



Annual Report 2019



MELBOURNE
POLYTECHNIC

ACKNOWLEDGEMENT OF CULTURE

Cultural inclusiveness is one of our guiding principles at Melbourne Polytechnic. On behalf of our staff and students we acknowledge the first educational practices that occurred on this land for thousands of years. They are the traditional learnings and teachings of the Wurundjeri people.

MELBOURNE POLYTECHNIC

ANNUAL REPORT 2019

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Left: The Hon Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education, and Vicki Ward MP, Member for Eltham, visited our Greensborough, Preston, and Fairfield campuses to make announcements about the Victorian Government's Free TAFE for Priority Courses initiative.

L-R: Vicki Ward MP, Member for Eltham; the Hon Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education; Frances Coppolillo, Melbourne Polytechnic Chief Executive; and Health and Community Services students.



Left: Melbourne Polytechnic students and staff visited Fuzhou Melbourne Polytechnic (FMP), China, to welcome 730 new Chinese students who enrolled in FMP programs and to promote TAFE Victoria.



Left: Former Senator the Hon Doug Cameron, Shadow Minister for Skills, TAFE and Apprenticeships, and Ged Kearney MP, Shadow Assistant Minister for Skills, visited the Melbourne Polytechnic Preston campus to open our new Building Information Modelling (BIM) laboratory.

L-R: Greg Madigan, Executive Director of Marketing, Industry and International Partnerships (to October 2019), Melbourne Polytechnic; the Hon Doug Cameron, Shadow Minister for Skills, TAFE and Apprenticeships; Ged Kearney MP, Shadow Assistant Minister for Skills; Frances Coppolillo, Chief Executive, Melbourne Polytechnic; and Building Design students.



Left: Bronwyn Halfpenny MP, Member for Thomastown, visited our Preston and Epping campuses to promote the Parliament Exhibition 2019 Youth Contributions to Thomastown Electorate.

L-R: Darcy Ridgway, Melbourne Polytechnic Visual Arts student; Bronwyn Halfpenny MP, Member for Thomastown; Con Emmanuelle, Leading Teacher Visual Arts, Melbourne Polytechnic; Helen Jolly, Program Leader Visual Arts, Melbourne Polytechnic.

CONTENTS

INTRODUCTION	4
BOARD CHAIRPERSON'S REPORT	4
MESSAGE FROM THE CHIEF EXECUTIVE	5
OVERVIEW OF THE MELBOURNE POLYTECHNIC STRATEGIC PLAN 2019-2023	6
REPORT OF OPERATIONS	7
2019: THE YEAR IN REVIEW	7
STAFF AWARDS AND ACHIEVEMENTS	8
ORGANISATIONAL RESTRUCTURE	10
2019 REVIEW OF FUNCTIONAL GROUPS	11
ACADEMIC OPERATIONS	11
STUDENT PROFILE - AKOLDA BIL	14
CURRICULUM INNOVATION AND TEACHING EXCELLENCE	15
PEOPLE, CULTURE AND CORPORATE SERVICES	17
STRATEGY, PERFORMANCE AND GOVERNANCE	19
STUDENT ENGAGEMENT, INTERNATIONAL AND COMMUNITY PARTNERSHIPS	20
STUDENT PROFILE - SOPHIN DAHAL	22
ENVIRONMENTAL PERFORMANCE	23
SUMMARY OF OPERATING RESULTS AND FINANCIAL POSITION	26
GOVERNANCE	27
BOARD AND COMMITTEES	27
MELBOURNE POLYTECHNIC SENIOR MANAGEMENT STRUCTURE AT 31 DECEMBER 2019	31
MELBOURNE POLYTECHNIC OBJECTIVES, FUNCTIONS, POWERS AND DUTIES	32
WORKFORCE DATA	33
COMPLIANCE WITH LEGISLATION AND REGULATIONS	35
MELBOURNE POLYTECHNIC FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT	37
COVID-19 IMPACT STATEMENT	37
2019 FINANCIAL STATEMENTS	39
DECLARATION	40
AUDITOR-GENERAL'S INDEPENDENT AUDITOR'S REPORT	41
PERFORMANCE	74
AUDIT REPORT ON PERFORMANCE STATEMENT	74
2019 PERFORMANCE STATEMENT DECLARATION	76
2019 PERFORMANCE STATEMENT	76
CONSULTANCIES	77
ADVERTISING	77
SUMMARY OF MAJOR COMMERCIAL ACTIVITIES	77
COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT 2019	78
ADDITIONAL INFORMATION	79
DISCLOSURE INDEX	80
STUDENT AWARDS AND ACHIEVEMENTS	83

