | | 19,132 | 18,286 |
| Contractual financial liabilities | | | |
| Loans and payables | | | |
| Supplies and services | 5.3 | 5,579 | 4,214 |
| At amortised cost | | | |
| Borrowings (Advances from Government) | 6.2 | 1,107 | 1,225 |
| Lease liabilities | 6.4 | 2,487 | 2,017 |
| Total contractual financial liabilities | | 9,173 | 7,456 |

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

Categories of financial instruments

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

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

Financial assets measured at amortised cost are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

The Gordon recognises the following assets in this category:

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

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

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

7.1.1 Financial risk management objectives and policies

The Gordon is exposed to a variety of financial risks, market risk (including interest rate risk), credit risk and liquidity risk.

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

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

7.1.2 Credit risk

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

Credit risk is monitored on a regular basis. The Gordon 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 and financial standing; and
- customers that do not meet The Gordon's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 31 December 2023 and 31 December 2022 largely relate to student debtors, sponsor debtors, other debtors who engage The Gordon to provide training services or short courses as well as government agencies. These balances do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

In addition, The Gordon 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. The Gordon'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 The Gordon'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) \$'000 | Government Agencies (AAA-rating) \$'000 | Other Counterparty \$'000 | Total \$'000 |
|---|--|--|---------------------------------|-----------------|
| 2023 | | | | |
| Cash and deposits | 17,080 | - | - | 17,080 |
| Receivables | - | - | 2,052 | 2,052 |
| Total contractual financial assets | 17,080 | - | 2,052 | 19,132 |
| 2022 | | | | |
| Cash and deposits | 15,980 | - | - | 15,980 |
| Receivables | - | - | 2,306 | 2,306 |
| Total contractual financial assets | 15,980 | - | 2,306 | 18,286 |

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

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

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

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Notes to the Financial Statements

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7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2023 and the past 48 months before 31 December 2022, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Gordon has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2023 and 2022:

| | Estimated gross carrying amount \$'000 | Weighted average loss rate % | Estimated loss allowance \$'000 | Credit impaired? Yes/No |
|-----------------------------|--|---------------------------------------|--|-------------------------------|
| 31 December 2023 | | | | |
| Current (not past due) | 273 | 8 | 22 | No |
| 1 - 30 days past due | 597 | 16 | 95 | No |
| 31 – 60 days past due | 374 | 49 | 184 | No |
| 61 – 90 days past due | 132 | 62 | 82 | No |
| 91 - 120 days past due | 84 | 79 | 67 | No |
| More than 120 days past due | 1,181 | 30 | 354 | No |
| Total | 2,641 | | 804 | |
| 31 December 2022 | | | | |
| Current (not past due) | 217 | 9 | 19 | No |
| 1 - 30 days past due | 514 | 16 | 83 | No |
| 31 – 60 days past due | 290 | 60 | 173 | No |
| 61 – 90 days past due | 197 | 65 | 127 | No |
| 91 - 120 days past due | 56 | 88 | 49 | No |
| More than 120 days past due | 1,315 | 36 | 472 | No |
| Total | 2,589 | | 923 | |

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

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

Of the above impairment losses, \$Nil (2022: \$Nil) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

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

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

The Gordon manages liquidity risk by:

- maintaining adequate short term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- careful maturity planning of its financial obligations by matching the maturity profiles of financial assets and liabilities, and continuously monitoring forecast and actual cash flows.

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

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

In its daily operations, The Gordon is not exposed to market risks, including foreign exchange, price and interest rate risk. As such no related disclosures regarding these risks have been made.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

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 2023 (31 December 2022: None) that may have a material effect on the financial operations of The Gordon.

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 The Gordon.

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

The Gordon 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

There were no transfers between levels during the year.

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

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2023 and 2022.

7.3.1 Fair value determination of non-financial assets including right-of-use assets

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

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

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

| | Carrying amount at 31 December \$'000 | Fair Value Hierarchy | | |
|--|--|---------------------------------------|---|---|
| | | Level 1 Quoted Prices \$'000 | Level 2 Observable Price Inputs \$'000 | Level 3 Unobservable Inputs \$'000 |
| 2023 | | | | |
| Land at fair value | | | | |
| Non-specialised land | 19,776 | - | 19,776 | - |
| Specialised land | 19,724 | - | - | 19,724 |
| Total land at fair value | 39,500 | - | 19,776 | 19,724 |
| Buildings at fair value | | | | |
| Specialised buildings | 108,429 | - | - | 108,429 |
| Heritage buildings | 34,863 | - | - | 34,863 |
| Total buildings at fair value | 143,292 | - | - | 143,292 |
| Cultural assets at fair value | | | | |
| Works of art | 260 | - | 260 | - |
| Total cultural assets at fair value | 260 | - | 260 | - |

