



Name:

Position:

Signed:

Date:

NOTES
Use this section to record additional detail, relevant eligibility information, including information you used to verify the student's eligibility that is not captured in Sections A or B.
If there are no notes, write N/A
Alexandra is eligible to enrol under JobTrainer due to her age (optional)

2022 ANNUAL REPORT

VET DEVELOPMENT CENTRE LIMITED



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The VET Development Centre acknowledges the Wurundjeri people as the Traditional Owners on whose Country our office is based. We recognise and respect the cultural heritage of Aboriginal and Torres Strait Islander peoples and pay our respect to their Elders past, present and emerging.

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ABOUT VDC

WHAT WE DO

The VET Development Centre (VDC) was established in 2005 by the Victorian Government to promote the development and raise the professional standing of people working in the Australian Vocational Education and Training (VET) Sector.

Through our services, the VDC provides continuous professional learning to all teaching and non-teaching staff in the VET Sector across Australia. This is achieved through the design and delivery of an extensive range of webinars, workshops and Thought Leader events, as well as Victorian Government funded continuing professional learning and evaluation activities to the Victorian VET workforce.

Since its inception in 2005, the VDC has evolved to become one of Australia's leading providers of professional learning for VET educators, trainers, lecturers and other VET professionals. Its training programs are independently evaluated by the Australian Council for Educational Research. All program content is mapped against the VET Practitioners Capability Framework for educators at all stages of their careers. There is no membership fee to utilise the VDC's services, however, there can be a small cost for registration in individual training events.

VDC provides learning in the form of online, in-person and hybrid workshops, webinars, free thought leadership seminars as well as an annual national conference. The innovations of online delivery have enabled VDC to deliver training across Australia to over 14,000 participants annually. This will be further supported by the launch of self-paced learning modules and webinar recordings through the VDC-Learn platform in 2023.

GOVERNANCE

The VDC is a public company limited by guarantee, with the Victorian Minister for Training and Skills as the sole member. The VDC is governed by an experienced Board of Directors appointed for their specialist expertise in VET, workforce development and corporate governance.

OUR VISION

The VDC is the Centre of Excellence for Continuing Professional Learning to the VET Workforce.

Our vision is to become the leading organisation for all VET professional learning programs for Government and training providers. With best practice training facilities and online platforms in place to expand our in-person and online reach, plus a continuously revitalised program focused on building quality through practice, excellence and innovation, we are confident in our contribution to building the capability of the VET workforce.

OUR VALUES

- // **Ethics and Integrity, Respect and Collaboration** through our strongly collaborative approach and trusted relationships.
- // **Passion and a Customer focus** through our dedicated efforts to understand the specific needs of our community and to be a partner in their success.
- // **Life-long learning and Quality** by continuously seeking out best practice methodologies and engaging in even more strategic collaborations - with providers and agencies - to build knowledge. Knowledge that can then be shared across the sector.

OUR 2022 GOALS AND SUCCESS INDICATORS

To achieve our vision of a centre of excellence guided by our values, we have identified the following strategic goals and success indicators for making this vision a reality in 2022:

OUR GOALS

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
Become the recognised leader of continuing professional learning & thought leadership for the VET sector workforce.	Enable the implementation of Victorian Government quality priorities for VET.	Enable VET providers & VET professionals to equip & inspire the delivery of quality learning outcomes.	Drive growth through exploration of new business opportunities.

OUR SUCCESS INDICATORS

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
<p>Major provider of professional learning & thought leadership for VET teachers, administrative & specialist staff.</p> <p>Raising the status of and recognition of VET practitioner career development.</p> <p>Evidenced by:</p> <ul style="list-style-type: none"> // Positive participant and client engagement // Broader range of programs to a wider audience // Research based policy advice & activities 	<p>Programs, activities and advice to support and strengthen initiatives.</p> <p>Evidenced by:</p> <ul style="list-style-type: none"> // Positive Ministerial, Victorian Skills Authority and Departmental feedback // Positive Independent evaluations 	<p>Flexible and responsive professional learning programs and activities.</p> <p>Adoption of a CPD recognition system.</p> <p>Establish active professional networks for VET practitioners and other staff.</p> <p>Continued high satisfaction ratings from participants and clients.</p>	<p>Diversified funding across Victorian Government and fee for service revenue sources.</p> <p>Strong brand recognition that is highly regarded throughout VET sector.</p> <p>Investment in best practice organisational enablers.*</p>

* ORGANISATIONAL ENABLERS are the skills and knowledge, the tools and resources, and the culture of the organisation that will enable it to achieve strategy.

ANNUAL PRIORITIES

To reach these goals, we develop an annual set of priorities which, for the 2022 calendar year, were as follows:

OUR 2022 PRIORITIES

Leading VDC	Enabling VDC	Customer-focused VDC	Thriving VDC
<ul style="list-style-type: none"> // Evaluate all programs and conduct targeted market research surveys. // Introduce intermediate and advanced professional learning programs, as well as refresher courses. // Introduce self-paced learning modules and blended online learning. // Explore scholarship and induction programs for VET Practitioners & specialist staff. // Explore the VDC's role as a knowledge leader & seek strategic collaborations. // Research and analyse innovative breakthroughs in VET workforce development. 	<ul style="list-style-type: none"> // Address appropriate workforce development initiatives outlined in the Victorian Skills Plan. // Achieve agreed outcomes of the Common Funding Agreement to the Victorian Skills Authority's satisfaction. // Provide robust advice to Government on VET workforce development as it impacts delivery of the Education State, Skills First and Victorian Skills Authority initiatives. 	<ul style="list-style-type: none"> // Achieve best practice in VDC facilitation. // Provide targeted introductory, intermediate and advanced professional learning. // Introduce communities of practice, and peer to peer networking sessions. 	<ul style="list-style-type: none"> // Refine a market development plan to deliver growth in priority markets, distinguishing Victorian from nationally focused programs. // Maintain strong corporate governance & fiscal responsibility for the entity. // Expand organisational capability of the VDC Board and staff and increase resourcing to support the new operating environment under the Victorian Skills Authority // Implement a Learning Management System to support training resources and self-paced learning. // Review website, social media and marketing resources and implement new strategy including reflecting arrangements with the Victorian Skills Authority.

ORGANISATIONAL STRUCTURE

VDC is governed by a Board of Directors appointed for their specialist skills and expertise in Vocational Education and Training, professional development and organisational governance.

VDC staff are supported by specialist consultants and teaching professionals for specific activities as required.



MESSAGE FROM THE CHAIR

It is with pleasure I present the VET Development Centre Limited (VDC) 2022 Annual Report.

I am pleased to report the activity and engagement outlined in this annual report reflects the resilience and flexibility of the VET Sector workforce during the unprecedented upheaval over the past 3 years. In 2022, the re-emergence of and re-engagement with in-person professional learning and other activities as well as ongoing support for online and hybrid training has been outstanding.

The VDC presents a strong case in supporting its vision of being a centre of excellence for the VET workforce, by providing and/or supporting over 500 events in 2022, which is a record for this organisation with over 13,500 registrants attracted to these sessions and activities. The overall satisfaction rating of 96% for VDC professional learning reflects the ability of the organisation to attract and service a larger cohort of participants. This engagement also reflects VDC's capability for adaptation and responsiveness to change, that is demonstrated by the VET workforce in Victoria and across Australia.

The Hon. Gayle Tierney MP, Minister for Training and Skills maintained the ongoing commitment to the VDC's government funded programs throughout a year of transition. This enabled the continuity of contracted professional learning for the TAFE, Learn Local and Skills First funded RTOs workforces.

2022 saw the first full year of VDC's collaboration with the Victorian Skills Authority (VSA) to provide specific professional learning to TAFE and Skills First funded providers in Victoria. Ongoing relationships with the Department of Education and Training and the Adult and Community Further Education Board of Victoria continued with specifically designed programs for VET in Schools teachers and the Learn Local workforce.

The launch of the inaugural Victorian Skills Plan in August 2022 provided a clear direction for the VDC to support the VSA through the Action to "Build the VET Workforce" - where it will be the VDC's role to partner with the VET Teacher workforce to further maintain and "establish a contemporary professional development framework that builds capability and promotes excellence".

The VDC welcomed the opportunity to coordinate research on behalf of the VSA on its action supporting



the future of the VET workforce with leading academics across Australia considering the key elements of workforce attraction, development, retention and support to inform VSA future internal policy deliberations.

VDC continues to thrive and enhance its professional learning programs, be it in partnership with the Victorian Skills Authority or through its own funded programs and activities, to support TAFE, private provider, learn local organisations and VET in Schools teachers all participating collaboratively at virtual and in-person learning experiences.

My ongoing thanks to Martin Powell CEO of VDC, the Board Secretary and staff, for their hard work in a challenging and exciting year. Thanks also to the capable, committed and diligent VDC Board Directors. 2022 saw the retirement of two highly regarded Directors: Thank you to Shirley Southgate and the VDC's long serving Director, Dr Mike Brown.

Three new Directors commenced their terms in late 2022. I will complete my term as Director and Chair in 2023. The Board will commence the process for the appointment of a new Chair from early 2023.

A handwritten signature in black ink, appearing to read 'Belinda McLennan'. The signature is fluid and cursive.

Dr. Belinda McLennan
Chairperson

CEO REPORT - 2022 HIGHLIGHTS



We returned to our training facilities in February wondering what would be ahead of us in 2022. The work from home culture had set in, but we were determined to do our bit to reinvigorate the Melbourne CBD and provide an alternative to online professional learning.

A gradual increase in office days for VDC staff balanced with a WFH roster for safety and continuity of service as staff succumbed to COVID-19 throughout the year, enabled an invigorated team to remain in place to welcome the VET sector and other professional learning participants back to in-person learning. Now equipped with the latest hybrid ZOOM Room learning technology, VDC was also able to provide hybrid learning for attendees unable to attend due to illness, backfilling colleagues, or caring for family.

And the outcome, over 2000 attendees came to the VDC premises for training and events in 2022, the room utilisation ratio climbed from 0 to over 50% from April onwards and a further 12,000 registering for online professional learning in Victoria and across Australia. For the first time, VDC delivered and supported over 500 sessions in a year.

We embraced World Teachers Day for the VET Sector through the free World Teachers' Day online seminar that featured the documentary Greening the VET Sector, produced in collaboration with the International Specialised Skills Institute. The complementary VET Thought Leadership Seminar series provided national access to inspiring presentations including themed sessions during National Reconciliation Week and National Skills Week. The annual Teaching & Learning Conference went from strength to strength on a virtual platform for the third consecutive year and focused on

the theme of Re-Emerging.

VDC was proud to partner with WorldSkills Australia and support the professional development of judges and volunteers that support the Skillaroos preparations for national and international events. Our ongoing support for deafConnectEd continued to assist with the provision of information relating to deaf or hard of hearing students to staff working in the Victorian VET sector. As part of our commitment to sustainability, VDC provided funding to CERES to support the professional learning of the educators and trainers committed to educating youth and adults on sustainable practices.

Through the support of the Victorian Skills Authority, Victorian Department of Education and Training, VDC was able to continue to provide significant professional learning programs for the TAFE, Victorian Skills First providers, Learn Local and VET In Schools workforce. An exciting development in 2022 was the reintroduction of the VDC Teaching Fellowship Program for new educators and the Workforce Development Grants to organisations to support the onboarding and retention of its teaching staff.

The Australian Council for Educational Research (ACER) conducted an independent evaluation for the fifth year in succession, to track the return on engagement, medium to longer term benefits and the impact of participation in the professional learning programs. Based on the evidence collected for the 2022 evaluation, ACER has found that the VDC continues to make an important contribution to the continuing professional development of the VET workforce.

I would like to congratulate the VDC team for their dedication and adaptability during 2022 and the Board for its guidance and oversight. I would also like to acknowledge the strong working relationship with our highly dedicated facilitators and the additional online moderators provided by the Australian Centre for Careers Education which, combined, enables VDC to deliver a vast range of in-person and online training at a consistently high standard.

The following report provides a snapshot of the programs and events undertaken in 2022.



Martin Powell
Chief Executive Officer

2022 HIGHLIGHTS

96%

average satisfaction rating for attendees surveyed at VDC programs

10,000+

attendees at VDC programs, events and services

13,700

registrations for all VDC services (a record)

500+

events hosted by VDC

3,500

registrations for in-kind events and services for the VET Sector

8,000+

registrations for 367 Victorian Government funded PD sessions (a record)

\$4 million

provided by Victorian Government to support the VDC and related professional development activities for Victorian Government funded training providers and Learn Local Organisations



PROFESSIONAL LEARNING

Teachers engage in professional learning to stimulate their thinking and professional knowledge and to ensure that their practice is critically informed and current.

When a wide range of high-quality, sustained professional learning experiences are undertaken, teachers are more likely to inspire pupils and provide high-quality teaching and learning experiences, enabling learners to achieve their best. (The General Teaching Council for Scotland)

The VDC provides continuous professional learning (non-accredited training) for the VET workforce through an extensive range of webinars, half and full day workshops and special events such as Thought Leader seminars, conferences and other functions.

To describe the level of content being presented in training, the VDC utilises Professional Learning Categories for its webinars and workshops as well as elements of the Victorian Government funded professional development programs. VDC professional learning is aligned to the levels in the VET Practitioner Capability Framework (IBSA 2013).

IBSA describes the framework as defining the broad capabilities required for a range of job roles in the VET sector. It provides a common language for the knowledge, skills, behaviours and attitudes that practitioners will display if they are performing well in their roles. The final framework consists of: (1) three levels that reflect the expertise and responsibility required of VET practitioners; (2) four domains describing the specialist skills required of VET practitioners; and (3) six skill areas that address more generic work skills required for VET practitioner job roles.

The level descriptions are described as:

▲ Introductory (New to the topic)

These sessions are aimed at practitioners that have a broad theoretical knowledge and practical experience of training and assessment. They operate independently and seek guidance when necessary.

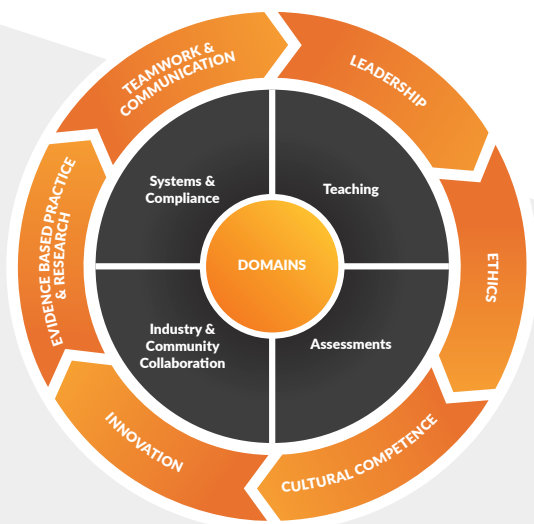
● Intermediate (Build on your existing Knowledge)

These sessions are aimed at practitioners that have specialised theoretical knowledge and practical experience of training and assessment. They employ a wide range of teaching and assessment methods and provide guidance and support to practitioners.

■ Advanced

These sessions are aimed at practitioners that have in-depth knowledge and established skills to shape a team's training and assessment practice. They inspire others, lead change processes and provide specialist advice and support.