INTRODUCTION

BOARD CHAIRPERSON'S REPORT



I am pleased to present Melbourne Polytechnic's 2019 Annual Report. Prepared for our stakeholders, this report provides a summary of our achievements and financial results for 2019.

The Melbourne Polytechnic Strategic Plan 2019-2023 outlines a clear direction towards realising our vision: Developing the capabilities of students and industry to thrive in a rapidly changing world. A key platform of the Strategic Plan is to ensure the Institute's financial sustainability. To achieve this, we are focused on reducing our reliance on grant funding while achieving a level of financial performance that enables us to make strategic, long-term investment decisions.

Melbourne Polytechnic recorded many successes in 2019 and we believe they demonstrate our ongoing commitment to putting students at the centre of everything we do, and the value we place on genuine engagement and partnerships with employers, industry and our communities.

In 2019, we maintained over 37,000 course enrolments. International student enrolments increased by 23 per cent during the year, and 2,150 international students from 70 countries joined us at our Melbourne campuses. Enrolments at the Fuzhou Melbourne Polytechnic Campus in China more than doubled in 2019 and we continued to offer quality programs in China, Hong Kong, Korea and Indonesia through our global partnerships.

Relationships with industry and community were strengthened throughout the year. The Banyule Nillumbik and Whittlesea Tech schools embedded productive and sustainable Science, Technology, Engineering and Maths (STEM) programs into our communities through partnerships with 34 local secondary schools. We also welcomed nine new partners to our Inner North Eastern Melbourne Education Precinct in Collingwood.

Student, staff and Institute successes were acknowledged with a vast array of awards (see pages 8-9 and pages 83-86). Melbourne Polytechnic was an Australian International Training Provider of the Year and Victorian Inclusive Training Provider of the Year Training Awards finalist in 2019, and our expertise in horticultural training was recognised at the Melbourne International Flower and Garden Show.

On behalf of the Board, I extend sincere thanks to all members of the Melbourne Polytechnic Board, our Chief Executive, Frances Coppelillo, and the Executive Leadership Team for their invaluable contributions. I would also like to thank the outgoing Board members for their dedication and thank the former Chair, Jim Pasinis. I acknowledge and thank the Hon Gayle Tierney MP, the Minister for Training and Skills and the Minister for Higher Education, her staff and the Department of Education and Training for their ongoing support and assistance during a challenging, yet rewarding year for Melbourne Polytechnic.

I would also like to thank our staff, who demonstrate genuine commitment to our students, our values and our strategic directions.

I am confident that with strong governance and our clear vision, Melbourne Polytechnic will continue to rise to challenges and opportunities and provide high-quality education that meets the needs of our students, partners, industry and community.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 24 February 2020

I confirm that this Report of Operations was prepared in accordance with the requirements of the relevant Financial Reporting Directions.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 24 February 2020

MESSAGE FROM THE CHIEF EXECUTIVE



Throughout 2019, we worked consistently towards realising our vision to develop the capabilities of students and industry to thrive in our rapidly changing world.

We remain deeply connected to the communities we serve, and provide support to new arrivals, both migrants and those entering Victoria on humanitarian grounds, through our successful Adult Migrant English Program (AMEP). In 2019, AMEP delivered English language tuition and settlement skills to over 13,000 migrants across five regions in Victoria, providing a sound basis for them to participate socially and economically in their new communities.