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.1 Fair value determination of non-financial assets including right-of-use assets (continued)

| | Carrying amount at 31 December \$'000 | Fair Value Hierarchy | | |
|--|--|---------------------------------|---|---------------------------------------|
| | | Level 1 Quoted Prices \$'000 | Level 2 Observable Price Inputs \$'000 | Level 3 Unobservable Inputs \$'000 |
| Other assets at fair value | | | | |
| Plant and equipment | 5,973 | - | - | 5,973 |
| Vehicles | 79 | - | - | 79 |
| Leasehold improvements | 368 | - | - | 368 |
| Library collection | 195 | - | - | 195 |
| Right-of-use assets | 2,175 | - | - | 2,175 |
| Total other assets at fair value | 8,790 | - | - | 8,790 |
| Total assets measured at fair value | 191,842 | - | 20,036 | 171,806 |
| 2022 | | | | |
| Land at fair value | | | | |
| Non-specialised land | 20,026 | - | 20,026 | - |
| Specialised land | 19,724 | - | - | 19,724 |
| Total land at fair value | 39,750 | - | 20,026 | 19,724 |
| Buildings at fair value | | | | |
| Specialised buildings | 111,755 | - | - | 111,755 |
| Heritage buildings | 36,245 | - | - | 36,245 |
| Total buildings at fair value | 148,000 | - | - | 148,000 |
| Cultural assets at fair value | | | | |
| Works of art | 224 | - | 224 | - |
| Total cultural assets at fair value | 224 | - | 224 | - |
| Other assets at fair value | | | | |
| Plant and equipment | 6,763 | - | - | 6,763 |
| Vehicles | 116 | - | - | 116 |
| Leasehold improvements | 441 | - | - | 441 |
| Library collection | 183 | - | - | 183 |
| Right-of-use assets | 1,779 | - | - | 1,779 |
| Total other assets at fair value | 9,282 | - | - | 9,282 |
| Total assets measured at fair value | 197,256 | - | 20,250 | 177,006 |

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.1 Fair value determination of non-financial assets including right-of-use assets (continued)

Impairment

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

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

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

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

7.3.2 Valuations of property, plant and equipment

Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2022. Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103 *Non-financial Physical Assets* issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. The land and building balances are considered to be sensitive to declining market conditions.

During the current year, the RBA have progressively increased the cash rate target from 3.1% at 1 January to 4.35% by year end. The RBA have taken these measures in response to higher than target inflation rates currently being experienced in the Australian economy. The increases in the cash rate target has had a consequential impact on the risk free and capitalisation rates used in determining the fair value of non-financial assets and creates increased estimation uncertainty as the market continues to adjust.

Further, rising costs of construction and inflation creates estimation uncertainty for assets measured at current replacement cost.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2022. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

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

Specialised land is valued using the market approach and then adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market 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. 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.

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

An independent valuation of The Gordon's specialised land 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 2022.

Specialised and heritage buildings are valued using the current replacement cost method for all but some minor exceptions. This represents the highest and best use when the market approach is not suitable. The replacement costs assessment is based on replacement of the existing building with a modern equivalent standard, and where heritage buildings are involved, a cost loading to reflect the likely need to replace any destroyed buildings with closely similar (ie heritage) architecture, then adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings and heritage buildings are classified as Level 3 fair value measurements.

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

An independent valuation of The Gordon's specialised and heritage 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 2022.

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

Motor vehicles are valued using the current replacement cost method. The Gordon 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 The Gordon 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 current replacement cost method.

Library collections are held at cost. The process of acquisition, use and disposal is managed by The Gordon who set relevant depreciation rates during use to reflect the utilisation of its collections.

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

There were no changes in valuation techniques throughout the period to 31 December 2023.

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

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Notes to the Financial Statements
For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Reconciliation of level 3 items for the periods ended 31 December 2022 and 31 December 2023

| | Leasehold Improvements \$'000 | Specialised and Heritage Buildings \$'000 | Specialised Land \$'000 | Plant and Equipment \$'000 | Motor Vehicles \$'000 | Library Collection \$'000 | Right-of- Use Assets \$'000 |
|---|-------------------------------------|--|-------------------------------|----------------------------------|-----------------------------|---------------------------------|--------------------------------------|
| Level 3 Fair value measurements 2022 | | | | | | | |
| As at 1 January 2022 | 574 | 100,440 | 12,355 | 4,879 | 270 | 171 | 2,438 |
| Additions | - | 33,452 | - | 3,127 | - | 39 | 386 |
| Disposals / Reductions in right-of-use assets due to changes in lease liability | - | - | - | - | (18) | - | (581) |
| Depreciation / Amortisation | (99) | (3,809) | - | (1,243) | (136) | (27) | (464) |
| Revaluation | - | 17,917 | 7,369 | - | - | - | - |
| Write-ups/transfers/(write-offs) | (34) | - | - | - | - | - | - |
| Transfers into or out of Level 3 | - | - | - | - | - | - | - |
| Balance as at 31 December 2022 | 441 | 148,000 | 19,724 | 6,763 | 116 | 183 | 1,779 |
| Level 3 Fair value measurements 2023 | | | | | | | |
| As at 1 January 2023 | 441 | 148,000 | 19,724 | 6,763 | 116 | 183 | 1,779 |
| Additions | 20 | - | - | - | 62 | 42 | 954 |
| Disposals / Reductions in right-of-use assets due to changes in lease liability | - | - | - | (167) | (8) | - | (45) |
| Depreciation / Amortisation | (93) | (7,409) | - | (1,570) | (91) | (30) | (513) |
| Revaluation | - | (15) | - | - | - | - | - |
| Write-ups/transfers/(write-offs) | - | - | - | - | - | - | - |
| Transfers into or out of Level 3 | - | 2,716 | - | 947 | - | - | - |
| Balance as at 31 December 2023 | 368 | 143,292 | 19,724 | 5,973 | 79 | 195 | 2,175 |