All training is aligned to the level descriptions and four domains being Teaching, Assessment, Systems and Compliance, and Industry, Community and Collaboration domains and related capabilities as prescribed in the Framework.



VET Practitioner Capability Framework (IBSA 2013)

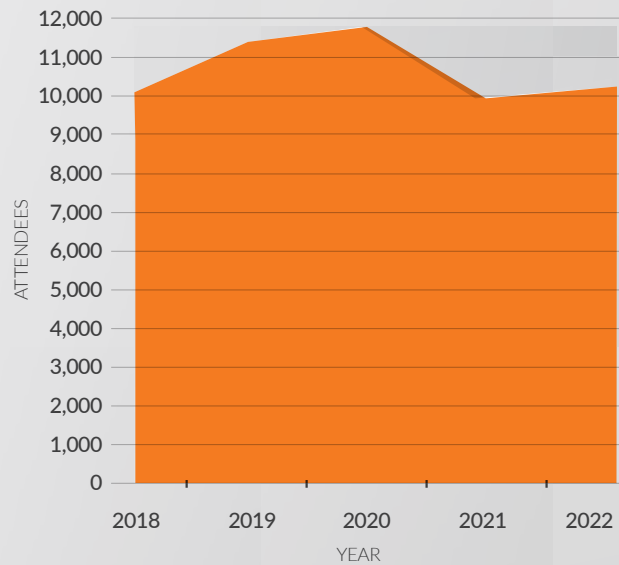
Over 13,700 registrations were processed for VDC services in 2022 from a record 542 events (397 in 2021). A record 15,400 registrations were achieved in 2021 and 14,500 registrations in 2020. This consistently high level of initial interest and engagement in VDC professional learning sessions and related events services reflects the consolidation of the organisation's position as a leading provider of professional learning services and facilities.

It was exciting to witness the return of in-person activity at the VDC training facilities with around 2000 participants attending professional learning and other events at VDC during 2022. Due to the extraordinary impact of working from home and home learning enforced during the COVID-19 pandemic all registrations in 2021 and 2020 were for online virtual activities with greater capacity, which contributed to the higher registration figures in these years.

Total engagement with the VDC programs, events and services in 2022 achieved attendance of approximately 10,100 participants in line with the 2021 result of 9,994. Further participation for registrants occurred through online access to recordings of sessions and self paced professional learning activities. VDC will introduce a new learning management system VDC-Learn in 2023 to capture the self paced, in your own time participation in addition to attendance at live sessions.

This activity represents attendance at all professional learning programs delivered including: VDC professional learning programs; Victorian government funded professional learning programs; customised training; webinar hosting services; and attendance at major VDC events.

ATTENDEES AT VDC ACTIVITIES



THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

The VDC offers access to 'experts' and models best practice

Having a focused opportunity to hear an expert talk about the topic and to ask questions in real time, rather than send emails which takes a lot longer and often does not provide a clear answer, was a real bonus.

-- *Childcare Compliance manager*

I see the VDC as modelling best practice and so I go to hear the facilitator's anecdotes about their own experience as well as their explanation of the workshop material.

-- *Security training, Compliance manager*

The VDC facilitators really get the challenges. They encourage you to think. I like to sit back and compare myself against the facilitator and others.

-- *Construction warehousing resources writer*



THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

The VDC offers access to 'experts' and models best practice

I used to love the trips into the VDC from the country – it was a real day out. But you would have to catch a 6am train and wouldn't get home 'til really late. The online sessions are perfect as you still feel part of a community but it's without that travel hassle.

-- **Teacher, Regional Community College**

After the break from travel and face to face get-togethers because of COVID-19 I really wanted to go down to town to see the VDC offices and meet people. I had a feel for the people that were Zooming in online without feeling that was distracting - noting their presence but not feeling alienated by the mixed mode.

-- **Regional TAFE teacher**

VDC is the only place I do PD. I work part time and have a small baby. Face to face is not suitable and I really value the VDC online model. The break out rooms with 3-4 members that provided an intimate honest dialogue was just so valuable.

-- **Casual/sessional teacher, Private RTO**

The facilities are great. Face to face is just the best after COVID-19 years. Excited to be back!!
More face to face please!

-- **Part-time teacher, Community Provider**

VDC Professional Learning Program

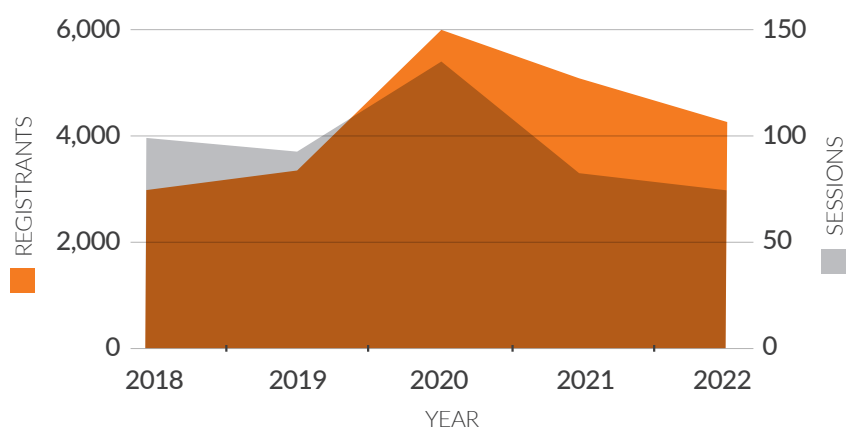
The VDC Professional Learning Program comprises of sessions that attendees pay a fee to participate and is open to anyone. There is no membership fee required to access this (or any other VDC) program and fees are equal to or lower than those offered by comparable member based professional learning organisations. The program also includes free thought leader seminars and the VDC's annual World Teachers' Day event. In-person, virtual and hybrid workshops, national webinars, seminars and a virtual conference to the sector were offered around the following key themes:

- // Assessment Essentials
- // Industry Engagement
- // Leadership & Management
- // Mapping & Validation
- // Quality, Compliance & Auditing
- // Teaching & Learning Strategies
- // Professional Learning Events

The welcomed return of in-person workshops in 2022 saw participants in the VDC training rooms for the first time since March 2020. Participants from across Australia pay a registration fee per session to access this program which provided a mix of in-person and virtual sessions over 74 events compared to 81 virtual learning sessions in 2021.

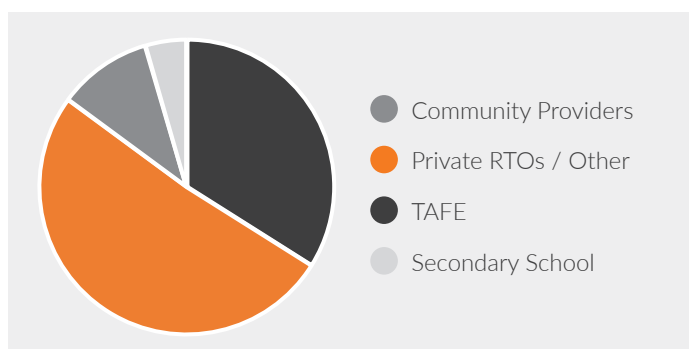
The Program achieved a total of 4,387 registrations from 74 virtual and in-person sessions. This compares to 5,139 registrations from 81 virtual sessions in 2021. This result compares favourably to the results of 2019, and the previous year that contained in-person as well as virtual sessions. The capacity for in-person sessions is set much lower than online sessions to maximise engagement therefore lower overall registration would be expected to decrease.

There was significant interest in the four VDC sponsored (free) Thought Leadership seminars and the World Teachers Day Seminar with over 1,600 registrations for these five events.



TAFE attendees have consistently maintained a one third share of attendees in the VDC Professional Learning Program since 2016 with TAFE employees representing 35% of registrations in 2022, while private provider organisations consisted of 31% of attendees and Community Providers 11%. Specific Learn Local programs and other government funded training initiatives which are discussed further in this report demonstrate the increase in participation by TAFE and Learn Local in these settings.

ORGANISATION	2018	2019	2020	2021	2022
TAFE	939	1091	2606	2005	1489
Private RTOs / Other	1760	1692	2483	2571	2244
Community Providers	394	579	811	476	454
Secondary School	64	67	98	87	200
TOTALS	3157	3429	5998	5,139	4,387



THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

VDC PD provides the opportunity for collegiate/specialist discussion

There was real value in talking to other people who do a similar job to the one I do. In my organisation I work with another colleague who manages resource development and assessment. But my role is on all compliance issues. Not many people understand the issues around compliance or are interested in talking about them. Being in a PD where that was everybody's primary issue was really refreshing.

-- *Childcare Compliance manager*

The VDC offers the opportunity to mix with other people that do the same type of work as me and I can check my understandings with them. It's a very collegiate experience. In the half day session I really enjoyed the part when we discussed which performance criteria were or were not observable and how to create materials that cover off on the holistic notion of competency.

-- *Security training, Compliance manager*



Professional Learning Solutions

In addition to the VDC Professional Learning Program, the VDC designs PD that meets individual workforce development needs for training organisations. Customised programs are delivered at the VDC, through the VDC online platforms or at training organisation locations across Australia. VDC was able to support over 600 participants in 24 sessions in 2022.

Our highly experienced content experts and consultants work with training organisations to design a program that identifies the organisation's workforce development needs and is delivered at a time and place that is convenient to an organisation. As an example, The Gordon TAFE in Geelong Victoria delivered customer service training to 120 professional staff and administrative officers on campus.

TAFE and RTOs moved to in-person training towards the end of 2022. As COVID-19 rules relaxed preference for in-person training increased as staff were brought together for professional learning days. The demand for webinars is still strong, notably it suits clients with participants across a range of locations and interstate.

Major clients in 2022 included:

- // TAFE NSW
- // TAFE SA
- // Department for Correctional Services, South Australia
- // VETASSESS
- // Adult, Community and Further Education Board
- // Federation University Australia (TAFE), Victoria
- // The Gordon, Victoria
- // Holmesglen Institute, Victoria
- // RMIT, Victoria
- // Westgate Community Initiatives Group Ltd (WCIG), Victoria
- // Darul Ulum College, Victoria
- // Educational Living, Victoria

VDC experienced a high volume of webinar recording sales from organisations to supplement their offerings to employees. Key topic areas included changes to classroom teaching practice, engaging online students, managing difficult student behaviours and teacher self-care to prevent burnout. TAFE NSW, TAFE SA, Holmesglen, Melbourne City College and Community Plus Learn Local purchased large bundles of webinar recordings to encourage self-paced and just-in-time learning.

THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

The sessions help to validate existing approaches and support continuous improvement

I go to the sessions to get validation that we are on the right track. Sometimes I see that we're doing things better than the norm and that is encouraging. Other times I notice small things we could improve on - identifying gaps in our process - and I come away and immediately make those changes. So I come away feeling really confident.

-- *Security training, Compliance manager*

I attended because the part of my job I find the most difficult is the mapping and the development of assessment tasks to cover all areas of competency in the units. When I saw a session with mapping in the title, I was drawn to it.

-- *Construction warehousing resources writer*

I went to check I was on the right track and of course to pick up on any tricks I might be missing! I got a lot out of the session. I realised I had to streamline some of my materials. I'm also interested in building in action learning through the training plan.

-- *Construction warehousing resources writer*

The session validated we were on the right track and it gave me ideas about referring to other documents within that TAS. I had our TAS documents in front of me as the session progressed and wrote all my notes directly onto that document. When I got back to work, I was able to share with other workers the things I felt we need to improve on.

-- *Childcare Compliance manager*



IN-KIND SUPPORT

The VDC endeavours to assist and support several VET focused departmental, community-based and not for profit organisations through the provision of in-kind services. In 2022 over 3,500 registrations were received for the sessions, compared to over 1,100 in 2021. Participants benefited from VDC contributing professional learning sessions, training facilities and webinar hosting / registration services for stakeholders such as WorldSkills Australia, deafConnectEd,

the Department of Education and Training Victoria, the Victorian Skills Authority and International Specialised Skills Institute.

VDC was proud to host conferences and forums for AVETRA, WAVE (Women and Vocational Education, International Specialised Skills Institute, the QuIET Network, and ACDEVEG.



ORGANISATION & TOPIC	DATE	DELIVERY
DET Information Session: Working together - the 2022 VET Funding Contract (RTO)	8/2/2022	Online
DET Information Session: Working together - the 2022 VET Funding Contract (LL)	11/2/2022	Online
DET Information Session: COVID-19 Update for Skills First RTOs & LL Providers	28/2/2022	Online
QuIET Network General Meeting	18/3/2022	Online
ISS Institute Illuminate Forum	1/4/2022	Online
AVETRA Conference	28/4/2022	Hybrid
AVETRA Conference AGM	28/4/2022	Hybrid
DET Information Session - COVID-19 Consultation	9/5/2022	Online
WSA - WorldSkills Australia - How to run a Regional Competition	20/5/2022	Webinar
QuIET Network General Meeting	20/5/2022	Online
deafConnectEd	7/6/2022	Webinar
WSA - Assessment, Judging and Marking	17/6/2022	Webinar
DET COVID19 Pandemic Orders Information Session	23/6/2022	Online
ISS Institute Illuminate Forum	30/6/2022	In-Person
ISS Institute Illuminate Forum	30/6/2022	Online
DET Information Session - Changes to COVIDSafe measures	14/7/2022	Online
QuIET Network General Meeting	15/7/2022	Online
VSA Board Meeting	19/7/2022	Hybrid
WSA - RTO Information Session	26/7/2022	Online
WSA - How to run a Regional Competition	3/8/2022	Webinar
WSA - Assessment, Judging and Marking	16/8/2022	Webinar
DET - Information Session for TMG College students	29/8/2022	Online
DET Information Session: 2023 ACFE Board Training EOI process	30/8/2022	Online
DET Information Session: 2023 ACFE Board Training EOI process	7/9/2022	Online
EOI 2023 Skills First contracts Information Session	16/9/2022	Online
QuIET Network Conference	30/9/2022	Seminar
WAVE National Forum 2022	21/10/2022	Hybrid
WAVE AGM	21/10/2022	Hybrid
deafConnectEd	25/10/2022	Online
VSA - Community Services and Health	23/11/2022	Hybrid
VSA - Construction	24/11/2022	Hybrid
VSA - Service Industry	28/11/2022	Hybrid
VSA - Electrotechnology, Electrical, Gas & New Energy Technology	29/11/2022	Hybrid
VSA - Manufacturing	30/11/2022	Hybrid
VSA - Primary Industries	1/12/2022	Hybrid
VSA - Public Safety, Public Sector, Corrections, Water & Local Government	6/12/2022	Hybrid
ACDEVEG Conference	8/12/2022	Online
WorldSkills Planning Day	13/12/2022	Hybrid

VICTORIAN GOVERNMENT FUNDED PROFESSIONAL DEVELOPMENT PROGRAMS

In 2022 the VDC delivered a diverse range of professional development programs funded by the Victorian Government, available to all training providers that held a Skills First funding contract with the Victorian Department of Education and Training (DET).