In 2019, Melbourne Polytechnic took a lead role within the Victorian TAFE Network on projects relating to the inclusion of students and employees with a disability, furthering the Government's inclusion agenda and responding to the roll-out of the National Disability Insurance Scheme. Our Inclusion, Respect and Equality Taskforce led a range of initiatives to improve our culture of inclusion, respect and equality locally, including oversight of a Gender Impact Analysis pilot project for the Office of Women.

The year brought with it a number of developments within the Education and Training sector, including the introduction of the Victorian Government's Free TAFE for Priority Courses initiative. We responded quickly to this initiative, and experienced a significant increase in the number of enrolments in priority courses, especially in the areas of Information Technology and Security, Horticulture and Community Services. While this presented several challenges, our industry partners and staff supported this expansion with an increase of more than 600 industry-based placements.

We take our role as stewards of public funds and assets seriously, and we are committed to making best use of all our available resources while maintaining financial and environmental sustainability. Throughout 2019 we continued to enhance our organisational capability so we are best positioned to meet our strategic priorities and the changing demands of the environment within which we work. We reinvigorated our efforts on the quality of Vocational and Higher Education as well as fit-purpose contemporary education facilities.

Significant investments were made to enhance the professional practice of our teachers and the quality of our training. We established a dedicated Curriculum Unit with centralised

responsibility for curriculum development and the quality of our training and education. Together with strategies to enhance professional teaching practice we believe this will lead to improved student experience, learning and vocational outcomes. Twenty Melbourne Polytechnic staff participated in our leadership development program in 2019, which culminated in a range of improvement projects including generating a guide for staff supporting students with mental illness, and improving the quality of student timetables.

A range of enhanced strategies and frameworks were developed to support and guide the achievement of our strategic goals and contribute to our overall sustainability. We doubled our efforts to ensure the courses Melbourne Polytechnic offers continue to meet the needs of our students, industry and community. We aim to increase delivery of courses aligned with our flagship industries (Human Services; Food and Fibre; Construction; Logistics; and Advanced Manufacturing) and reduce other course provisions to improve scale and deliver an overall improvement in gross margin.

Towards the end of 2019, we restructured our internal functional relationships so they most effectively and efficiently support the delivery of our strategy. We believe the new structure ensures that our students and other partners remain at the centre of everything we do, and will support our activities sustainably into the future.

Change can be as difficult as it is exciting, and can impact people differently. I would like to thank all Melbourne Polytechnic staff for their support during our period of change, and for all their efforts throughout 2019. I also thank the Board for their ongoing support and commitment this year and look forward to working together to ensure that Melbourne Polytechnic remains a sustainable, agile and forward-looking Institute into the future.



Frances Coppolillo
Chief Executive
Melbourne Polytechnic

Date: 24 February 2020

OVERVIEW OF THE MELBOURNE POLYTECHNIC STRATEGIC PLAN 2019-2023

The Melbourne Polytechnic Strategic Plan 2019-2023 (the Plan) provides the direction, structure and priorities to guide the realisation of our vision: Developing the capabilities of students and industry to thrive in a rapidly changing world.

The Plan puts our students at the centre of all that we do, as we support and work in partnership with industry and our communities. We understand that maximising our contribution to the economy and the wellbeing of the communities we serve can only be achieved by genuine engagement and close working relationships with employers, industry, the community and in partnership with others. The Plan prioritises work with five flagship industries and creates inclusive precincts that bring together students, teachers, industry and community within our major sites.

Underpinning the Plan is a commitment to quality and continuous improvement, and ongoing investment in our people, our systems and our processes. We have set clear parameters to hold ourselves to account and we are committed to continually measuring our performance and comparing ourselves to and learning from others.