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Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Description of significant unobservable inputs to Level 3 valuations

| 2023 and 2022 | Valuation technique | Significant unobservable inputs | Estimated sensitivity |
|------------------------|--------------------------|--|---|
| Specialised land | Market approach | Community service obligation (CSO) adjustment | A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value. |
| Specialised buildings | Current replacement cost | Useful life of buildings and cost per square metre | A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value. |
| Heritage buildings | Current replacement cost | Direct cost per square metre | A change in the direct cost per square metre would result in a significantly higher or lower fair value. |
| Motor vehicles | Current replacement cost | Useful life of vehicles | A change in the useful life may have an impact on the fair value (higher / lower). |
| Plant and equipment | Current replacement cost | Useful life of plant and equipment | A change in the useful life may have an impact on the fair value (higher / lower). |
| Leasehold improvements | Current replacement cost | Useful life of leases | A change in the useful life may have an impact on the fair value (higher / lower). |
| Library collection | Current replacement cost | Useful life of library books | A change in the useful life may have an impact on the fair value (higher / lower). |

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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Notes to the Financial Statements

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8 Governance Disclosures

8.1 Responsible persons

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

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

| Position | Name | Dates of Appointment |
|--|----------------------------|--------------------------------------|
| Minister for Skills and TAFE | The Hon. Gayle Tierney MLC | 1 January 2023 to 31 December 2023 |
| Board Chair | David Bowen | 1 January 2023 to 31 December 2023 |
| Deputy Chair | Darryl Mohr | 1 January 2023 to 31 December 2023 |
| Chief Executive Officer | Joe Ormeno | 1 January 2023 to 31 December 2023 |
| Board Director | Daniel Smedley | 1 January 2023 to 31 December 2023 |
| Board Director | Matthew Wright | 1 January 2023 to 31 December 2023 |
| Board Director (employee representative) | Damien Marchant | 1 September 2023 to 31 December 2023 |
| Board Director (employee representative) | Luisa Drent | 1 January 2023 to 27 June 2023 |
| Board Director | Corrina Eccles | 1 January 2023 to 31 December 2023 |
| Board Director | Gillian Miles | 1 January 2023 to 30 September 2023 |
| Board Director | Patti Manolis | 1 January 2023 to 31 December 2023 |
| Board Director | Patricia Crossin | 1 January 2023 to 31 December 2023 |
| Board Director | Jennifer Cromarty | 1 October 2023 to 31 December 2023 |

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of The Gordon during the reporting period was in the range: \$420,000 – \$429,999 (2022: \$420,000 – \$429,999).

There were no termination benefits included in the 2023 remuneration of responsible persons (2022: \$30,000 - \$39,000 paid to one staff member acting as an employee representative on the Board who left The Gordon in May 2022).

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

| | 2023 | 2022 |
|------------------------------------|------------|------------|
| Income range | | |
| Less than \$10,000 | 1 | 1 |
| \$10,000 – \$19,999 | 1 | 1 |
| \$20,000 – \$29,999 | 6 | 6 |
| \$40,000 – \$49,999 | 2 | 1 |
| \$50,000 – \$59,999 | 1 | - |
| \$70,000 – \$79,999 * | - | 2 |
| Total number | 11 | 11 |
| Total remuneration (\$'000) | 321 | 367 |

* Note that the responsible persons includes one member of staff acting as an employee representative.

Remuneration of the Responsible Minister is included in the State's Annual Financial Report.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

8 Governance Disclosures (continued)

8.2 Remuneration of executives

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

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

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

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

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

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

Variations in short-term employee benefits and termination benefits are principally attributable to The Gordon's ongoing education review. The review saw the departure of three executive officers. Concurrently, the Annualised Employee Equivalents have decreased due to these executive positions being temporarily unfilled or occupied on an interim basis at year-end as the restructure progresses.

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Remuneration | | |
| Short-term employee benefits | 845 | 974 |
| Post-employment benefits | 94 | 90 |
| Other long-term benefits | 3 | 19 |
| Termination benefits | 428 | 39 |
| Total remuneration | 1,370 | 1,122 |
| Total number of executives | 5 | 4 |
| Total annualised employee equivalents (i) | 3 | 4 |

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

8.3 Related parties

Related parties of The Gordon include:

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

8 Governance Disclosures (continued)

8.3 Related parties (continued)

The following entity has not been consolidated into The Gordon's financial statements in accordance with AASB 10, as previously stated:

- Gotec Limited

Significant transactions with related entities

| | Transaction values for year ended 31 December | | Balances outstanding as at 31 December | |
|---|---|----------------|--|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Related party transactions | | | | |
| Debtor - Barwon Child Youth and Family (BCYF) | 3 | 4 | - | - |
| Debtor - Barwon Water | 11 | - | - | - |
| Debtor - Belmont High | - | 58 | - | - |
| Debtor - City of Greater Geelong | 17 | - | - | - |
| Debtor - Cottage by the Sea | 3 | - | - | - |
| Debtor - NDIA | 82 | - | - | - |
| Debtor - Victorian TAFE Association | - | 43 | - | - |
| Debtor - Wadawurrung Traditional Owners Aboriginal Corp | 5 | - | - | - |
| Debtor - Wyndham City Council Reconciliation Advisory Committee | 1 | - | - | - |
| Creditor - Barwon Child Youth and Family (BCYF) | (2) | - | - | - |
| Creditor - Barwon Water | (46) | (34) | - | - |
| Creditor - Belmont High | - | (2) | - | - |
| Creditor - Committee for Geelong | (35) | (15) | (10) | - |
| Creditor - Committee for Wyndham | - | (3) | - | - |
| Creditor - Victorian TAFE Association | (158) | (90) | - | - |
| Creditor - Wadawurrung Traditional Owners Aboriginal Corp | (5) | (5) | (37) | - |
| Creditor - Wyndham City Council Reconciliation Advisory Committee | (7) | - | - | - |
| Total | (131) | (44) | (47) | - |

Key management personnel of The Gordon include the members of the The Gordon's Board, the Chief Executive Officer, the Chief Finance Officer, the Chief Operating Officer and other staff who have executive decision making responsibilities.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

8 Governance Disclosures (continued)

8.3 Related parties (continued)

Compensation of key management personnel

| | 2023 \$'000 | 2022 \$'000 |
|------------------------------|----------------|----------------|
| Remuneration | | |
| Short-term employee benefits | 1,526 | 1,669 |
| Post-employment benefits | 152 | 144 |
| Other long-term benefits | 15 | 31 |
| Termination benefits | 428 | 75 |
| Total remuneration | <u>2,121</u> | <u>1,919</u> |

Transactions and balances with key management personnel and other related parties

The Gordon had no other related party transactions for the period ended 31 December 2023.