VDC programs are informed by the learning objectives and learning outcomes of the VET Practitioner Capability Framework (IBSA 2013), a framework that prescribes domains and related capabilities in the areas of: Teaching; Assessment; Systems and Compliance; and Industry, Community and Collaboration. All sessions were mapped and aligned to Teaching, Assessment, Systems & Compliance, and Industry, Community & Collaboration domains and related capabilities as prescribed in the Framework; and categorised as either Introductory, Intermediate or Advanced to describe the level of content.

Over 2,800 registrations were received for the Skills First Victorian Skills Authority funded programs and information sessions in 2022 for 101 sessions. When incorporating the additional Victorian Government Funded programs for VET in Schools, and ACFE teachers and trainers, VDC achieved over 8000 registrations for 367 events, compared to 5000 registrations for 230 events in 2021. This significant increase was driven by Skills First Fellowships, and ACFE and VET in Schools bespoke programs that provided multiple sessions across the year for the program participants.

The continuing effect of COVID-19 and the resulting restrictions on workplace attendance due to backfilling of teaching staff falling ill or performing carer responsibilities impacted on the ability for registrants to attend. Under these circumstances VDC was still able to achieve an **average satisfaction rating of 99%** for its programs.

The Skills First Victorian Skills Authority funded program built on the successes of previous years and created a learning environment and an extensive range of CPD opportunities for the VET Workforce. Sessions included webinars, deep dive webinars, virtual workshops, in-person workshops, blended learning segregated into three learning sessions and the new initiatives targeting VET Professionals Capability (Macklin Review recommendations) in the form of a 5-series Community of Best Practice, an immersive 16-session Professional

Fellowship Program, and five Workforce Development Grants.

VDC successfully delivered a hybrid model in 2022 providing a combination of virtual and in-person participation. This new model brought a substantial shift in how sessions were delivered; allowing a hybrid mix of simultaneous in-person attendees and virtual participants with VDC's Zoom Rooms technology enabling both groups of attendees to view the PowerPoint slides, presenter and participants whilst contributing equally to the session.

The government funded professional learning programs for 2022 commenced delivery on 31 March 2022 and concluded 17 November 2022. It is worthy to note that due to State Government 'work from home where possible' orders until late February 2022 and COVID-19 restrictions/vaccination requirements, in-person training commenced in May 2022 following the substantial easing of restrictions in late April 2022.

Furthermore, Victoria continued to operate under the shadows of COVID-19 constraints until isolation rules were lifted in October 2022 and although there was apprehension from participants to attend in-person, VDC successfully delivered **86** VSA-funded sessions in 2022 (cf. 67 in 2021), achieving **2141** VSA-funded registrations, (cf. 2062 in 2021) and **1390** VSA-funded attendees with an average overall satisfaction rate of **99%**.

Based on the evidence collected from the 2022 evaluations, the independent evaluation of the programs conducted by the Australian Centre for Educational Research (ACER) confirms that VDC programs continue to make an important contribution to the continuing professional development of the VET workforce in Victoria. Attendance and satisfaction ratings remained high at 90%+ in most series.

COMMUNITIES OF BEST PRACTICE PRINCIPLES

A new initiative targeting VET Professionals Capability saw the commencement of the **Communities of Best Practice Principles**. This was delivered as a 5-series opportunity for professional learning, interaction and networking covering facilitated core and rotating thematic ('hot topic') content. The sessions were a facilitated Community of Practice to interact, network and explore topic-based discussions on matters and trends put forward by the attendees. Participants were keen to include topics of interest pertaining to Mental Health in VET environments, Diverse Wellbeing Programs in the VET setting, Training and Compliance in the VET setting, and Career opportunities within the VET Sector. This series provided a development opportunity for VET practitioners and Emerging Leaders in the VET sector and a forum where attendees felt supported and connected.

WORKFORCE DEVELOPMENT GRANTS

For the first time since 2017 VDC reintroduced its Workforce Development initiative targeting organisational capability. The Victorian Skills Authority provided funding to enable five **Workforce Development Grants** allocations of \$25,000 to be established for operational innovation and workforce capability projects to selected providers that have a Skills First contract. The successful applicants from 35 applications were:

AMES Australia	Applying Phenomenon-based Learning in the teaching of Skills First funded EAL learners from CALD communities to make their learning more engaging, enjoyable and pragmatic.
ALACC Health College	Affirmative Action Project
Murray ACE Swan Hill Inc.	Upskilling Murray ACE Trainers
Box Hill Institute	Teacher Pathways Program - Developing our teachers
The Gordon	New Teacher Onboarding Experience

The VDC Workforce Development Grants provide financial support to Skills First Providers to build workforce capability and development within the VET Sector to support training providers in maintaining quality practices.

The projects applicants were encouraged to focus on areas of organisational workforce capability ranging from general teaching and learning practice to the exploration of a key workforce issue, a feature of good practice or the needs of a particular practitioner or specialist group to:

- // build skills and capability within the VET workforce;
- // allow greater mobility and transference of knowledge and skills across the VET system;
- // enhance the capacity of the organisation and the system as a whole;
- // improve outcomes for learners;
- // develop high quality teaching and learning practice resources;
- // deliver strategies to sustain new and improved practices; or
- // demonstrate a commitment to ongoing teaching and learning initiatives.

CASE STUDY

“Dear VDC Team,

I want to take this opportunity to formally thank you for the Workforce Development Grant provided to ALACC Health College, Australia, to undertake an important project on Cultural Safety. With the short timeline, we were able to achieve our objectives in this small-medium scale project and work within the allocated budget.

We found participating in reporting on our individual and unique projects through presentations was not only interesting and informative but a form of Professional Development (PD) for all of us. We took away from the individual group project presentations the need for early planning, assessing the possible threats to the project's progress and implementing contingency plans to achieve what we set out to do. We learnt that all participants did remarkably well within the short timeframe and substantial allocated budget.

All the participant's projects were unique, informative, compelling and valuable for students entering the Workforce. For a sustainable workforce to retain staff, we were encouraged to learn and implement some innovative ideas presented. We learnt about the process and the consultative and collaborative approach to achieving individual projects' outcomes. Participating in the presentation of our projects was also an opportunity for our own Professional Development. We took notes and had the opportunity to ask questions about other participants' projects. We could take away the innovative ideas implemented in each of the projects presented and apply them in our future projects.

We found that many of us were not alone in addressing the challenges. Yet, through commitment and perseverance, we were all able to achieve the objectives of the projects. It is encouraging to know that the ongoing work after the project is vital for a sustainable Workforce. It demonstrates a more sustainable workforce in VET education and other related Workforce in education and teaching, nursing, aged care, disability, mental health, and community services to improve the quality of services one provides and the quality of life for individuals and beyond is vital.

Once again, we are indebted to VDC for the Workforce Development Grant.”

VDC VET TEACHERS FELLOWSHIP

2022 saw the reintroduction of the VDC Teacher Fellowship Program. Funded by the Victorian Skills Authority, the program was launched on 26 May 2022.

The Teaching Fellowship aimed to provide an immersive experience for relatively new teachers, by providing a comprehensive development program which built on their teaching and educational leadership capability. To be eligible for one of the 20 Fellowships, applicants had to be a VET teacher with one to four years teaching experience and employed by a training provider with a 2022 Skills First VET Funding Contract. Applications were endorsed by the applicant's organisation's CEO.

Provided by VDC, the program included an appropriate course of teacher training, professional development and other learning activities such as:

- // Blended learning program – webinars, Moodle and face-to-face sessions
- // VDC classroom teaching sessions
- // Masterclasses and industry networking
- // Community of Practice & Action Learning Project work - best practice & reflection
- // Presentation at VDC Teaching & Learning Conference 2022



“I would recommend this program to new teachers. It provides you with a community of teachers that you can keep in touch with. We are already talking about how we can keep things going.”



ADDITIONAL VICTORIAN GOVERNMENT FUNDED PROGRAMS

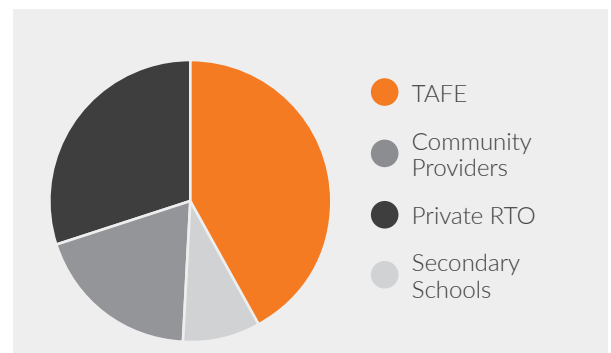
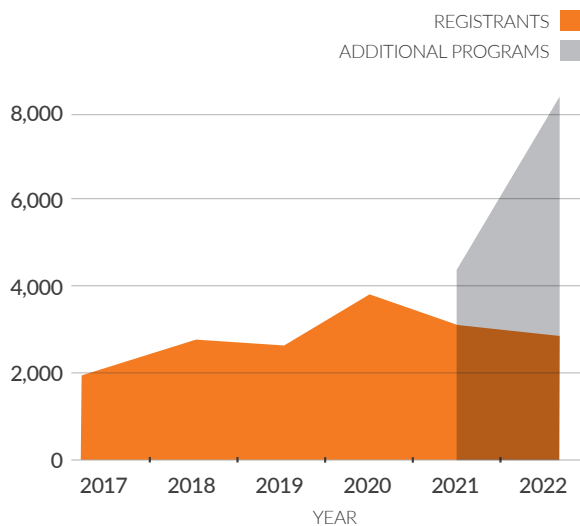
In addition to the Skills First programs funded by the Victorian Skills Authority, the Victorian Government engages the VDC via DET to provide professional learning to VET professionals in a range of settings. This enabled VDC to provide 266 additional sessions to cater for 5400 registrations.

The Senior Secondary Pathways Reform Taskforce within DET engaged VDC to deliver professional learning initiatives for VET teachers in Victorian Government Schools. The Industry Connect Program provides teachers with the opportunity to participate in activities and industry mentoring specifically designed to enhance their

industry skills, knowledge and networks. The VDC also provided a professional learning program to expose VET trainers with the skills and knowledge required to adapt the principles of adult learning in vocational training to deliver successful outcomes for their students.

The Adult, Community and Further Education (ACFE) Board engaged the VDC to design and deliver a step-by-step entry level instruction program in online teaching and learning and to equip pre-accredited educators and managers who are novices in eLearning to be ready to implement a selected pre-accredited program in a 'blended' format or 'online only' format.

2022 VICTORIAN GOVERNMENT FUNDED PROGRAMS	SESSIONS	REGISTRATIONS
Skills First Professional Learning Program * Teaching & Assessment Strategies/Suitable & Appropriate Training/Quality Assessment	26	889
Victorian VET Teacher Professional Learning Program * Teaching Practice/Teaching Theory/Career	21	519
Initiatives Targeting VET Professionals Capability * Teaching Fellowships/Community of Practice Professional network	21	455
Victorian Learn Local Professional Learning Program * Learner Journey to Success/Leadership Series	18	278
Additional DET Funded programs and information sessions	15	688
TOTAL	101	2829
Additional DET Funded programs		
*VET Trainers	115	2693
*Industry Connect	38	1842
Additional ACFE Funded Programs		
*Moving Online	113	865
TOTAL	266	5400
GRAND TOTAL	367	8229



THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

Encourages direct application of learning in the workplace

As a result of attending the PD I decided to attend a training session where my materials were being delivered. I realised that some of the material is being skipped. I've realised that I might need to make clearer what are the core parts of the programme that cannot be left out.

-- ***Construction warehousing resources writer***

We are applying a lots of tips from the workshop in the process of reviewing our TAS. We are making sure that that it is a 'living document' and not just something that is considered complete and put on the shelf. Although the TAS is a compliance document it is there to make the training and assessment easier and so we can constantly improve it through our discussions with our trainers and assessors and with each other.

-- ***Childcare Compliance manager***

I took along our literacy assessment to check with the workshop facilitator that we are on the right track. She was able to give me some additional feedback about digital literacy skills and encouraged me to add a number of additional questions to our LLN tool - I have since added those questions.

-- ***Security training, Compliance manager***

INDEPENDENT EVALUATION

Building the capability of the VET workforce through professional development is critical to delivering quality outcomes. All Professional Development Programs delivered by VDC are focused on developing and delivering specific professional development programs for the vocational education sector in priority areas.

The Australian Council for Educational Research (ACER) have been engaged since 2018 to independently evaluate all VDC Professional Learning Programs, including the Skills First Professional Learning Program and the VDC’s own fee for service Professional Learning Program and their impact on the individual, the organisation, and the learner.



The independent evaluation findings concluded that the VDC continues to make an important contribution to the continuing professional development of the VET workforce in Victoria.



THE 2022 EVALUATION FOCUS TOPICS

Participant & Sector Needs	Whether the development, content and delivery of the programs are meeting the needs of the sector and participants.
Promotions & Engagement	Whether adequate promotions and engagement strategies are being used to target the intended participants and successfully engage them to attend.
Presenters & Facilitators	Whether suitable presenters and facilitators are being used to design and deliver the programs
Best Practice	Whether the development, content and delivery of the programs are meeting best practice.
Government Offer	Whether the suite of programs offered by the VSA via VDC is aligned to the professional development needs of the sector

KEY FINDINGS

- 1.** The overwhelming majority of participants have applied their learning in their practice. Around 68% of survey participants reported 4-8 weeks after their session that they had applied their learning to their work – a further 30% said that they planned to in the future.
- 2.** Participants across all VDC programs reported very high levels of satisfaction with VDC's facilitators across all VDC programs. They generally reported higher levels of satisfaction with facilitators than with other elements of the program. However, there is some variability in satisfaction depending on the session/facilitator.
- 3.** With the transfer to an online and blended environment (as well as returning to face-to-face), a number of participants reported that the VDC facilitators were modelling good practices. Participants were considering ways in which they could adapt and apply these learning strategies in their own delivery of online learning.
- 4.** With the transfer from to shorter online and blended models since 2020, participant suggestions for improvement have focused on the pacing of material and requests from participants (and facilitators) to allow sufficient time to cover the content and allow for collegial interaction.
- 5.** Facilitators report very high satisfaction with VDC administrative and logistical support pre, during and after the sessions – this support is valued and recognised a differentiating strength of the VDC model and enables the facilitators to focus on the task of facilitating the session.



THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

Activity based sessions are more engaging

Oh – the best parts were sitting around the tables with real people in real time discussing the ACSF – looking at the ACSF structure cards and discussing our observations. From start to finish it was good! It was interactive and fun.

-- *Part-time teacher, Community Education Provider*

I liked the specific practical strategies – like 'I do/we do/you do'. We were introduced to some strategies in the first week and invited to use them and reflect on how they had worked – that loop of reflection on practice worked really well over the 3 sessions. In other PD (ALA) it can just be people talking and that can be too much like a TED video. Activities help me feel connected into the group.

-- *Teacher, Regional Community College*

One bit of feedback would be to make the TAS sessions more activity based – there needed to be more scenarios and 'doing' not just listening. e.g. Imagine you are doing a TAS and you want to achieve x. How might you do that?'