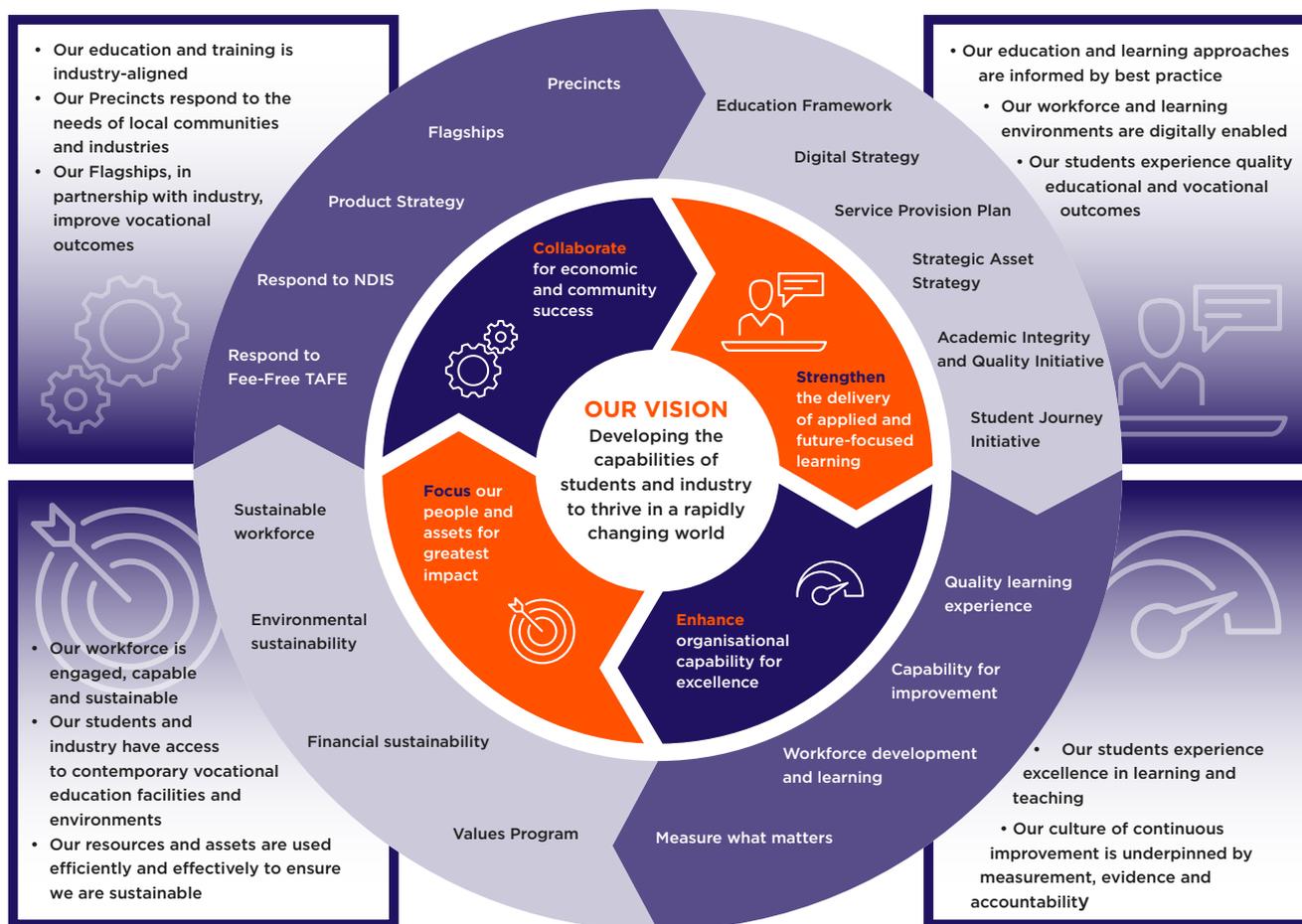
By ensuring our activities and efforts are aligned with the Plan, Melbourne Polytechnic will remain an agile, forward-looking Institute that continues to deliver positive training and employment outcomes and success for our students, local industries and communities.