8.4 Remuneration of auditors

Remuneration of the Victorian Auditor-General's Office

| | | |
|-----------------------------------|-----------|----|
| Audit of the financial statements | <u>95</u> | 98 |
|-----------------------------------|-----------|----|

Total remuneration of the Victorian Auditor-General's Office

| | | |
|--|-----------|----|
| | <u>95</u> | 98 |
|--|-----------|----|

Remuneration of other auditors

| | | |
|-------------------------|------------|-----|
| Internal audit services | <u>192</u> | 126 |
|-------------------------|------------|-----|

Total remuneration of other auditors

| | | |
|--|------------|-----|
| | <u>192</u> | 126 |
|--|------------|-----|

Total

| | | |
|--|------------|-----|
| | <u>287</u> | 224 |
|--|------------|-----|

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

9 Other Disclosures

9.1 Other economic flows included in net result

Net gain/(loss) on financial instruments

| | | |
|----------------------------------|------------|------|
| Greener Government loan discount | <u>118</u> | (42) |
|----------------------------------|------------|------|

Total net gain/(loss) on financial instruments

| | | |
|--|------------|------|
| | <u>118</u> | (42) |
|--|------------|------|

Net gain/(loss) on non-financial assets

Other gains/(losses) from other economic flows

| | | |
|--|--------------|-----|
| Net gain/(loss) arising from revaluation of long service leave liability | <u>(204)</u> | 739 |
|--|--------------|-----|

Total other gains/(losses) from other economic flows

| | | |
|--|--------------|-----|
| | <u>(204)</u> | 739 |
|--|--------------|-----|

Total other economic flows included in net result

| | | |
|--|-------------|-----|
| | <u>(86)</u> | 697 |
|--|-------------|-----|

Net gain/(loss) from revaluation of long service leave liability and annual leave liability are changes arising due

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Notes to the Financial Statements

For the Year Ended 31 December 2023

9 Other Disclosures (continued)

9.1 Other economic flows included in net result (continued)

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); and
- remeasurement arising from employee benefits (refer to Note 3.1)
- 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

9.2.1 Physical asset revaluation surplus

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Balance at 1 January | 117,363 | 83,473 |
| Revaluation increment/(decrement) on non-current assets | (265) | 33,890 |
| Balance at 31 December | 117,098 | 117,363 |

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

9.2.2 Special and general purpose reserves

| | | |
|---|--------------|--------------|
| Balance at 1 January | 1,323 | 1,328 |
| Transfers from/(to) accumulated surplus | 6 | (5) |
| Balance at 31 December | 1,329 | 1,323 |

| | | |
|-----------------------|----------------|----------------|
| Total reserves | 118,427 | 118,686 |
|-----------------------|----------------|----------------|

9.3 Ex gratia expenses

| | | |
|---------------------------------|-----------|-----------|
| Compensation for economic loss | 52 | 20 |
| Total ex gratia payments | 52 | 20 |

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Notes to the Financial Statements

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9 Other Disclosures (continued)

9.4 Events after reporting date

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

9.5 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 2023 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises The Gordon of their applicability and early adoption where applicable.

AASB 2021-7c - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections is effective from 1 January 2022. However, this amendment is part of a series of amendments that defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* to annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

AASB 2022-5 - Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback amends AASB 16 *Leases* to add subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendment is not expected to impact The Gordon and The Gordon will not early adopt the standard.

In March 2020, the AASB issued *AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current*, which makes amendments to AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the balance sheet as current or non-current.

In December 2022, the AASB issued *AASB 2022-6 - Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*, which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The amendment is not expected to impact The Gordon and The Gordon will not early adopt the standard.

AASB 2022-10 - Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities amends AASB 13 *Fair Value Measurement*, including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The amendment is not expected to impact The Gordon and The Gordon will not early adopt the standard.

AASB 2023-1 - Amendments to Australian Accounting Standards - Supplier Finance Arrangements amends AASB 107 and AASB 7 to require an entity to provide additional disclosures about its supplier finance arrangements. The amendment is not expected to impact The Gordon and The Gordon will not early adopt the standard.

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Notes to the Financial Statements

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9 Other Disclosures (continued)

9.6 New or amended Accounting Standards and Interpretations adopted

The following Australian Accounting Standards and interpretations are mandatory for the 31 December 2023 reporting period.

AASB 2021-2 - Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends:

- *AASB 7 - Financial Instruments*;
- *AASB 7 - Presentation of Financial Statements*;
- *AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors*; and
- *AASB 134 - Interim Financial Reporting*.

The Standard also makes amendments to *AASB Practice Statement 2 Making Materiality Judgements* (December 2017). These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2022 of the following International Financial Reporting Standards:

- *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2); and
- *Definition of Accounting Estimates* (Amendments to IAS 8)

The amendment has not had a material impact on The Gordon's financial statements.