-- *Regional TAFE teacher*

THEMES FROM ACER INDEPENDENT EVALUATION OF VDC PROGRAMS 2022

PD impacts practice

We are starting to develop some pre training assessment tasks at varying levels of the ACSF. I have also reviewed our LLN policy and sent to management for consideration.

-- *Part-time teacher, Community Education Provider*

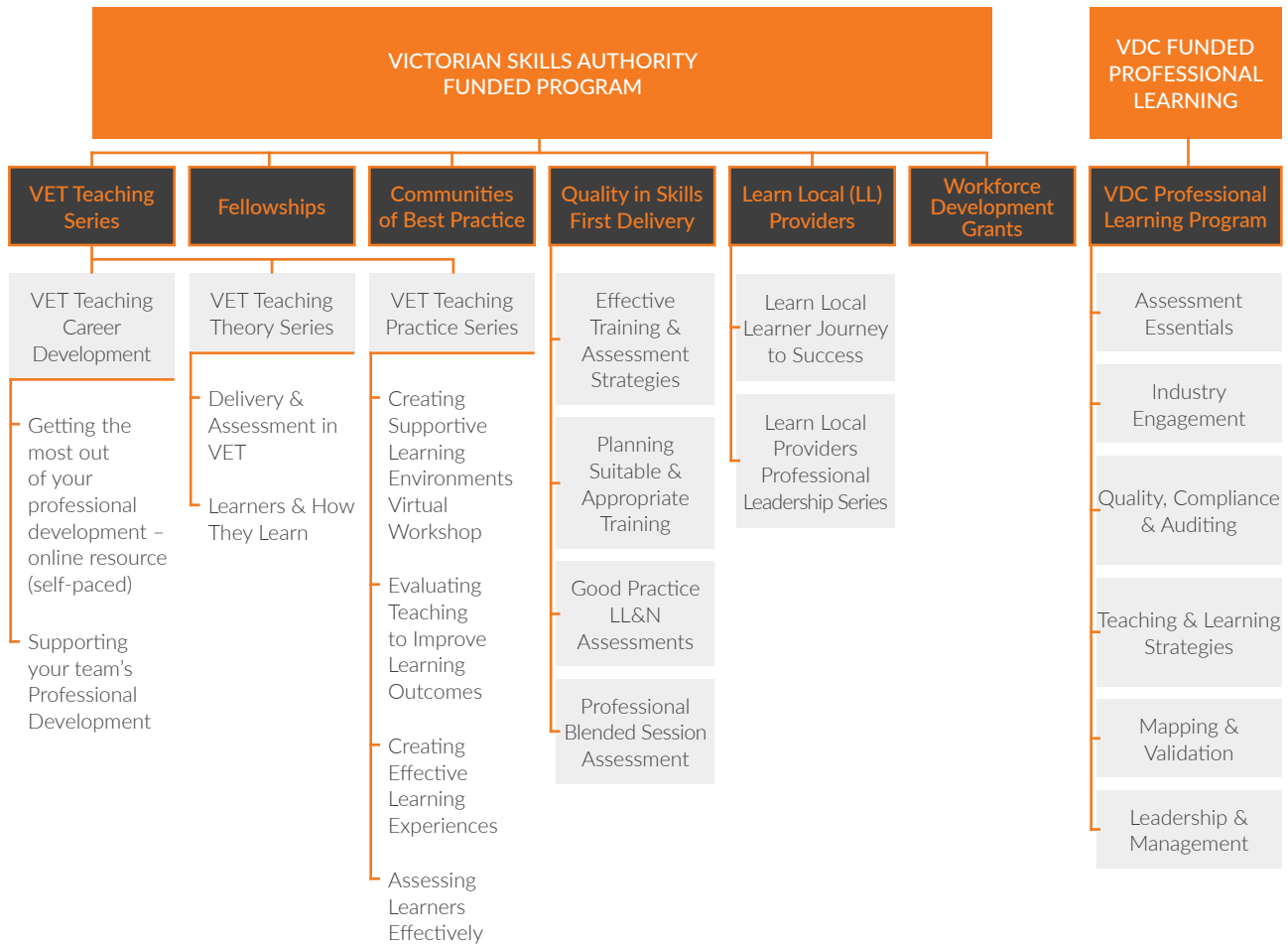
I am passing on what I have learned to others. I have one trainer who is pretty set in her ways and another who is new to pre-accredited training. The thing is to not bombard them with things you want them to do but to show them tips that make their lives easier. I think this PD is great to share with others..

-- *Teacher, Regional Community College*

I am starting a new subject and so downloaded the TAS B that outlines aspects of the Training Package and the content to be delivered . I was able to see if it aligned with my own lesson plans and the Moodle content online. I felt more confident in being able to see if the three things were 'talking to each other'. It was good to think that this is not a static document- that it can be updated and there is a process for making changes. It makes me feel more a part of the process.

-- *Regional TAFE teacher*

The VDC programs within the scope of the independent evaluation are summarised in the figure below:



EVENTS

VDC VIRTUAL TEACHING & LEARNING CONFERENCE

TEACHING & LEARNING CONFERENCE 2022

FEATURING KEYNOTE SPEAKERS

Li Cunxin AO
'Mao's Last Dancer'

Layne Beachley AO
7-time world champion surfer

Michael Carr-Gregg
PhD MAAPI
Psychologist and Author

David Bartlett
Former Tasmanian Premier

The 17th annual VDC 2022 Teaching & Learning Conference was held as a national virtual event on 17 & 18 November 2022. The theme of the conference was RE-EMERGING.

Re-Emerging focuses on life skills and practical strategies, enabling attendees to embrace the exciting future of VET evolving from this period of transformation. The VET sector has managed to overcome significant challenges, demonstrating its resilience by reworking teaching and business models coupled with innovation and strategies to support and engage learners.

The flagship Teaching & Learning Conference provided an immersive two-day opportunity for attendees to engage in a range of presentations, explore new concepts and spark inspirational ideas. The program focused on resilience, mental health and contemporary concepts to take educators work forward.

The keynote presenters for this conference were possibly the most impressive VDC have assembled. Li Cunxin AO: Mao's Last Dancer shared his compelling story, 'A living example of overcoming adversity and achieving excellence in life'. Li's life story was portrayed in the Australian film classic 'Mao's Last Dancer'. He is a former international ballet star turned stockbroker and currently the Artistic Director of

the Queensland Ballet, and a remarkable man borne of a remarkable story.

Layne Beachley AO, 7-time world champion surfer, inspired with 'Achieving sustained success'.

Former Tasmanian Premier, David Bartlett, gave an insight into the 'death of the job, the future of work!' And one of Australia's highest profile psychologists, author, broadcaster and specialist in mental health, Michael Carr-Gregg, discussed how to 'achieve the perfect equilibrium in Work/Life Balance'.

The 'Professional Learning Workshops' for the conference were led by guest presenters, Vanessa Trower, Jillian West and Martin Probst. These sessions, together with inspiring guest speakers, panel discussions, presentations and informative case studies, reflected the fundamental aim of the Conference, to empower teachers and trainers from public, private and community providers to improve the education and employment outcomes for VET students as we all re-emerge from the pandemic.

MC Chemène Sinson drew links and connections throughout the event, ensuring that audience questions were at the fore and led a panel discussion featuring the 2021 VET Teacher/Trainers of the Year award winners.

VDC WORLD TEACHERS' DAY



World Teachers' Day was initiated by UNESCO as an annual event in 1994 and is now celebrated in more than 100 countries each year. The event represents appreciation for the contribution that teachers make to education.

The VDC sponsored World Teachers' Day event was held on 28 October and attracted over 400 attendees online nationally. This year's official theme was Hats Off to Teachers. Whilst briefly acknowledging this, VDC chose to provide more educational and thought leadership content for VET educators and trainers. The theme: Greening the VET Sector featured a VDC funded documentary produced in collaboration with the International Specialised Skills Institute

that looked at Earth, Wind and Fashion initiatives in TAFE

This was followed by a Q&A session hosted by MC Martin Powell, VDC CEO with the ISS Institute sustainability fellows featured in the documentary. The final session of the event was delivered by keynote presenter Associate Professor at the Department of International Education, the Education University of Hong Kong Dr. Margarita Pavlova (Director of the UNESCO-UNEVOC Network) who shed light on the concept of green skills and teacher and student perception of the United Nations promoted Environmental Sustainable Development (ESD) in the classroom.

VDC THOUGHT LEADERS SERIES

The VDC sponsored Thought Leadership Series presents an opportunity for VET professionals (including executives, managers, coordinators and practitioners) to engage with industry consultants, education experts and academic researchers about VET sector's cutting-edge topics and beyond. All VDC Thought Leadership Seminars are free and are followed by an opportunity to network at morning tea for in-person events. In 2022 the series was held online as lunchtime 90 minute seminars to sustain the national interest in the series, with the sessions attracting over 1,500 participants in total.

The first Seminar was held on 2 June. In keeping with the National Reconciliation Week theme the presentation by Jillian West, a Bunurong woman from Point Nepean and Palawa from the Islands of Bass Strait, was entitled 'Walking in Two Worlds'. Jillian discussed how we live in a world with cultural obligations in a contemporary society and what that may look like for our future. The event attracted over 400 registrations nationally.

The second Seminar for the year Empowering educators both new and experienced was presented by Kay Schlesinger on 27 July, an Instructional Coach in Teacher Capability at Melbourne Polytechnic. This event attracted 500 registrations nationally.

The third free VDC Thought Leaders Seminar was held on 17 August aligned to the National Skills Week that commenced the following week. Taking people beyond their imagination through VET was the theme of a presentation provided by Anne Cazar, the Director for National Skills Week. This event attracted 360 registrations nationally.

The final Thought Leaders Seminar was held on 6 October that focused on A Design Patterns Approach to Educational Quality. TAFE NSW educators Suneeti Rekhari and Vicki Marchant led an online session which considered design patterns and a design science approach, how evidence based design principles can support capability in resource design and development and how well-designed resources improve outcomes for adult learners. This event attracted 392 registrations nationally.



VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the Teacher / Trainer of the Year Award at the 68th Annual Victorian Training Awards. On Saturday 10 September, winners of the 2022 Victorian Training Awards were announced in a live gala, celebrating the Vocational Education and Training sector's ongoing commitment, resilience and innovation.

The winner of the award was Rebecca Toleman, South West TAFE who delivers Certificate II in Agriculture, Certificate III in Agriculture, Certificate III in Agriculture (Dairy Production), and Certificate IV in Agriculture.

Her drive to innovate and create the best outcomes for her students saw Rebecca design an agriculture program for secondary school students from non-farming backgrounds which expanded across the region. Rebecca also led SWTAFE to revolutionise calving training by introducing a life-size cow simulator that enabled students to develop their skills without endangering live animals. The ground-breaking initiative became an industry talking-point across the world.



VDC also extends its congratulations to finalists:

Felicity Symons - Elisabeth Murdoch College, MST20616 VCE VET Certificate II in Applied Fashion Design & Technology

Brooke Pallmann - Wodonga TAFE, Certificate III in Early Childhood Education and Care, Diploma of Early Childhood Education and Care, Certificate III in Early Childhood Education and Care, Diploma of Early Childhood Education and Care



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2022
**DIRECTORS'
REPORT**

DIRECTORS' REPORT

The Directors submit their report with respect to the company for the year ended 31 December 2022.

The VDC Board of Directors consists of 9 members. The names and particulars of each person who has been a Director of the company during or since the end of the year are:



DR. BELINDA McLENNAN

Chairperson

// DProf (UK), MEd , BA, GCert (LD), GCert (Ed), GDip (Ed) MAICD
Reappointed: 7 June 2020

Belinda McLennan retired as the Chief Operating Officer of AMES Australia in July 2020, having previously worked with the CEO to identify, evaluate, negotiate and manage strategically important business opportunities to enable AMES Australia to achieve both short and long term organisational goals.

Belinda has held senior management roles in TAFE, Higher Education and VET including the role of CEO at Tasmanian Polytechnic, Pro Vice Chancellor - Teaching and Learning at Victoria University, Deputy Director TAFE at Victoria University and General Manager - Strategic Development at Chisholm Institute.



DR. MICHAEL BROWN

Director

// PhD, MEd, GradDip
Reappointed: 18 June 2019
Cessation: 18 June 2022

Prior to retiring in 2018 Mike was a Senior Lecturer in Technology Studies, Adult and VET for over 10 years with La Trobe University and University of Ballarat. He has held various roles as a Lecturer in Adult, Vocational Education and Training. Mike started his teaching career as a Sheetmetal Apprentice teacher at Richmond College of TAFE.

Mike has published numerous publications and conference papers on themes such as pedagogy, sustainability, competency based training and Vocational Education and Training.



SUSAN CHRISTOPHERS

Director

// BEd, DipBusStudies, GAICD, PSM
Reappointed: 17 June 2022

Susan Christophers was most recently the Executive Director, International Education Division with the Early Childhood and School Education Group, a division of the Department of Education and Training. With over 20 years as a Senior Executive, Sue has led the development of state and national policy, managed complex projects, and built Victorian government schools as a destination of choice for international students.

Sue's passion for education and training has fuelled her career and her impact on state education in Victoria is testament to this passion, her determination and her focus on excellence. Sue most recently served as the Chair of the ACFE Board from 2016 to 2018.



MELISSA DONALD

Director

// FCPHR, MAICD, MBA, MHRM,
B.Comm. B.Arts
Appointed: 3 August 2022

Melissa has extensive experience as a People & Culture Executive gained within diverse workforces across private and ASX-listed companies, global multinationals, and government, start-up and for purpose organisations. She has held multiple board and advisory roles, with strengths in governance, strategic planning, and organisational transformation. Currently she is also a Board Member of the National Association of Women in Operations.

She is a values-driven leader, who is passionate about the future of work and shaping progressive cultures that deliver value and impact. Recognised for her commitment to diversity and inclusion, Melissa was a Judge of the Women in Industry Awards, Winner of the Australian Human Resources Institute's Indigenous Engagement Award and Finalist Gender Equality Award.



CLIVE DRISCOLL

Director

// BA Bus (Acc) Master Information
Systems. Fellow CPA Australia
Reappointed: 29 July 2022

Clive is the General Manager, Finance & Business Performance with the Melbourne Cricket Club. He is a Senior Level Executive with extensive hands-on experience in management, business leadership, working directly with Board Directors, Lawyers, Banks and Governments with an established record for adding value to the business.

He is highly skilled in financial, strategy, risk, governance and information technology management, which includes budgeting, forecasts, cash control, IT infrastructure, IT Governance, risk and project management.



BRIAN HENDERSON

Director

// BA, DipEd

Reappointed: 8 August 2022

Brian worked at the Australian Education Union (AEU) for 18 years in roles including the Victorian Branch Secretary, the Federal Executive member and the Vice President, Secondary-Victorian Branch.

In addition to Brian's knowledge of the Victorian education system, through his work in the Federal AEU, he gained extensive knowledge of education systems both interstate and overseas. Brian has been involved in public education for over 40 years as student, teacher, parent and union official.