Our priority initiatives between 2019 and 2021 include:

- ▶ Investing further in the quality of our teachers and training to ensure learners have superior experiences and vocational outcomes.
- ▶ Reorienting our systems and processes to create a truly student-centric organisation.
- ▶ Establishing a Centre for Excellence in Human Services Workforce Development.
- ▶ Deepening our partnerships with the food and fibre industry, culminating in lead programs that enable the industry to be sustainable, and support its growth in Melbourne's north.
- ▶ Revitalising the Melbourne Polytechnic precincts at Collingwood and Preston, ensuring that they reflect the unique and multicultural nature of their local communities.
- ▶ Developing a service provision plan guiding future asset development in our growing and changing catchment.

Longer term initiatives that we will progress by 2023 include:

- ▶ Establishing flagships in logistics and advanced manufacturing to best respond to the needs of the industry in Melbourne's north.
- ▶ Growing our product offerings, ensuring that our local and international students are offered the learning opportunities they need for career success.



REPORT OF OPERATIONS

2019: THE YEAR IN REVIEW

This year was the first full year of implementing the new Melbourne Polytechnic Strategic Plan 2019-2023, in which we are committed to placing our students, industry and our communities at the centre of all that we do.

Our teachers and staff worked tirelessly to create learning environments that meet the needs of our diverse student population. In recognition of our efforts, Melbourne Polytechnic was named a Finalist in the International Training Provider of the Year Award (Australian Training Awards) and the Inclusive Training Provider of the Year Award (Victorian Training Awards). We also received the Silver Gilt Award for our floristry display in the Great Hall of Flowers at the Melbourne International Flower and Garden Show.

In 2019, we played a significant role in enhancing the inclusion of students and employees living with a disability. Melbourne Polytechnic was a key member of the Project Control Group of the state-wide TAFE Network, which delivered three projects to ensure that TAFE institutes make meaningful and sustainable contributions to the whole-of-government agenda of inclusion and that our workforce is responsive to the National Disability Insurance Scheme (NDIS). The projects focused on:

- ▶ improving access and achievement for TAFE students with a disability;
- ▶ optimising TAFEs as inclusive workplaces for individuals with a disability; and
- ▶ providing operational guidance to the TAFE sector on how to build a responsive and high-performing workforce for the disability sector.

On behalf of the Victorian TAFE Network, Melbourne Polytechnic led a research project in conjunction with The Gordon, Box Hill Institute and the Department of Education and Training (DET) to identify best practice in disability-inclusive workplaces. The findings and recommendations from the project were distributed to TAFE CEOs in December 2019 with an expectation that each TAFE will develop an action plan to support their implementation. Melbourne Polytechnic started to implement the recommendations in 2019 with the oversight of our Inclusion, Respect and Equality Taskforce.

In line with our Strategic Plan 2019-2023, we have taken a Precinct approach to the redevelopment of our Inner North Eastern Melbourne Education Precinct located in Collingwood. This approach aims to create a vibrant student and industry-centric educational setting that is responsive to the needs of industry and the community. It guides us to invest in local community groups to improve vocational and educational outcomes and provide a safe, creative and inclusive space. During the year, nine new Partners joined the Precinct, each of which complement the others and contribute in different ways to bolstering confidence in the programs that public TAFE can provide.

The Otter Street Hub, our refurbished library at the Collingwood Campus, saw increased activity throughout the year and has become a centre for innovation and social entrepreneurship. The Hub is frequently used as a meeting place for community groups and for the provision of short courses.

Seven community events and multiple workshops and conferences were held at the Precinct in 2019. Enrolments for our onsite Foundation Studies programs increased, and in August we introduced a new course, the Certificate IV in Training and Assessment. This course focuses on the participation of candidates from African communities.



Above: The Otter Street Hub

Trades facilities were upgraded in 2019, enhancing our capacity to deliver our Trades programs. Melbourne Polytechnic delivers Electrical, Plumbing, Carpentry, Locksmithing, Welding, Fitting and Machining, and other Trades-related programs in our industry-standard facilities.

During the year, we also relocated all Robotics programs to the Green Skills Centre at our Epping campus. Our state-of-the-art Robotics and Automation lab incorporates basic robotic fundamentals, advanced robotics and control automation.



Above: New Electrical teaching areas at Heidelberg campus.