AASB 2022-3 - Amendments to Australian Accounting Standards - Illustrative examples for NFPs accompanying AASB 15 amends the Australian illustrative examples for not-for-profit entities accompanying *AASB 15 Revenue from Contracts with Customers* to illustrate how *AASB 15* applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of *AASB 15*. The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of right-of-use assets arising under concessionary leases at cost or at fair value. The amendment did not have an impact on The Gordon's financial statements.

AASB 2022-7 - Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards makes editorial corrections to six Standards and to *Practice Statement 2 Making Materiality Judgements*. It also formally repeals superseded and redundant Australian Accounting Standards as set out in Schedules 1 and 2 to the Standard. The amendment did not have an impact on The Gordon's financial statements.

KEY PERFORMANCE INDICATORS

Gordon Institute of TAFE

ABN 27 241 053 246

Key Performance Indicators

For the Year Ended 31 December 2023

TAFE Sector Standard Key Performance Indicators

| Indicator Title | Description and Methodology | Metric | 2023 Target | 2023 Actual | Explanation of Variances | Prior Year |
|--|---|------------|----------------------------|---------------------------|---|----------------------------|
| Training revenue diversity | Breakdown of training revenue by: - Government Funded (GF) - Fee for Service (FFS) - Student Fees and Charges (SFC) | Percentage | 75.30% 13.80% 10.90% | 77.70% 12.50% 9.80% | The 2023 budget was prepared with a degree of conservatism after the decrease in student numbers the sector experienced in 2022 and The Gordon far exceeded those expectations. 2023 saw strong student numbers back into the TAFE sector with our Government Funded revenue increasing from \$34.3m in 2022 to \$43.2m in 2023. This significant increase has slightly skewed our training revenue ratios. Our Fees & Charges revenue also increased on the 2022 figure (2023: \$5.2m; 2022: \$4.5m), however our Fee for Service saw a marginal decrease (2023: \$6.55m; 2022: \$6.6m). | 75.40% 14.60% 10.00% |
| Employment costs as a proportion of training revenue | Employment and third party training delivery costs as a proportion of training revenue. | Percentage | 110.50% | 113.70% | This result was consistent with our budget and a significant improvement on the 2022 result. Staffing costs were able to be maintained consistently despite increases in the superannuation guarantee charge from 10.5% to 11% and the Victorian Government's implementation of the COVID-19 debt temporary payroll tax surcharge of 0.5%. This result when compared to 2022 was also assisted by our expired Teaching MEA agreement still being negotiated and as such no pay rises were applicable in 2023. | 133.50% |
| Training revenue per teaching FTE | Training revenue (excl. revenue delivered by third parties) per Teaching FTE: <i>Training revenue (excl. revenue delivered by 3rd parties)/Teaching FTEs</i> | Dollars | \$203,250 | \$191,133 | The 2023 result was behind budget but was a significant improvement on our 2022 result. Additional students were predominantly able to be incorporated into existing operations which enabled us to better utilise our teachers to achieve a better result. | \$164,059 |
| Operating margin percentage | Operating margin %: <i>EBIT (excl. Capital Contributions)/Total Revenue (excl. Capital Contributions)</i> | Percentage | -16.30% | -7.70% | The 2023 result was ahead of budget due to the additional revenue generated from our increase in student numbers and also an additional \$8m in grant funding from the State Government. | -4.60% |

Gordon Institute of TAFE

ABN 27 241 053 246

Performance Statement For the Year Ended 31 December 2023

Declaration by Board Chair, Chief Executive and Chief Finance and Accounting Officer

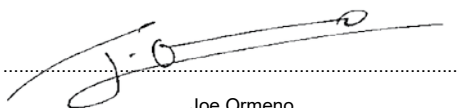
In our opinion, the accompanying Statement of Performance of the Gordon Institute of TAFE, in respect of the year ended 31 December 2023, is presented fairly.

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

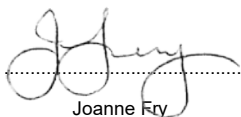
As at the date of signing, we are not aware of any circumstance which would render any particulars in the Statement to be misleading or inaccurate.



David Bowen
Board Chair



Joe Ormeno
Chief Executive Officer



Joanne Fry
Chief Finance and Accounting Officer

Dated 4th April 2024

Geelong



Independent Auditor's Report

To the Board of the Gordon Institute of TAFE

| | |
|--|---|
| Opinion | <p>I have audited the accompanying performance statement of the Gordon Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2023 • declaration by Board Chair, Chief Executive and Chief Finance and Accounting Officer <p>In my opinion, the performance statement of the Gordon Institute of TAFE in respect of the year ended 31 December 2023 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Board's responsibilities for the performance statement | <p>The Board are 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> |
| Auditor's responsibilities for the audit of the performance statement | <p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p> |

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 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
8 April 2024



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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GOTEC Limited

ABN 49 006 410 671

Financial Statements

For the Year Ended 31 December 2023

GOTEC Limited

ABN 49 006 410 671

For the Year Ended 31 December 2023

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GOTEC Limited ("the Company") has presented its audited-general purpose financial statements for the financial year ended 31 December 2023 in the following structure to provide users with the information about Company's stewardship of resources entrusted to it.