CHRISTINE ROBERTSON

Director

// MEd, Grad Cert Ed., MAICD

Appointed: 9 August 2022

Christine has held a wide range of tertiary teaching and senior executive leadership roles in public and private Education and Training Institutes and dual sector Universities across Australia. Her recent roles include Executive General Manager Education and Training at Open Colleges, and Executive Director Quality and Performance at Holmesglen. Before this she was the Pro Vice-Chancellor Vocational Education and Training at Charles Darwin University in the Northern Territory, with responsibility for building a strong and skilled workforce to service major regional infrastructure projects and community and economic development needs across the Northern Territory and South East Asia.

She is a member of the ASQA Stakeholder Liaison Group, Holmesglen Institute's Council for Education and Applied Research and Education Quality Committees and a former Deputy Chair of TAFE Director's Australia.



SHIRLEY SOUTHGATE

Director

// BA, LLB (Hons), EMPA, GAICD

Appointed: 29 July 2019

Cessation: 29 July 2022

Shirley is the Executive Director/ CEO of Leo Cussen Centre for Law and previously she was the Director – Practical Legal Training with Leo Cussen Centre for Law for 3 years. She has significant public sector and community sector senior management experience, including a strong understanding of government regulatory bodies.

Shirley is an experienced legal practitioner with significant experience as a senior in-house government lawyer in a statutory authority.



**EMERITUS PROFESSOR
KAREN STARR**

Director

// PhD, MEd, BEd FAICD, GAICD,
FACE, FACEL

Appointed: 3 August 2022

Karen is a Partner at SHK Asia Pacific specialising in executive appointments in education and organisations with a public / people focus. She has had an extensive career in education and the not-for-profit sector, including leadership roles as University Professor and Chair, school principal (K-12), chief state-wide curriculum writer, author, and researcher. Karen developed the Graduate Certificate, Education Business Leadership for Deakin University - the first course of its type in Australia.

Karen has received numerous commendations throughout her career, including a National Telstra Business Woman of the Year Award for the not-for-profit sector, Educator of the Year Award (Australian Council for Education Leaders Victoria) and the Vice Chancellor's Award for Teaching Excellence.



DAVID WILLIAMS

Director

// Cert Survey Drafting

Reappointed: 7 June 2020

David Williams was the Executive Director of the Victorian TAFE Association (VTA) for 12 years. His role included the advocacy, governance and workforce relations with TAFE Institute Boards, Chairs, CEOs and Senior Managers. Key stakeholders included Federal and State Ministers, Department Secretaries and Industry Peak Body leaders.

Prior to joining the VTA, David worked with the Australian Services Union, Victorian Services and Energy branch in a variety of roles focusing in particular on the Victorian water instrumentalities and Victorian local government. From 1992 to 1996, David held the role of elected Branch Secretary of the Union.



DAVID WINDRIDGE

Director/CEO/Executive Director

// BEc, GradDip – Accounting,
GradDip – Teaching
GAICD, Fellow CEO Institute

Reappointed: 5 December 2020

David retired as the CEO/Executive Director of MEGT (Australia) Ltd, Ability English and MEGT UK in 2020. David is a significant figure in the private training sector. This has been acknowledged by receiving life memberships with the Australian Council for Private Education and Training (ACPET) and Group Training Australia.

AS CEO of MEGT David oversaw the growth of MEGT from one office in Melbourne's outer east to a national entity employing over 800 people with 95 offices and reaching out to students from all over the world.

COMPANY MEMBER

The Company member as at 31 December 2022 is the Victorian Government Minister responsible for Training and Skills, the Hon. Gayle Tierney MP

LIABILITY OF MEMBERS

The VDC is a company limited by guarantee. The liability of members is limited. Every member undertakes to contribute \$10 to the assets of the VDC if it is wound up while he or she is a member, or within one year afterwards. There is currently one member.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is Martin Powell, appointed 18 January 2016.

AUDIT, RISK AND FINANCE COMMITTEE

The Directors have established the Audit, Risk and Finance Committee.

The objective of the Audit, Risk and Finance Committee is to provide independent assurance and assistance to the Chief Executive Officer and to the directors of the VET Development Centre in discharging its responsibilities with respect to all aspects of financial reporting, risk, control and audit functions.

Membership as at 31 December 2022

// **David Williams**, *Chairperson and VDC Director*
Cert Survey Drafting

// **Susan Christophers**, *VDC Director*
BEd, DipBusStudies, GAICD, PSM

// **David Windridge**, *VDC Director*
BEd, GradDip – Accounting, GradDip – Teaching
GAICD, Fellow CEO Institute

// **Clive Driscoll**, *VDC Director*
General Manager, Finance & Business Performance,
Melbourne Cricket Club
BBus (Acc), M IS, Fellow CPA Australia

// **Emeritus Professor Karen Starr**, *VDC Director*
Partner, SHK Asia Pacific
PhD, MEd, BEd FAICD, GAICD, FACE, FACEL

EXECUTIVE AND GOVERNANCE COMMITTEE

The Executive & Governance Committee acts on behalf of the VDC between meetings of directors. The objective of the Executive & Governance Committee is to assist the Chief Executive Officer (CEO) in the effective operations and governance of the VET Development Centre.

The duties of this Committee are to:

- Support the CEO in ensuring compliance with good governance requirements.
- Ensure the health and wellbeing of staff is maintained through the adherence to the VDC Values.
- Oversee the hiring and subsequent biannual performance evaluation of the CEO and CEO remuneration review and recommend to the Board for approval.
- Develop and apply guidelines for assessing performance of the directors.
- Oversee the appointment, rotation and replacement of directors.
- Monitor the progress of the Strategic Plan and its annual priorities.

Membership as at 31 December 2022

// **Dr Belinda McLennan**, *Chairperson and VDC Chairperson*
DProf (UK), MEd, BA, GCert (LD), GCert (Ed), GDip (Ed)

// **Brian Henderson**, *VDC Director*
BA, DipEd

// **Melinda Donald**, *VDC Director*
FCPHR, MAICD, MBA, MHRM, B.Comm. B.Arts

// **Christine Robertson**, *VDC Director*
MEd, Grad Cert Ed., MAICD

// **Martin Powell**, *VDC Chief Executive Officer*
BBus (Acc), GAICD

PRINCIPAL ACTIVITIES

The principal activities of the company during 2022 were to raise the professional standing of people working in the VET Sector, through Professional Development activities that are innovative, relevant and responsive to the contemporary VET workforce.

COMPANY OBJECTIVES

Under the VDC constitution the long term objective of the VDC is to promote the development and raise the professional standing of people working in the Victorian vocational education and training sector.

To achieve its objective, the VDC has the following functions:

- // identifying and sponsoring opportunities for the ongoing development of all teaching and non-teaching staff in the Sector, and fostering recognition arrangements for continuing professional learning;
- // facilitating the development and recognition of high quality initial teacher training for the Sector and leading the design and development of innovative approaches to ongoing teacher education;
- // supporting the development of educational leadership and management capabilities in the Sector;
- // promoting the use of professional standards for development purposes, particularly for staff in roles other than teaching;
- // identifying, encouraging and contributing to the development of research into vocational teaching and learning in Australia and overseas;
- // facilitating information exchange and collaboration, and supporting strategic partnerships, within the Sector, and between that Sector and relevant professional groups, industry and the wider community, at the State, national and international levels.

In carrying out its functions, the VDC may:

- // provide training, consultancy, management and strategic support services within and outside the Sector in areas related to its functions, including to people working in private vocational education and training providers on a fee-for-service basis or as

otherwise agreed with the relevant funding body;

- // attract investment in and generate revenue for development of the workforce within the Sector; and
- // do all such things as are incidental or conducive to the attainment of all or any of the objects of the VDC.

STRATEGIES

The vision for the organisation is for the VDC to be the centre of excellence for continuing professional learning in the VET workforce. To achieve our vision the VDC has identified the following strategic goals throughout 2021-2023:

- // Become the recognised leader of continuing professional learning and thought leadership for the VET sector workforce.
- // Enable the implementation of Victorian Government quality priorities for VET.
- // Enable VET providers and VET professionals to equip and inspire the delivery of quality learning outcomes.
- // Drive growth through exploration of new business opportunities.

PERFORMANCE

Overview of Financial Performance

The VET Development Centre is a company limited by guarantee and is exempt from lodging income tax returns. Under the accounting standards VDC is treated as a not-for-profit entity, even if it is not for legal purposes. Any monies remaining at the end of a financial year are added to retained earnings. The company does not issue any shares or debentures and does not and will not pay dividends. The net operating result for 2022 was a surplus of \$227,446.

Financial Position - Operating statement

Total income from transactions was \$4,403,436, representing a \$122,442 increase from the previous year. The increase is primarily due to increased fee for service and room hire income because of the easing of COVID-19 restrictions and the ability to revert to an increased level of in-person workshops. In addition an increase in interest earnings on term deposits was realised due to a higher cash rate on deposits.

Total expenses from transactions were \$4,155,971, representing a \$761,731 increase from the previous year.

The increase is primarily attributable to the VET/VCAL Industry Connect Program (running from 2020-2023) and VET Trainers Program (running from 2021-2022), with higher participation than the previous year, due to the ability to deliver in-person workshops and forums.

Financial Position - Balance Sheet

Total assets decreased by \$845,925 and total liabilities decreased by \$1,073,371 compared to the previous financial year. The movement in assets includes a decrease in receivables outstanding at year end associated with the VET/VCAL Industry Connect Program and VET Trainers Program. The decrease in total liabilities is driven mainly by the reduction of contract liabilities associated with the VET/VCAL Industry Connect Program and VET Trainers Program.

Cash Flows

The net cash inflow from operating activities of \$299,979 (a reduction on the 2021 level by \$521,356) is the result of the funds being received in advance of program delivery, specifically for the VET/VCAL Industry Connect Program and VET Trainers Program. A significant portion of milestone payments for both of the programs was received during 2021.

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Income from transactions	4,403,436	4,280,994	1,411,746	3,093,067	4,365,819
Expenses from transactions	4,155,971	3,394,240	3,053,916	2,909,925	3,018,149
Net result from transactions	247,465	886,754	(1,642,170)	183,142	1,347,670
Net result from continuing operations	227,446	887,138	(1,637,198)	240,344	1,347,030
Net cash flows from operating activities	299,979	821,335	(581,713)	3,017,229	(858,656)
Total Assets	5,275,889	6,121,814	5,746,236	7,049,493	4,634,550
Total Liabilities	2,296,789	3,370,160	3,881,720	3,547,779	728,180
Net assets (Net worth)	2,979,100	2,751,654	1,864,516	3,501,714	3,906,370

Achievement against objectives and strategies

The VDC delivered the following programs and services in 2022 to meet the stated objectives and strategies.

TRAINING FACILITIES

VDC undertakes professional learning program delivery from the permanent VDC training facilities at Collins Street, Melbourne. The facilities have provided the VDC, the Victorian Department of Education and Training (DET), Victorian Skills Authority and the broader VET sector with an efficient and best practice model to deliver consistent, high-quality, funded training opportunities. Room hire of the training and meeting facilities and online platforms are available to external parties for commercial and in-kind purposes.

PROFESSIONAL DEVELOPMENT

In 2022 the VDC designed, organised and hosted a record breaking 542 professional development activities servicing over 13,700 registrants, including open access Professional Development programs, government funded programs, customised training programs, external webinars, major corporate events, and the annual Teaching & Learning Conference.

VDC programs are informed by the learning objectives and learning outcomes of the VET Practitioner Capability Framework (IBSA 2013), a framework that prescribes domains and related capabilities in the areas of: Teaching; Assessment; Systems and Compliance; and Industry, Community and Collaboration. All sessions were mapped and aligned to Teaching, Assessment, Systems & Compliance, and Industry, Community & Collaboration domains and related capabilities as prescribed in the Framework; and categorised as either Introductory, Intermediate or Advanced to describe the level of content.

The fee for service VDC Professional Learning Program attracted over 4,000 registrations nationally in 2022 through the provision of 74 sessions consisting of in-person and virtual workshops, national webinars, seminars and a virtual conference to the sector around the following key themes:

- // Assessment Essentials
- // Industry Engagement
- // Leadership & Management
- // Mapping & Validation
- // Quality, Compliance & Auditing
- // Teaching & Learning Strategies
- // Professional Learning Events

The welcomed return of in-person workshops in 2022 saw participants in the VDC training rooms for the first time since March 2020.

The VDC delivered a diverse range of virtual professional development programs funded by the Victorian Skills Authority and Victorian Government, available to all training providers that held a Skills First funding contract with the Victorian Department of Education and Training (DET), information sessions and workshop series for TAFE, Learn Local and RTO trainers and policy makers working on family violence workforce development to improve family violence prevention, response and training in the VET sector.

Over 2,800 registrations were received for the Skills First Victorian Skills Authority funded programs and information sessions in 2022 for 101 sessions. When incorporating the additional Victorian Government Funded programs for VET in Schools, and ACFE teachers and trainers, VDC achieved over 8000 registrations for 367 events, compared to 5000 registrations for 230 events in 2021. This significant increase was driven by Skills First Fellowships, and ACFE and VET in Schools bespoke programs that provided multiple sessions across the year for the program participants.

The continuing effect of COVID-19 and the resulting restrictions on workplace attendance due to backfilling of teaching staff falling ill or performing carer responsibilities impacted on the ability for registrants to attend. Under these circumstances VDC was still able to achieve an average satisfaction rating of 99% for its programs.

2022 Victorian Government Funded Programs:

- // Skills First Contract Professional Learning Program
- // Victorian VET Teacher Professional Learning Program
- // Victorian Learn Local Professional Learning Program
- // VDC Teaching Fellowship Program
- // VDC Workforce Development Grants
- // VET Practitioner Network (Communities of Practice)
- // VET in Schools Industry Connect Program
- // Professional Learning for VET Trainers delivering in Schools
- // ACFE Learn Local Mentoring Online program

A continuous improvement cycle is driven by the following activities: regular collection and monitoring of professional development activity evaluations for all workshops and webinars; commissioning independent evaluations of VDC professional development with the Australian Council for Educational Research; reporting to and feedback from the Victorian Skills Authority for the funding agreements in place; targeted market research; the monitoring of attendances versus registrations for programs; activities of VDC competitors; and the ongoing VET policy debate.

EVENTS

Major events hosted and subsidised by VDC in 2022 were:

VDC VIRTUAL TEACHING & LEARNING CONFERENCE

The 17th annual VDC Teaching & Learning Conference was held as a national virtual event on 17 & 18 November 2022. The theme of the conference was RE-EMERGING.

The flagship Teaching & Learning Conference provided an immersive two-day opportunity for attendees to engage in a range of presentations, explore new concepts and spark inspirational ideas. The program focused on resilience, mental health and contemporary concepts to take educators work forward.

The keynote presenters for this conference were possibly the most impressive VDC have assembled. Li Cunxin AO: Mao's Last Dancer shared his compelling story, 'A living example of overcoming adversity and achieving excellence in life'. Li's life story was portrayed in the Australian film classic 'Mao's Last Dancer'. He is a former international ballet star turned stockbroker and currently the Artistic Director of the Queensland Ballet, and a remarkable man borne of a remarkable story.

Layne Beachley AO, 7-time world champion surfer, inspired with 'Achieving sustained success'.