STAFF AWARDS AND ACHIEVEMENTS

2019 STAFF EXCELLENCE AWARDS

More than 170 finalists, nominators and guests attended the 2019 Staff Excellence Awards in November; the largest event since the awards began in 2015.

Many inspiring and wonderful stories were shared throughout the evening. Stories of teachers and support staff who guide our students through their studies and student experience, and stories about our operational staff who keep the wheels of the Institute turning every day. Tribute was also paid to staff who had achieved milestones of service with Melbourne Polytechnic. The Institute is fortunate to have such incredible people who are committed to making Melbourne Polytechnic a great place to work, and share the belief that education has the power to transform lives.

AWARD WINNERS

CHIEF EXECUTIVE'S AWARD

Julie Lew

EXCELLENCE IN TEACHING - FOUNDATION

Winners - Poppy Gounaris and Sharon Donohue

Highly Commended - Fiona Goldab

EXCELLENCE IN TEACHING - HIGHER EDUCATION

Winner - Student Centred Teaching and Learning Team, Veterinary Nursing

Highly Commended - Ann Manning

EXCELLENCE IN TEACHING - VOCATIONAL EDUCATION AND TRAINING

Winner - Kate Norris

Highly Commended - Aaron Smith

EXCELLENCE IN PARTNERING FOR ECONOMIC AND COMMUNITY SUCCESS

Winner - Industry Liaison and Clinical Placement Team, Veterinary Nursing

Highly Commended - Ana Delevska and Michael Turner

EXCELLENCE IN THE DELIVERY OF APPLIED AND FUTURE-FOCUSED LEARNING

Winner - Banyule Nillumbik and Whittlesea Tech Schools Team

Highly Commended - Work Education Department Team

EXCELLENCE IN ENHANCING ORGANISATIONAL CAPABILITY

Winner - Anthony de Souza-Daw

Highly Commended - Hairdressing Administration Team



Above: Frances Coppelillo (L), Melbourne Polytechnic Chief Executive, with Chief Executive's Award winner Julie Lew (R).



Above: Frances Coppelillo (L), Melbourne Polytechnic Chief Executive, with Cheryl Blizzard (R). Recognition of 40 years' service.

STAFF INDUSTRY AWARDS

2019 AUSTRALIAN INSTITUTE OF PROFESSIONAL PHOTOGRAPHY (AIPP) VICTORIAN EPSON PROFESSIONAL PHOTOGRAPHY AWARDS

Keren Dobia	Overall Winner Winner – Professional Photographer of the Year Winner – Portrait Photographer of the Year Winner – Highest Scoring Print
Steve Scalone	Winner – Travel Photographer of the Year

AWARD FROM THE PRESIDENT OF CYPRUS

Con Emmanuelle	Con received an award from the President of Cyprus for his community work and ongoing cultural heritage project and ethnographic fieldwork titled Tales of Cyprus. Award presented by the Cyprus Presidential Commissioner for Humanitarian Affairs and Overseas Cypriots, Mr Photis Photiou, in the presence of Her Excellency Martha Mavrommati, High Commissioner of Cyprus.
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VICTORIAN CRAFT AWARDS 2019