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Independent Auditor's Report

To the Directors of GOTECH Limited

| | |
|---|---|
| Opinion | <p>I have audited the financial report of GOTECH Limited (the Company) which comprises the:</p> <ul style="list-style-type: none"> • Balance Sheet Name as at 31 December 2023 • Comprehensive Operating Statement for the year then ended • Statement of Changes in Equity for the year then ended • Cash Flow Statement for the year then ended • notes to the financial statements, including significant accounting policies • Declaration by the Directors of the Company. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>. |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Directors' responsibilities for the financial report | <p>The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |
| Auditor's responsibilities for the audit of the financial report | <p>As required by the <i>Audit Act 1994</i>, 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</p> |

decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
5 April 2024



Nick Walker
as a delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Directors, GOTEC Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

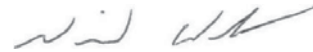
Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for GOTEC Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Financial Management Act 1994* and the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
5 April 2024



Nick Walker
as a delegate for the Auditor-General of Victoria

GOTEC Limited

ABN 49 006 410 671

**Directors' Report
For the Year Ended 31 December 2023**

The directors present their report on GOTEC Limited ("the Company") for the financial year ended 31 December 2023.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Joe Ormeno

Qualifications Bachelor of Commerce (Accounting and Finance), CPA

Mr Daniel Smedley

Qualifications Bachelor of Commerce, Bachelor of Law, Masters in Tax, Chartered Tax Adviser, Accredited Specialist in Tax Law, Australian legal practitioner

Ms Patti Manolis (OAM)

Qualifications Bachelor of Education; Graduate Diploma of Business; Graduate Australian Institute of Company Directors)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meetings of directors

The Company is largely dormant, the Directors meet once a year.

Principal activities

No activities were conducted this financial year and income relates to investment earnings.

Objectives

The objective of the Company is to support The Gordon Institute of TAFE in commercial activities as they arise. These opportunities are considered by reference to The Gordon Institute of TAFE Strategic Objectives.

Directors' liability

In the event that the Company was wound up, each member would be liable for a maximum amount of \$10. With a total of 3 members on the Board, the maximum contribution would be \$30.

Review of operations

The operating profit for the year is \$2,433 (2022: \$1,129).

Auditor's independence declaration

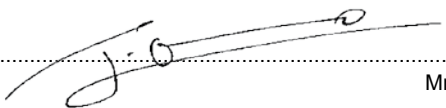
The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2023 has been received and can be found on page 71 of the financial report.

GOTEC Limited

ABN 49 006 410 671

Directors' Report
For the Year Ended 31 December 2023

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mr Joe Ormeno

Dated this 4th day of April 2024

Geelong

GOTEC Limited

ABN 49 006 410 671

**Financial Report For the Year Ended 31 December 2023
Declaration by the Directors of the Company**

The directors of GOTEC Limited ("the Company") declare that the attached financial statements for the Company have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, *Corporations Act 2001* and other mandatory professional reporting requirements.

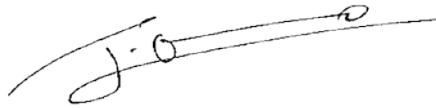
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, give a true and fair view of the financial transactions during the year ended 31 December 2023 and financial position of the GOTEC Limited as at 31 December 2023.

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

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



.....
Mr Daniel Smedley
Director



.....
Mr Joe Ormeno
Director

Dated this 4th of April 2024
Geelong

GOTEC Limited

ABN 49 006 410 671

**Comprehensive Operating Statement
For the Year Ended 31 December 2023**

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$ | \$ |
| Continuing operations | | |
| Revenue and income from transactions | | |
| Other income | 2,435 | 1,131 |
| Total revenue and income from transactions | <u>2,435</u> | <u>1,131</u> |
| Expenses from transactions | | |
| Other operating expenses | (2) | (2) |
| Total expenses from transactions | <u>(2)</u> | <u>(2)</u> |
| Net result from transactions | <u>2,433</u> | <u>1,129</u> |
| Other economic flows included in net result | - | - |
| Net result from continuing operations | <u>2,433</u> | <u>1,129</u> |
| Net result | <u>2,433</u> | <u>1,129</u> |
| Other economic flows - other comprehensive income | | |
| Items that will be reclassified to net result | - | - |
| Items that will not be reclassified to net result | - | - |
| Comprehensive result | <u>2,433</u> | <u>1,129</u> |

The above financial statement should be read in conjunction with the accompanying notes.

GOTEC Limited

ABN 49 006 410 671

Balance Sheet

As At 31 December 2023

| | 2023 | 2022 |
|-------------------------------|-------------------|--------|
| Note | \$ | \$ |
| ASSETS | | |
| FINANCIAL ASSETS | | |
| Cash and deposits | 3.1 <u>49,998</u> | 47,565 |
| TOTAL FINANCIAL ASSETS | <u>49,998</u> | 47,565 |
| TOTAL ASSETS | <u>49,998</u> | 47,565 |
| LIABILITIES | | |
| Payables | 2.1 <u>41,345</u> | 41,345 |
| TOTAL LIABILITIES | <u>41,345</u> | 41,345 |
| NET ASSETS | <u>8,653</u> | 6,220 |
| EQUITY | | |
| Accumulated surplus | <u>8,653</u> | 6,220 |
| NET WORTH | <u>8,653</u> | 6,220 |

The above financial statement should be read in conjunction with the accompanying notes.

GOTEC Limited

ABN 49 006 410 671

**Statement of Changes in Equity
For the Year Ended 31 December 2023****2022**

| | Accumulated Surplus | Total |
|------------------------------------|--------------------------------|--------------|
| | \$ | \$ |
| Balance at 1 January 2022 | 5,091 | 5,091 |
| Net result for the year | 1,129 | 1,129 |
| Balance at 31 December 2022 | <u>6,220</u> | <u>6,220</u> |

2023

| | Accumulated Surplus | Total |
|------------------------------------|--------------------------------|--------------|
| | \$ | \$ |
| Balance at 1 January 2023 | 6,220 | 6,220 |
| Net result for the year | 2,433 | 2,433 |
| Balance at 31 December 2023 | <u>8,653</u> | <u>8,653</u> |

The above financial statement should be read in conjunction with the accompanying notes.