Former Tasmanian Premier, David Bartlett, gave an insight into the 'death of the job, the future of work!' And one of Australia's highest profile psychologists, author, broadcaster and specialist in mental health, Michael Carr-Gregg, discussed how to 'achieve the perfect equilibrium in Work/Life Balance'.

The 'Professional Learning Workshops' for the conference were led by guest presenters, Vanessa Trower, Jillian West and Martin Probst. These sessions, together with inspiring guest speakers, panel discussions, presentations and informative case studies, reflected the fundamental aim of the Conference, to empower teachers and trainers from public, private and community providers to improve the education and employment outcomes for VET students as we all re-emerge from the pandemic.

VDC WORLD TEACHERS' DAY

The VDC sponsored World Teachers' Day event was held on 28 October and attracted over 400 attendees online nationally. This year's official theme was Hats Off to Teachers. Whilst briefly acknowledging this, VDC chose to provide more educational and thought leadership content for VET educators and trainers. The theme: Greening the VET Sector featured a VDC funded documentary produced in collaboration with the International Specialised Skills Institute that looked at Earth, Wind and Fashion initiatives in TAFE.

This was followed by a Q&A session hosted by MC Martin Powell, VDC CEO with the ISS Institute sustainability fellows featured in the documentary. The final session of the event was delivered by keynote presenter Associate Professor at the Department of International Education, the Education University of Hong Kong Dr. Margarita Pavlova (Director of the UNESCO-UNEVOC Network) who shed light on the concept of green skills and teacher and student perception of the United Nations promoted Environmental Sustainable Development (ESD) in the classroom.

VICTORIAN TRAINING AWARDS

The VET Development Centre was the proud sponsor of the 2022 Teacher / Trainer of the Year Award at the 68th Annual Victorian Training Awards.

On Saturday 10 September, winners of the 2022 Victorian Training Awards were announced at a live gala event, celebrating the Vocational Education and Training sector's ongoing commitment, resilience and innovation.

It was the sixth consecutive year VDC had sponsored this award. The awards celebrate the outstanding achievements of students, teachers, vocational staff, employers and training providers across the state. Rebecca Toleman, South West TAFE was the successful winner of the Teacher / Trainer of the Year award.

VDC THOUGHT LEADERSHIP SERIES

The VDC sponsored Thought Leadership Series presents an opportunity for VET professionals (including executives, managers, coordinators and practitioners) to engage with industry consultants, education experts and academic researchers about VET sector's cutting-edge topics and beyond. All VDC Thought Leadership Seminars are free and are followed by an opportunity to network at morning tea for in-person events. In 2022 the series was held online as lunchtime 90 minute seminars to sustain the national interest in the series, with the sessions attracting over 1,500 participants in total.

The first Seminar was held on 2 June. In keeping with the National Reconciliation Week theme, the presentation by Jillian West, a Bunurong woman from Point Nepean and Palawa from the Islands of Bass Strait, was entitled 'Walking in Two Worlds'. Jillian discussed how we live in a world with cultural obligations in a contemporary society and what that may look like for our future. The event attracted over 400 registrations nationally.

The second Seminar for the year Empowering educators both new and experienced was presented by Kay Schlesinger on 27 July, an Instructional Coach in Teacher Capability at Melbourne Polytechnic. This event attracted 500 registrations nationally.

The third VDC Thought Leaders Seminar was held on 17 August aligned to the National Skills Week that commenced the following week. Taking people beyond their imagination through VET was the theme of a presentation provided by Anne Cazar, the Director for National Skills Week. This event attracted 360 registrations nationally.

The final Thought Leaders Seminar was held on 6 October that focused on A Design Patterns Approach to Educational Quality. TAFE NSW educators Suneeti Rekhari and Vicki Marchant led an online session considered design patterns and a design science approach, how evidence based design principles can support capability in resource design and development and how well-designed resources improve outcomes for adult learners. This event attracted 392 registrations nationally.

OTHER SPONSORSHIP

The VDC endeavours to assist and support several departmental, community-based and not for profit organisations through the provision of in-kind services. In 2022 over 3,500 registrants were supported for the in kind services. Participants benefited from VDC contributing professional learning sessions, training room facilities and webinar hosting / registration services for stakeholders such as WorldSkills Australia, deafConnectEd, the Department of Education and Training Victoria, the Victorian Skills Authority and International Specialised Skills Institute. VDC was proud to host conferences and forums for AVETRA, WAVE (Women and Vocational Education, International Specialised Skills Institute, the QuIET Network, and ACDEVEG.

POWERS AND DUTIES

The powers and duties are outlined in the company's constitution.

Provisions affecting the company include the Corporations Act 2001 (Cwlth) and Public Administration Act 2004 (Vic) and related directions of the Minister (as named in the company's constitution).

OCCUPATIONAL HEALTH AND SAFETY

The company has been assessed as a low risk organisation. Risk Management procedures monitor the Occupational Health and Safety on an ongoing basis. There were no workcover claims or Occupational Health and Safety warnings lodged against the company during 2022. Two fire wardens have been appointed and trained and the company has three qualified First Aid Officers.

EMPLOYMENT AND CONDUCT PRINCIPLES

The company is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

STAFF OF THE COMPANY

As at 31 December 2022, the company employed 11 staff by contract (2021: 10 staff).

PROTECTED DISCLOSURES ACT 2012

There were no disclosures made either to the public body or to the Ombudsman in relation to the public body or referred to or from the public body or the Ombudsman since the commencement of the Company.

There were also no other requests for action of any kind in relation to the Protected Disclosures Act 2012 and its requirements.

FREEDOM OF INFORMATION

There were no requests for information during 2022 under the Freedom of Information Act 1982.

MEETINGS OF DIRECTORS

A summary of the number of meetings of the Board of Directors held during the year and Director's attendance at those meetings is provided below:

	Board Meetings		Audit, Risk & Finance Committee		Executive & Governance	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Michael Brown	2	2	-	-	1	1
Sue Christophers	4	4	4	4	-	-
Melissa Donald	2	2	-	-	1	1
Clive Driscoll	4	4	4	4	-	-
Brian Henderson	4	4	-	-	3	3
Belinda McLennan	4	4	-	-	3	3
Christine Robertson	2	2			1	1
Shirley Southgate	2	1	-	-	-	-
Karen Starr	2	2	1	1		
David Williams	4	4	4	4	-	-
David Windridge	4	4	4	4	-	-

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2022 has been received and is provided on page 51.

Dated at Melbourne the 27th day of March 2023

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



Dr. Belinda McLennan

Chairperson



Mr. David Windridge

Director

Auditor-General's Independence Declaration

To the Directors, VET Development Centre 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 VET Development Centre Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
17 April 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

FINANCIAL REPORT

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
REVENUE AND INCOME FROM TRANSACTIONS			
Government grants	2.1.1	1,315,000	1,315,000
Revenue from contracts with customers	2.1.2	3,052,896	2,955,194
Interest income	2.1.3	35,540	10,800
Total revenue and income from transactions		4,403,436	4,280,994
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.1.1	1,385,980	1,421,583
Depreciation and amortisation	4.1.1	380,816	428,799
Project costs	3.2	1,927,679	1,168,424
Other operating expenses	3.3	438,319	355,113
Finance costs		23,177	20,321
Total expenses from transactions		4,155,971	3,394,240
Net result from transactions		247,465	886,754
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets ^(a)	8.2	(35,402)	-
Other gains/(losses) from other economic flows	8.2	15,383	384
Net result from continuing operations		227,446	887,138
Net result		227,446	887,138
Comprehensive result		227,446	887,138

The accompanying notes form part of these financial statements.

Notes:

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

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6.1	2,208,145	676,206
Receivables	5.1	92,180	616,196
Contract assets	5.1	205	909
Investments and other financial assets	4.4	1,626,291	3,279,974
Total financial assets		3,926,821	4,573,285
NON-FINANCIAL ASSETS			
Property, plant and equipment	4.1	148,367	146,903
Right-of-use assets	4.2	1,096,143	1,340,357
Intangible assets	4.3	-	10,773
Other non-financial assets	5.3	104,558	50,496
Total non-financial assets		1,349,068	1,548,529
Total assets		5,275,889	6,121,814
LIABILITIES			
Payables	5.2	90,322	127,994
Contract liabilities	2.1.2	719,258	1,568,820
Lease liabilities	3.4	1,220,511	1,425,857
Employee related provisions	3.1.2	266,698	247,489
Total liabilities		2,296,789	3,370,160
Net assets		2,979,100	2,751,654
EQUITY			
Accumulated surplus/(deficit)		2,979,100	2,751,654
Net worth		2,979,100	2,751,654

The accompanying notes form part of these financial statements.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Accumulated Surplus/ (Deficit) \$	Total \$
Balance at 31 December 2020	1,864,516	1,864,516
Net result for the year	887,138	887,138
Balance at 31 December 2021	2,751,654	2,751,654
Net result for the year	227,446	227,446
Balance at 31 December 2022	2,979,100	2,979,100

The accompanying notes form part of these financial statements.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government grants received		1,315,000	1,315,000
Receipts from customers		2,780,552	2,544,434
Interest received		25,165	16,991
Total receipts		4,120,717	3,876,425
Payments			
Payments to suppliers and employees		(3,652,909)	(2,699,574)
Goods and services tax paid to the ATO ^(a)		(144,652)	(335,195)
Interest paid - lease liability		(23,177)	(20,321)
Total payments		(3,820,738)	(3,055,090)
Net cash flows from/(used in) operating activities	6.1	299,979	821,335
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		-	(3,100,000)
Proceeds from sale of investments		1,600,000	-
Purchase of non-financial assets		(162,883)	(29,258)
Net cash flows from/(used in) investing activities		1,437,117	(3,129,258)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(205,157)	(267,266)
Net cash flows from/(used in) financing activities		(205,157)	(267,266)
Net increase / (decrease) in cash and cash equivalents		1,531,939	(2,575,189)
Cash and cash equivalents at the beginning of the financial year		676,206	3,251,395
Cash and cash equivalents at the end of the reporting period	6.1	2,208,145	676,206

The cash flow statement should be read in conjunction with the accompanying notes.

^(a) GST paid to the Australian Taxation Office is presented on a net basis.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: ABOUT THIS REPORT

Reporting entity

The financial statements cover VET Development Centre Limited as an individual reporting entity.

VET Development Centre Limited is a company established under the Corporations Act 2001. VET Development Centre Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Its principal place of business and registered office is:

VET Development Centre Limited
Level 8, 379 Collins Street
MELBOURNE VIC 3000

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

A description of the nature of the company's operations and its principal activities is included in the directors' report, which does not form part of these financial statements.

This financial report has been prepared during a year in which the COVID-19 pandemic continues to impact many public sector entities and the State of Victoria as a whole. COVID-19 has not materially impacted the Company's operations for the year ended 31 December 2022.

Basis of preparation

These annual financial statements represent the audited general purpose financial statements for the VET Development Centre Limited (the company) for the year ended 31 December 2022. The purpose of the report is to provide users with information about the company's stewardship of resources entrusted to it.

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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to the fair value of plant and equipment refer Note 7.3.

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

Fair value assessments are conducted annually to ensure that the assets carrying value still materially reflects its fair value. All amounts in the financial statements have been rounded to the nearest dollar unless otherwise stated.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: ABOUT THIS REPORT (CONTINUED)

Compliance Information

These general purpose financial statements have been prepared in accordance with the applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 8.9 and Note 8.10.

These annual financial statements were authorised for issue by the Board of Directors on 27 March 2023.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

The VET Development Centre's long-term objective is to promote the development and raise the professional standing of people working in the Victorian vocational education and training sector. To enable the company to fulfil its objective, it receives income in the nature of government grants and other fee for service income for the supply of goods and services.

Through our services, the company provides continuous professional learning to all teaching and non-teaching staff in the VET Sector across Australia. This is achieved through the design and delivery of an extensive range of webinars, workshops and thought leader events, as well as Victorian Government funded continuing professional learning and evaluation activities to the Victorian VET workforce.

Note 2.1 Summary of revenue and income that funds the delivery of our services

	Notes	2022 \$	2021 \$
Government grants	2.1.1	1,315,000	1,315,000
Revenue from contracts with customers	2.1.2	3,052,896	2,955,194
Interest income	2.1.3	35,540	10,800
Total revenue and income from transactions		4,403,436	4,280,994

Revenue and income

The company has applied AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of not-for-profit entities.

Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement.

The company conducts an annual review of its contracts with customers. The majority of the company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

The company recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.1 Government grants

	2022 \$	2021 \$
Government grants		
Victorian Skills Authority (VSA)	1,315,000	1,315,000
Total Government grants	1,315,000	1,315,000

In January 2021, the company signed a 3 year Common Funding Agreement (CFA) with the Department of Education and Training (DET) covering the period 1 January 2021 to 31 December 2023. During the first quarter of 2022, this agreement was novated to the newly created Victorian Skills Authority. The agreement provides for annual funding amounts made up of Core funding and Strategic Program funding.

The Core funding is provided to meet the annual employee and accommodation costs for the company. This component of funding meets the criteria of, and is reported under, AASB 1058 Income of not-for-profit entities as there are no specific performance obligations. The income is recognised upon receipt.

VET DEVELOPMENT CENTRE LIMITED
ABN 15 113 721 770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Note 2.1.2 Revenue from contracts with customers

	2022 \$	2021 \$
Revenue from contracts with customers		
Fee for service - DET Program funding and variations	2,684,428	2,689,010
Fee for service - Customised professional development	66,950	74,227
Fee for service - Professional learning and development	240,255	189,480
Fee for service - Room hire	61,263	2,477
Total revenue from contracts with customers	3,052,896	2,955,194

Revenue by timing of revenue recognition

	2022 \$	2021 \$
Revenue recognised over time	-	-
Revenue recognised at a point in time	3,052,896	2,955,194
Total revenue	3,052,896	2,955,194

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Revenue from Contract with Customers

Fee For Service

Total fees and charges are sales from contracts with customer as per AASB 15. Fee for service income is measured based on the consideration specified in contract with a customer. The company recognises revenue when it satisfies performance obligations and/or transfers control of services to the customer.

VSA Program Funding and variations

The VSA provides the Program funding to the company to develop and deliver specific professional development programs for the vocational education sector in priority areas as a response to the VSA's commitment to quality training outcomes. The programs focus on delivering workforce development training to improve the knowledge, skills and practice of VET teachers, trainers, assessors, and to improve the learning environment, experience and outcomes for all VET learners. This component of funding meets the criteria of, and is reported under, AASB 15 Revenue from contracts with customers.

Additional funding in the form of variations to the Strategic Program funding may be receivable during the course of each reporting year. These variations are also reported in accordance with AASB 15.

Revenue is recognised and allocated upon the successful delivery of specific learning and development activities as recorded in contract agreements and detailed project plans.

Customised professional development

The company also provides tailored or customised professional development learning and training programs that meet individual workforce development needs for training organisations and other customers on a fee for service basis. Customised programs are delivered at the company's training facility or at the customers selected location as well as providing workshops and webinars to individuals for professional development opportunities.