GOTEC Limited

ABN 49 006 410 671

Cash Flow Statement

For the Year Ended 31 December 2023

| | 2023 | 2022 |
|---|---------------|---------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts | | |
| Interest received | 2,435 | 1,131 |
| Total receipts from operating activities | 2,435 | 1,131 |
| Payments | | |
| Payments to suppliers | (2) | (2) |
| Other payments | - | - |
| Total payments from operating activities | (2) | (2) |
| Net cash provided by/(used in) operating activities | 2,433 | 1,129 |
| | 3.1.1 | |
| Net increase/(decrease) in cash and cash equivalents held | 2,433 | 1,129 |
| Cash and cash equivalents at the beginning of the financial year | 47,565 | 46,436 |
| Cash and cash equivalents at the end of the financial year | 49,998 | 47,565 |
| | 3.1 | |

The above financial statement should be read in conjunction with the accompanying notes.

GOTEC Limited

ABN 49 006 410 671

Notes to the Financial Statements

For the Year Ended 31 December 2023

1 About This Report

GOTEC Limited ("the Company") is a company limited by guarantee. The controlling entity of GOTEC Limited is The Gordon Institute of TAFE. The financial statements cover GOTEC Limited as an individual reporting entity.

The Company's principal objective was to provide vocationally orientated training to meet specific needs of business, industry, government and individuals. From January 1996, the operations of the Company were transferred to The Gordon Institute of TAFE and it currently has no employees and remains dormant.

Its registered office and principal address is:

Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of the Company. These financial statements have been prepared in accordance with the historical cost convention, which is based on the fair values of the consideration given in exchange for assets.

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.

There have been no critical judgements made by management in the application of Australian Accounting Standards (AAS) that have had a significant effect on the financial statements.

Goods and Services Tax (GST)

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

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

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.

The Company currently has no substantial economic dependency, other than reliance on funding from its parent entity.

GOTEC Limited

ABN 49 006 410 671

Notes to the Financial Statements
For the Year Ended 31 December 2023**1 About This Report (continued)****1.1 Basis of preparation (continued)****Funding risk (continued)**

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

1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), the *Corporations Act 2001* and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

1.3 Impact of COVID-19

In 2023, the impacts of the COVID-19 pandemic, including movement and density restrictions, were no longer significant to the Company's operations.

Between 2020 and 2022, various restrictions such as self-isolation and border entry rules were enforced and implemented by the government in order to contain the spread of the virus and to prioritise the health and safety of our communities.

Consistent with the prior year, COVID-19 did not have a material impact on the Company and its operations as it has remained dormant during this period.

GOTEC Limited

ABN 49 006 410 671

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Balances from Operations

2.1 Payables

| | Note | 2023 \$ | 2022 \$ |
|-----------------------------------|------|---------------|---------------|
| Current | | | |
| Contractual payables | | | |
| Loan payable to The Gordon | 5.3 | 41,345 | 41,345 |
| Total contractual payables | | 41,345 | 41,345 |
| Total current payables | | 41,345 | 41,345 |

The Gordon Institute of TAFE has agreed that it will not recall this amount within the next 12 months. The liability is at call and is non-interest bearing.

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

Ageing analysis of contractual payables

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

| | Carrying amount \$ | Nominal amount \$ | Less than 1 month \$ | 1-3 months \$ | 3 months - 1 year \$ | 1-5 years \$ |
|-----------------------|--------------------------|-------------------------|----------------------------|---------------------|----------------------------|-----------------|
| 2023 | | | | | | |
| Supplies and services | - | - | - | - | - | - |
| Loan payable | 41,345 | 41,345 | 41,345 | - | - | - |
| Total | 41,345 | 41,345 | 41,345 | - | - | - |
| 2022 | | | | | | |
| Loan payable | 41,345 | 41,345 | 41,345 | - | - | - |
| Total | 41,345 | 41,345 | 41,345 | - | - | - |

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

3 How We Financed Our Operations**3.1 Cash and deposits**

| | 2023 | 2022 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Cash at bank and on hand | 49,998 | 47,565 |
| Total cash and deposits | 49,998 | 47,565 |

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank.

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

| | | |
|---|--------------|--------------|
| Net result for the year | 2,433 | 1,129 |
| Net cash flows from / (used in) operating activities | 2,433 | 1,129 |
| Per cash flow statement | 2,433 | 1,129 |

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.

4 Managing Risks and Uncertainties**4.1 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

| | | 2023 | 2022 |
|--|------|---------------|---------------|
| | Note | \$ | \$ |
| Contractual financial assets | | | |
| Financial assets measured at amortised cost | | | |
| Cash and deposits | 3.1 | 49,998 | 47,565 |
| Total contractual financial assets | | 49,998 | 47,565 |
| Contractual financial liabilities | | | |
| Loans and payables | | | |
| Related party payable | 2.1 | 41,345 | 41,345 |
| Total contractual financial liabilities | | 41,345 | 41,345 |

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

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Notes to the Financial Statements**For the Year Ended 31 December 2023****4 Managing Risks and Uncertainties (continued)****4.1 Financial instruments (continued)****Categories of financial instruments**

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

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

Financial assets measured at amortised cost are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

The Company recognises the following assets in this category:

- cash and deposits.

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

- payables (excluding statutory payables).

4.1.1 Financial risk management objectives and policies

The Company's main exposure to financial risks is interest rate risk.

4.1.2 Credit risk

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

The Company does not have a material exposure to credit risk. Its only financial assets are cash and deposits which are held with a reputable financial institution with an AA rating.

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

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Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Managing Risks and Uncertainties (continued)**4.1 Financial instruments (continued)****4.1.2 Credit risk (continued)**

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

| | Financial Institutions (AA-rating) | Government Agencies (AAA-rating) | Other Counterparty | Total |
|---|--|--|-----------------------|---------------|
| | \$ | \$ | \$ | \$ |
| 2023 | | | | |
| Cash and deposits | 49,998 | - | - | 49,998 |
| Receivables | - | - | - | - |
| Total contractual financial assets | 49,998 | - | - | 49,998 |
| 2022 | | | | |
| Cash and deposits | 47,565 | - | - | 47,565 |
| Receivables | - | - | - | - |
| Total contractual financial assets | 47,565 | - | - | 47,565 |

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

4.1.3 Market risk

The Company, 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 the Company.

The Company's exposure to market risk is primarily through interest rate risk. The objectives, policies and processes used to manage each of these risks are disclosed below.

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

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

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.3 Market risk (continued)

Cash flow interest rate risk is the risks that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has minimal exposure to cash flow interest rate risk as its cash and deposits are held at floating rates.

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

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

The Company's exposure to interest rate risks and the effective interest rates of financial assets are set out in the table below:

Interest rate exposure of financial instruments

| | Weighted average interest rate | Carrying amount at 31 December | Interest rate exposure | | |
|-------------------------------|--------------------------------|--------------------------------|------------------------|---------------------|----------------------|
| | | | Floating interest rate | Fixed interest rate | Non-interest bearing |
| | % | \$ | \$ | \$ | \$ |
| 2023 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 1 | 49,998 | 49,998 | - | - |
| Total financial assets | | 49,998 | 49,998 | - | - |
| 2022 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 1 | 47,565 | 47,565 | - | - |
| Total financial assets | | 47,565 | 47,565 | - | - |

Sensitivity analysis and assumptions

The Company's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up or down (2022: 100 basis points up or down) in market interest rates (AUD)

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**Notes to the Financial Statements
For the Year Ended 31 December 2023****4 Managing Risks and Uncertainties (continued)****4.1 Financial instruments (continued)****4.1.3 Market risk (continued)**

The following table shows the impact on the Company's net result and equity for each category of financial instrument held by the Company at the end of the reporting period, as presented to key management personnel, if the above movements were to occur:

| | Carrying amount at 31 December \$ | Interest rate risk | | | Equity \$ |
|-------------------------|--|------------------------|--------------|------------------------|--------------|
| | | -1% (100 basis points) | | +1% (100 basis points) | |
| | | Result \$ | Equity \$ | Result \$ | |
| 2023 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 49,998 | (500) | (500) | 500 | 500 |
| Total impact | 49,998 | (500) | (500) | 500 | 500 |
| 2022 | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 47,565 | (476) | (476) | 476 | 476 |
| Total impact | 47,565 | (476) | (476) | 476 | 476 |

4.2 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 2023 (31 December 2022: None) that may have a material effect on the financial operations of the Company.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

5 Governance Disclosures

5.1 Responsible persons

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

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

| Position | Name | Dates of Appointment |
|---|----------------------------|------------------------------------|
| Minister for Training and Skills and Higher Education | The Hon. Gayle Tierney MLC | 1 January 2023 to 31 December 2023 |
| Director | Joe Ormeno | 1 January 2023 to 31 December 2023 |
| Director | Daniel Smedley | 1 January 2023 to 31 December 2023 |
| Director | Patti Manolis | 1 January 2023 to 31 December 2023 |

Remuneration

The directors did not receive any remuneration from the Company in the year ended 31 December 2023 (2022: NIL). There are no other key management personnel in GOTEC Limited apart from the members of the board.

5.2 Ultimate parent entity

The ultimate parent entity of the Company is The Gordon Institute of TAFE.

5.3 Related parties

Related parties of the Company include:

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

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

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Notes to the Financial Statements**For the Year Ended 31 December 2023****5 Governance Disclosures (continued)****5.3 Related parties (continued)**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Related party transactions

| | 2023 | 2022 |
|---------------------------------|-------------------|---------------|
| Note | \$ | \$ |
| Current payables (loans) | | |
| The Gordon Institute of TAFE | 2.1 <u>41,345</u> | 41,345 |
| Total current payables | <u>41,345</u> | <u>41,345</u> |

5.4 Remuneration of auditors

The Company is reliant upon its parent entity for financial support for payment of its annual audit fees. During the year ended 31 December 2023, \$8,300 (2022: \$8,000) was paid for the external audit of the annual report.

6 Other Disclosures**6.1 Interest income**

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

6.2 Events after reporting date

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

6.3 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 2023 reporting period.

As at 31 December 2023, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2024 that are expected to impact the Company.

Geelong City Campus

2 Fenwick Street, Geelong
Victoria, Australia 3220

East Geelong Campus

Boundary Road, East Geelong
Victoria, Australia 3219

Werribee Campus

24 Watton Street, Werribee
Victoria, Australia 3030

Hoppers Crossing Trades Campus

195 Old Geelong Road, Hoppers Crossing
Victoria, Australia 3029

Werribee Princes Campus

180 Princes Highway, Hoppers Crossing
Victoria, Australia 3030

Colac Trade Training Centre

173 Queen Street, Colac
Victoria, Australia 3250

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