Revenue is recognised in accordance with AASB 15 and allocated upon the successful delivery of specific learning and development activities as recorded in contract agreements and detailed project plans.

VDC continuous professional learning and development

The company also has a Professional Development program providing continuous professional learning for the VET workforce through an extensive range of webinars and workshops and special events such as thought leader seminars, conferences and other functions.

Revenue is recognised when the services are delivered and have been accepted by customers, and the event has taken place which, is when the control is transferred. Revenue is recognised based on the contractual price. Payment of transaction price is due immediately when the customer registers for the webinar or workshop or other event.

Where revenue has been clearly received in respect of events to be delivered in the following year, such amounts are disclosed as contract liability.

In accordance with AASB 15, The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

Room Hire

In addition, the company generates a small amount of revenue through the availability of its training rooms for hire to third parties.

In accordance with AASB 15, revenue is recognised when the services are delivered and have been accepted by customers, and the room hire has taken place which, is when the control is transferred. Revenue is recognised based on the contractual price. Payment of transaction price is due immediately when the customer registers for the room hire.

Where revenue has been clearly received in respect of room hire to be delivered in the following year, such amounts are disclosed as contract liability.

Revenue is recognised to the extent that it is highly probable a reversal will not occur. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as contract liability.

The company has recognised the following assets and liabilities related to contracts with customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its balance sheet.

	2022 \$	2021 \$
Accounts receivable	17,881	594,393
Contract assets	205	909
Total receivables and contract assets	18,086	595,302
Contract Liabilities - Fee for service - VSA and DET Program funding and variations	713,088	1,566,827
Contract Liabilities - Fee for service - Professional Learning and development	6,170	1,993
Total contract liabilities	719,258	1,568,820

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Revenue recognised in relation to contract liabilities

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

Revenue recognised that was included in the contract liability balance at the beginning of the period

	2022 \$	2021 \$
Fee for service - VSA and DET Program funding and variations	853,739	297,588
Fee for service - Professional learning and development	1,382	1,530
Total	855,121	299,118

Transaction price allocated to 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.

	2023 \$
Revenue expected to be recognised	719,258
Total	719,258

Note 2.1.3 Interest Income

	2022 \$	2021 \$
Interest from financial deposits not at fair value through profit and loss		
Interest on bank deposits	35,540	10,800
Total interest from financial deposits not at fair value through profit and loss	35,540	10,800

Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES

Note 3.1 Expenses incurred in delivery of services

	Notes	2022 \$	2021 \$
Employee benefit expenses	3.1.1	1,385,980	1,421,583
Project costs	3.2	1,927,679	1,168,424
Other operating expenses	3.3	438,319	355,113
Total expenses incurred in delivery of services		3,751,978	2,945,120

Note 3.1.1 Employee benefits in the comprehensive operating statement

	2022 \$	2021 \$
Salary & wages	1,077,230	1,137,748
Annual leave	95,610	110,374
Long service leave	46,113	9,793
Superannuation	120,581	117,685
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	46,446	19,929
Casual/temporary staff	-	26,054
Total employee benefit expenses	1,385,980	1,421,583

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, WorkCover premiums and superannuation expenses.

All employees of the company are entitled to benefits on retirement, disability or death from the company's superannuation plan which are defined contribution (i.e. accumulation) superannuation plans. The defined contribution superannuation plan receives fixed contributions from the company and the company's legal or constructive obligation is limited to these contributions. All the employees are members of the company's default superannuation plan or a complying superannuation fund of their choice.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.1.2 Employee benefits in the balance sheet

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

	2022 \$	2021 \$
Current provisions		
Annual Leave:		
Unconditional and expected to settle within 12 months	96,735	105,708
Unconditional and expected to settle after 12 months	-	-
Long service leave		
Unconditional and expected to settle within 12 months	-	-
Unconditional and expected to settle after 12 months	43,741	40,288
	140,476	145,996
Provisions for on-costs		
Unconditional and expected to settle within 12 months	34,192	36,740
Unconditional and expected to settle after 12 months	6,122	5,492
	40,314	42,232
Total current provisions for employee benefits	180,790	188,228
Non-current provisions		
Long service leave		
Conditional and expected to settle after 12 months	75,361	52,152
On-costs		
Conditional and expected to settle after 12 months	10,547	7,109
Total non-current provisions for employee benefits	85,908	59,261
Total provisions for employee benefits	266,698	247,489

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Reconciliation of movement in on-cost provision

	2022 \$	2021 \$
Opening balance	49,341	43,442
Additional (reduction) provisions recognised	(2,549)	4,006
Reductions arising from payments/other sacrifices of future economic benefits	4,068	1,893
Closing balance	50,861	49,341
Current	40,314	42,232
Non-current	10,547	7,109

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the company does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the company expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL

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

The components of this current LSL liability are measured at:

- undiscounted value - if the company expects to wholly settle within 12 months; and
- present value - if the company does not expect to wholly settle within 12 months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Conditional LSL

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

Note 3.1.3 Superannuation Contributions

Employees of the company are entitled to receive superannuation benefits and the company contributes to defined contribution plans.

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2022 \$	2021 \$	2022 \$	2021 \$
Defined contribution plans:				
VicSuper	67,944	74,010	6,031	8,531
Other	52,637	41,663	4,943	6,733
Total	120,581	115,673	10,974	15,264

Total superannuation contributions made by the company were \$120,581 (2021: \$115,673). \$10,974 of superannuation contributions were outstanding at 31 December 2022 (2021: \$15,264).

Note 3.2 Project costs

	2022 \$	2021 \$
Core funded programs	447,788	202,725
Customised programs and professional development events	270,669	230,609
Other third party contracted programs	1,209,222	735,090
Total project costs	1,927,679	1,168,424

Project costs are those costs directly associated with the delivery of the company's core objectives and are recognised in the reporting period to which they are paid or payable. Project costs include presenter fees, program development and delivery costs, venue hire etc.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.3 Other operating expenses

	2022	2021
	\$	\$
Board and Committee	57,486	27,025
Professional services (Consulting)	118,172	182,598
Information Technology	69,779	78,959
Marketing	48,842	46,310
Printing, stationery and office requisites	34,152	31,977
Accommodation occupancy costs	67,161	(45,039)
Training and development	5,457	21,948
Travel and related expenses	1,449	142
Recruitment and advertising	35,821	11,193
Total other operating expenses	438,319	355,113

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include supplies and services costs which are recognised as an expense in the reporting period in which they are incurred.

In the comparative period, accommodation occupancy costs included a credit adjustment related to the landlord's financial period 1 July 2020 to 30 June 2021 for the outgoings and cleaning component related to the accommodation lease (\$43,589). The adjustment is based on a reconciliation undertaken by the landlord of their actual costs for the period against the estimated costs which is usually advised to the company at the start of the year and factored within the lease schedule. The adjustment for the current period related to 1 July 2021 to 30 June 2022 was an increase of \$25,796. This is an annual exercise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Note 3.4 Leases

At inception of a contract, the Company assesses 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 assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Recognition and measurement of leases as a lessee

The Company 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 is an equal amount to the lease liability adjusted for any amount prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of application.

The right-of-use asset is subsequently measured at fair value less accumulated depreciation and impairment. They are depreciated using the straight-line method from the application 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 remeasurements of the lease liability.

ROU assets are subject to managerial revaluations under FRD103I. The company entered into a new 5 year lease agreement commencing 1 July 2022. The new agreement is reflective of the current rental market. No revaluation is required for ROU assets in this reporting period.

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

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

- fixed payments, including in-substance 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
- payments arising from purchase and termination options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Right-of-use asset

	Plant & Equipment \$	Property \$	Total \$
2022			
Balance at 1 January	19,908	1,320,449	1,340,357
Adjustment on initial measurement	(189)	-	(189)
Additions	-	-	-
Depreciation charge for the year	(3,944)	(240,081)	(244,025)
Balance at 31 December	15,775	1,080,368	1,096,143
2021			
Balance at 1 January	-	1,966,423	1,966,423
Additions	19,908	-	19,908
Depreciation charge for the year	-	(268,165)	(268,165)
Adjustment on remeasurements of the lease liability	-	(377,809)	(377,809)
Balance at 31 December	19,908	1,320,449	1,340,357

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Lease liabilities

	Plant & Equipment \$	Property \$	Total \$
2022 Maturity analysis			
Less than one year	4,092	259,687	263,779
One to five years	12,376	1,003,741	1,016,117
More than five years	-	-	-
Total undiscounted lease liabilities	16,468	1,263,428	1,279,896
Effect of discounting lease liabilities	(647)	(58,738)	(59,385)
Lease liabilities included in the balance sheet at 31 December	15,821	1,204,690	1,220,511
Current	3,899	239,637	243,536
Non-current	11,922	965,053	976,975

	Plant & Equipment \$	Property \$	Total \$
2021 Maturity analysis			
Less than one year	3,918	247,479	251,397
One to five years	15,990	1,238,802	1,254,792
More than five years	-	-	-
Total undiscounted lease liabilities	19,908	1,486,281	1,506,189
Effect of discounting lease liabilities	-	(80,332)	(80,332)
Lease liabilities included in the balance sheet at 31 December	19,908	1,405,949	1,425,857
Current	3,918	224,731	228,649
Non-current	15,990	1,181,218	1,197,208

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

Amounts recognised in profit and loss

	2022 \$	2021 \$
Interest on lease liabilities	23,177	20,321

Amounts recognised in statement of cash flows

	2022 \$	2021 \$
Total cash outflow for leases	205,157	267,266

Short-term leases and leases of low-value assets

The Company 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, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

There were no short-term leases and leases of low-value for the year ended 31 December 2022 or the comparative period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Significant judgement: Classification of investments as 'key assets'

The company has made the judgement that investments are key assets utilised to support the company's objectives and activities.

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.

Note 4.1 Total Property, plant and equipment

	2022	2021
	\$	\$
Plant & Equipment		
At Fair Value	240,586	118,720
Less: Accumulated depreciation	(92,219)	(70,534)
	148,367	48,186
Leasehold Improvements		
At Fair Value	680,339	680,339
Less: Accumulated depreciation	(680,339)	(581,622)
	-	98,717
Total property, plant and equipment		
At Fair Value	920,925	799,059
Less: Accumulated depreciation	(772,558)	(652,156)
Net carrying amount	148,367	146,903

Initial recognition

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. The asset capitalisation threshold adopted by the company is \$5,000. Assets valued at less than \$5,000 are charged to the comprehensive operating statement in the year of purchase (other than where they form part of a group of similar items which are material in total).

Subsequent measurement

All assets of the company are subsequently measured at fair value. Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out in the table above. The fair value of plant and equipment is normally determined by reference to the asset's current replacement cost. The existing depreciated historical cost of the plant and equipment is generally a reasonable proxy for current replacement cost because of the short lives of the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.1.1 Depreciation and amortisation

Charge for the period

	2022 \$	2021 \$
Plant & Equipment	38,074	22,389
Leasehold Improvements	98,717	136,068
Right-Of-Use assets	244,025	268,165
Intangible assets (amortisation)	-	2,177
Total depreciation and amortisation	380,816	428,799

All plant and equipment and leasehold improvements including right-of-use assets that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The depreciation rates used for each class of depreciable assets are as follows:

Asset class	2022 Depreciation rate	2021 Depreciation rate
Plant & Equipment	5%-25%	5%-25%
Leasehold Improvements	20%	20%
Right-Of-Use assets	20%	20%
Intangible assets	33%	33%

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

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

Impairment

Non-financial physical assets are assessed annually for indications of impairment. If there is an indication of impairment, 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'.

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

	PLANT & EQUIPMENT		LEASEHOLD IMPROVEMENTS		TOTAL	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening balance	48,186	54,267	98,717	234,785	146,903	289,052
Additions	162,883	16,308	-	-	162,883	16,308
Disposals	(24,628)	-	-	-	(24,628)	-
Impairment of assets	-	-	-	-	-	-
Depreciation expense	(38,074)	(22,389)	(98,717)	(136,068)	(136,791)	(158,457)
Closing balance	148,367	48,186	-	98,717	148,367	146,903

Note 4.2 Right of Use assets

	PLANT & EQUIPMENT		PROPERTY		TOTAL	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening balance	19,908	-	1,320,449	1,966,423	1,340,357	1,966,423
Adjustment on initial measurement	(189)	-	-	-	(189)	-
Additions	-	19,908	-	-	-	19,908
Disposals	-	-	-	-	-	-
Impairment of assets	-	-	-	(377,809)	-	(377,809)
Depreciation expense	(3,944)	-	(240,081)	(268,165)	(244,025)	(268,165)
Closing balance	15,775	19,908	1,080,368	1,320,449	1,096,143	1,340,357

Impairment on assets is due to the adjustment on remeasurements of the lease liability for the accommodation lease, upon the Company taking on the option to renew the lease for a further 5 year period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Note 4.3 Intangible assets

	COMPUTER SOFTWARE		COMPUTER SOFTWARE (WORKS IN PROGRESS)		TOTAL	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening balance	10,773	12,950	-	-	10,773	12,950
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers in/out of software under development	-	-	-	-	-	-
Impairment of assets	(10,773)	-	-	-	(10,773)	-
Amortisation expense	-	(2,177)	-	-	-	(2,177)
Closing balance	-	10,773	-	-	-	10,773

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is 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, and only if, all of the following are demonstrated:

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 5 years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight line basis over their useful lives. The amortisation period is 3 to 5 years.

Impairment of intangible assets

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

The policy in connection with testing for impairment is outlined in section 4.1.1.

Significant intangible assets

The company had previously capitalised software development expenditure for the development of its Arlo Training Management System as the company paid the suppliers of the configuration and customisation services. However in accordance with IFRIC decision and Treasury guidelines (as at February 2022) the opening balance of \$10,773 has been written off during 2022.

Note 4.4 Investments and other financial assets

	2022 \$	2021 \$
Current investments and other financial assets		
Term deposits ^(a)	1,500,000	3,100,000
Term deposit - bank guarantee ^(b)	126,291	179,974
	1,626,291	3,279,974

(a) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

(b) Bank guarantee is established in favour of Killara Quest Pty Ltd for the premises occupied at Level 8, 379 Collins Street, with no expiry date.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

Ageing analysis of investments and other financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2022						
Term Deposits	1,626,291	1,626,291	-	-	-	-
	1,626,291	1,626,291	-	-	-	-
2021						
Term Deposits	3,279,974	3,279,974	-	-	-	-
	3,279,974	3,279,974	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the company's operations.

Note 5.1 Receivables and contract assets

	2022 \$	2021 \$
Contractual		
Sale of goods and services	17,881	594,393
Other debtors	11,069	694
	28,950	595,087
Statutory		
GST Input tax credits recoverable	63,230	21,109
	63,230	21,109
Total receivables and contract assets	92,180	616,196
Represented by:		
Current	92,180	616,196
Non-current	-	-

Receivables consist of:

- contractual receivables, such as debtors in relation to sale of goods and services and accrued investment income; and
- statutory receivables, such as Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments.

Receivables are subject to impairment testing as described below.

Impairment

The company 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.

There was no impairment in respect of receivables during the year or for the comparative year.

Receivables are interest-free and are due for settlement no more than 90 days from date of recognition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Contract Assets

	2022 \$	2021 \$
Contract assets		
Contract assets	205	909
Total contract assets	205	909
Represented by:		
Current contract assets	205	909
Non-current contract assets	-	-

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2022						
Sale of goods and services	28,950	-	3,706	6,508	18,736	-
Contract assets	205	-	205	-	-	-
	29,155	-	3,911	6,508	18,736	-
2021						
Sale of goods and services	595,087	-	592,743	1,650	694	-
Contract assets	909	-	909	-	-	-
	595,996	-	593,652	1,650	694	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5: OTHER ASSETS AND LIABILITIES (CONTINUED)

Note 5.2 Payables	2022	2021
	\$	\$
Contractual		
Creditors	24,858	14,115
Superannuation payables	10,974	15,264
Other payables and accruals	24,160	55,355
	59,992	84,734
Statutory		
PAYG withholding	30,330	43,260
	30,330	43,260
Total payables	90,322	127,994
Represented by:		
Current payables	90,322	127,994
Non-current payables	-	-

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost, such as accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid, and arise when the company becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts, such as goods and services tax and fringe benefits tax payables.

The accounts payable are unsecured and are usually paid within 30 days of recognition.

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5: PAYABLES AND OTHER LIABILITIES (CONTINUED)

Maturity analysis of contractual payables^(a)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2022						
Payables	59,992	59,992	59,992	-	-	-
	59,992	59,992	59,992	-	-	-
2021						
Payables	84,734	84,734	84,734	-	-	-
	84,734	84,734	84,734	-	-	-

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

Note 5.3 Other non-financial assets

	2022 \$	2021 \$
Current		
Prepayments	104,558	50,496
Total other non-financial assets	104,558	50,496

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 6: FINANCING OUR OPERATIONS

This section provides information on the sources of finance utilised by the company during its operations, along with interest expenses and other information related to financing activities of the Company.

This section includes disclosures of balances that are financial instruments (such as cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Note 6.1 Cash flow information and balances

Cash and deposits, including cash equivalents comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

	2022 \$	2021 \$
Total cash and deposits disclosed in the balance sheet	2,208,145	676,206
Balance as per cash flow statement	2,208,145	676,206

Note 6.1.1 Reconciliation of net result for the period to cash flow from operating activities

	2022 \$	2021 \$
Net result for the period	227,446	887,138
Non cash movements:		
(Gain)/loss on disposal of non-current assets	35,402	-
Depreciation and amortisation of non-current assets	380,816	428,799
Other non-cash movements	(15,383)	(384)
Movements in assets and liabilities:		
(Increase) / decrease in receivables	525,015	(606,763)
(Increase) / decrease in contract assets	704	614
(Increase) / decrease in other financial assets	53,683	-
(Increase) / decrease in prepayments	(54,062)	(2,060)
Increase / (decrease) in payables	(37,672)	(86,756)
Increase / (decrease) in contract liabilities	(849,562)	180,472
Increase / (decrease) in provisions	34,592	20,275
Net cash flows from/(used in) operating activities	299,979	821,335

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

The company is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Company related mainly to fair value determination.

Note 7.1 Financial instruments specific disclosures

The company's financial instruments mainly comprise cash and short-term deposits. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The company has various other financial instruments such as receivables and payables, which arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks. The company undertakes regular monitoring of the performance of its financial assets and liabilities.

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. Due to the nature of the company's activities, certain financial assets and financial liabilities arise under statute rather than a contract.

CATEGORIES OF FINANCIAL ASSETS

Financial assets measured at amortised cost

Financial assets measured at amortised cost are financial instruments which meet both of the following criteria and are not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company recognises the following financial assets in this category:

- cash and deposits
- receivables (excluding statutory payables); and
- investments and other financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

CATEGORIES OF FINANCIAL LIABILITIES

Financial liabilities at amortised cost

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

- payables (excluding statutory payables)

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Impairment of financial assets

The Company applies the 'expected credit loss' (ECL) model to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, revenue receivable and term deposits.

Credit 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 possible default events over the expected life of a financial instrument.

The company measures loss allowances at an equal amount to lifetime ECLs.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.1.1 Financial instruments: Categorisation

	Contractual financial assets at amortised cost \$	Contractual financial liabilities at amortised cost \$	Total \$
2022			
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	2,208,145	-	2,208,145
Receivables ^(a)	17,881	-	17,881
Investments and other financial assets	1,626,291	-	1,626,291
Total contractual financial assets	3,852,317	-	3,852,317
Contractual financial liabilities			
Payables ^(b)	-	59,992	59,992
Total contractual financial liabilities	-	59,992	59,992
2021			
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	676,206	-	676,206
Receivables ^(a)	594,393	-	594,393
Investments and other financial assets	3,279,974	-	3,279,974
Total contractual financial assets	4,550,573	-	4,550,573
Contractual financial liabilities			
Payables ^(b)	-	84,734	84,734
Total contractual financial liabilities	-	84,734	84,734

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

(b) The total amounts disclosed here exclude statutory amounts (e.g. taxes payable).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.1.2 Financial risk management and objectives

As a whole, the company's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the company's financial risks within policy parameters.

The company's main financial risks include credit risk, liquidity risk and interest rate risk. The company manages these financial risks in accordance with its financial risk management policy.

The company uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the audit and risk management committee of the company.

Financial instruments: Credit risk

Credit risk arises from the financial assets of the company, which comprise cash and cash equivalents and receivables. The company's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the company. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the company's financial assets is minimal because the main debtors are the Victorian Government, Victorian TAFE Institutes and Registered Training Providers.

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

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Currently the company does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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

	Financial Institutions (AA credit rating) \$	Government agencies (AA credit rating) \$	Total \$
2022			
Contractual financial assets			
Cash and deposits	1,708,145	500,000	2,208,145
Receivables ^(a)	-	17,881	17,881
Investments and other financial assets	1,626,291	-	1,626,291
Total contractual financial assets	3,334,436	517,881	3,852,317
2021			
Contractual financial assets			
Cash and deposits	526,206	150,000	676,206
Receivables ^(a)	-	594,393	594,393
Investments and other financial assets	3,279,974	-	3,279,974
Total contractual financial assets	3,806,180	744,393	4,550,573

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable)

Financial instruments: Liquidity risk

Liquidity risk arises when the company is unable to meet its financial obligations as they fall due. The company operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows, budgets and maturities planning to ensure adequate liquidity.

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

Financial instruments: Market risk

The company's exposure to market risk is considered to be insignificant. The company does not engage in financial trading and does not have exposure to foreign currency and other price risks. None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, are as follows:

	Weighted average effective interest rate %	Carrying amount \$	Interest rate risk exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2022					
Financial assets					
Cash and deposits	2.03	2,208,145	2,000,000	207,730	415
Receivables ^(a)		17,881	-	-	17,881
Investments and other financial assets	1.74	1,626,291	1,626,291	-	-
Total financial assets		3,852,317	3,626,291	207,730	18,296
Financial liabilities					
Payables		59,992	-	-	59,992
Total financial liabilities		59,992	-	-	59,992
2021					
Financial assets					
Cash and deposits	0.02	676,206	150,000	525,630	576
Receivables ^(a)		594,393	-	-	594,393
Investments and other financial assets	0.30	3,279,974	3,279,974	-	-
Total financial assets		4,550,573	3,429,974	525,630	594,969
Financial liabilities					
Payables		84,734	-	-	84,734
Total financial liabilities		84,734	-	-	84,734

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

The only financial assets and/or financial liabilities that are affected by the interest movement are cash at bank. The impact of a possible 0.1% increase or decrease in interest rates would make a difference of +/- \$207 (2021: \$525) on net result and equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.2: Contingent assets and contingent liabilities

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

At 31 December 2022 the company had no contingent assets (nil at 31 December 2021).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

At 31 December 2022 the company had no contingent liabilities (31 December 2021).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.3 Fair value determination

Fair Value Hierarchy

Consistent with AASB 13 Fair Value Measurement, the company determines the policies and procedures for recurring fair value measurements such as plant and equipment in accordance with the requirements of AASB 13.

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

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

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

In addition, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The company has assessed its financial assets and financial liabilities and it does not hold any financial assets or financial liabilities that require disclosure at fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Note 7.3.1 Fair Value determination: Non-financial physical assets

Fair Value Measurement Hierarchy

	Carrying amount as at 31 Dec 2022 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	148,367	-	-	148,367
Leasehold Improvements at fair value	-	-	-	-
Right-of use assets	1,096,143	-	-	1,096,143
Total	1,244,510			1,244,510

	Carrying amount as at 31 Dec 2021 \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
Plant & Equipment at fair value	48,186	-	-	48,186
Leasehold Improvements at fair value	98,717	-	-	98,717
Right-of use assets	1,340,357	-	-	1,340,357
Total	1,487,260			1,487,260

There have been no transfers between levels during the period. 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 winding up, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 31 December 2021. For all assets measured at fair value, the current use is considered the highest and best use.

Description of significant unobservable inputs to Level 3 valuations

	Valuation Technique	Significant unobservable inputs
Plant and equipment	Current replacement cost	Cost per unit
		Useful life of plant and equipment
Leasehold improvements	Current replacement cost	Cost per unit
		Useful life of leasehold improvement
Right-of-use assets	Current replacement cost	Cost per unit
		Useful life of right-of-use assets

Significant unobservable inputs have remained unchanged since December 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8: OTHER DISCLOSURES

Note 8.1 Ex-gratia expenses ^(a)

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

At 31 December 2022 the company had no ex-gratia expenses (nil at 31 December 2021).

Note 8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

	2022 \$	2021 \$
Net gain/(loss) on non-financial assets		
Impairment of property, plant and equipment	-	-
Net gain/(loss) on disposal of property, plant and equipment	(35,402)	-
Total net gain/(loss) on non-financial assets	(35,402)	-
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability ^(a)	15,383	384
Total other gains/(losses) from other economic flows	15,383	384

(a) Revaluation gain/(loss) due to changes in bond rates

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.3 Responsible persons

The VET Development Centre Limited is a public company limited by guarantee, with the Victorian Minister for Training and Skills as the sole member. The company is governed by an experienced Board of Directors appointed for their specialist expertise in VET, workforce development and corporate governance.

NAMES

The persons who held the positions of Responsible Minister and Accountable Officer in the company are as follows:

Responsible Minister – Minister for Training and Skills	
The Hon. Gayle Tierney, MP	1 January 2022 to 31 December 2022

Board Members	
Belinda McLennan	1 January 2022 to 31 December 2022
Brian Henderson	1 January 2022 to 31 December 2022
Clive Driscoll	1 January 2022 to 31 December 2022
David Williams	1 January 2022 to 31 December 2022
David Windridge	1 January 2022 to 31 December 2022
Michael Brown	1 January 2022 to 18 June 2022
Shirley Southgate	1 January 2022 to 29 July 2022
Susan Christophers	1 January 2022 to 31 December 2022
Karen Starr	3 August 2022 to 31 December 2022
Melissa Donald	3 August 2022 to 31 December 2022
Christine Robertson	9 August 2022 to 31 December 2022

Accountable Officer - Chief Executive Officer	
Mr Martin Powell	1 January 2022 to 31 December 2022

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Remuneration

Remuneration of the Minister is disclosed in the financial report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members' Interests, which each member of Parliament completes.

Remuneration received or receivable by the Board members was as follows:

Remuneration Band	2022 No.	2021 No.
\$0-\$9,999	10	9
\$10,000-\$19,999	1	-
	11	9
Total remuneration of Board Members (\$)	38,729	31,522

Remuneration received or receivable by the Accountable Officer in connection with the management of the company was as follows:

Remuneration Band	2022 No.	2021 No.
\$270,000-\$279,999	-	1
\$280,000-\$289,000	1	-
Total remuneration of Accountable Officer (\$)	287,960	273,854

Note 8.4 Remuneration of executives

Note 8.4.1 Remuneration of executives

There were no executive officers, other than the accountable officer, during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.5 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);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that have a 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.

Significant transactions with government-related entities

The company received funding in the form of Grants and Fee for Service income from the VSA of \$2,080,000 (2021: NIL) and other areas of the Department of Education and Training of \$1,083,525 (2021: \$4,217,163). The company made a payment to the Department of Education and Training as sponsorship towards the annual Victorian Training Awards of \$17,500 (2021: \$17,500).

Key management personnel of the company includes the Minister, The Hon. Gayle Tierney, MP and the Chief Executive Officer, Martin Powell, and the Directors of the Board.

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2022	2021
	\$	\$
Short-term employee benefits ^(a)	294,460	274,451
Post-employment benefits	26,178	23,795
Other long-term benefits	6,051	7,130
Termination benefits	-	-
Total	326,689	305,376

(a) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

Remuneration comprises employee benefits (as defined in AASB 119 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. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

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NOTE 8: OTHER DISCLOSURES (CONTINUED)

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.

Transactions and balances with key management personnel and other related parties

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

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the company's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

Note 8.6 Remuneration of auditors

Victorian Auditor-General's Office	2022	2021
	\$	\$
Audit of the financial statements	27,000	22,500

Note 8.7 Subsequent events

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the company and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.8 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 31 December 2022 reporting period. The company assesses the impact of all these new standards, their applicability and early adoption where applicable.

As at 31 December 2022, the following AASs have been issued by the AASB but are not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on financial statements
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 Jan 2023	The standard is not expected to have a significant impact on the public sector.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Note 8.9 Glossary of technical terms

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and defined contribution superannuation plans.

Ex-gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial assets

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8: OTHER DISCLOSURES (CONTINUED)

- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the

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NOTE 8: OTHER DISCLOSURES (CONTINUED)

AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes prepayments and plant and equipment.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-financial physical.

Other economic flows - other comprehensive income

Other economic flows - other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows - other comprehensive income include changes in physical asset revaluation surplus.

Payables

Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 8: OTHER DISCLOSURES (CONTINUED)

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Right-of-use asset

The right-of-use asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the company.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Note 8.10 Style conventions

Figures in the tables and in the text have been rounded to the nearest dollar. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows

..	- zero, or rounded to zero
(xxx.x)	- negative numbers
200x	- year period
200x 0x	- year period

The financial statements and notes are presented based on the illustration for a government department in the 2020-21 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the company's annual reports.

DIRECTORS AND ACCOUNTABLE OFFICER'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the company declare that:

1. **The financial statements and notes, as set out on pages 52 to 103, are in accordance with the Corporations Act 2001 and:**
 - a. comply with the Australian Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2022 and of the performance for year ended on that date.
2. **In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.**
3. **The attached financial statements of the company have been prepared in accordance with applicable Australian Accounting Standards, (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.**
4. **We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.**

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



(On behalf of the Board)
Chairperson
Dr. Belinda McLennan



(Accountable Officer)
Chief Executive Officer
Martin Powell

Dated: 27 March 2023

Dated: 27 March 2023

Independent Auditor's Report

To the Directors of VET Development Centre Limited

Opinion	<p>I have audited the financial report of VET Development Centre Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2022 • 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 • directors and accountable officer's declaration. <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 2022 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 <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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**

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 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.



Charlotte Jeffries
as delegate for the Auditor-General of Victoria



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