Belinda Newick	Winner – Lynne Kosky Award for Contemporary Jewellery
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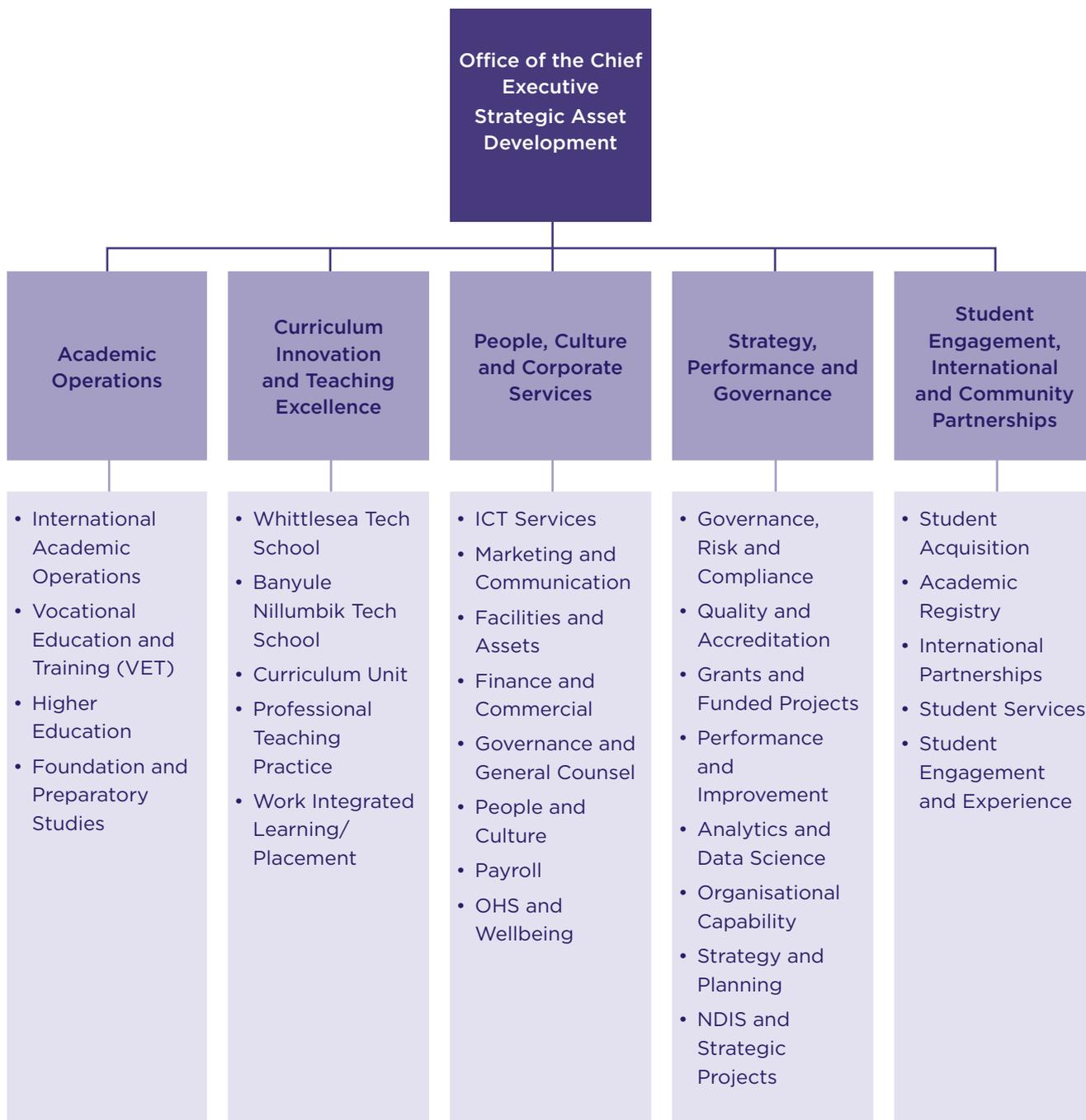
STUDENT AWARDS AND ACHIEVEMENTS

Melbourne Polytechnic students were recognised across many fields of study in 2019. See pages 83-86 for a list of the awards and achievements of our students. These awards reflect not only the hard work of students but also the dedication and commitment of our staff.

ORGANISATIONAL RESTRUCTURE

In 2019, we undertook an organisational restructure to ensure we are best placed to deliver the objectives and outcomes of our Strategic Plan 2019-2023. Our new structure includes five functional groups (detailed in the Figure below):

- ▶ Academic Operations
- ▶ Curriculum Innovation and Teaching Excellence
- ▶ People, Culture and Corporate Services
- ▶ Strategy, Performance and Governance
- ▶ Student Engagement, International and Community Partnerships



2019 REVIEW OF FUNCTIONAL GROUPS

ACADEMIC OPERATIONS

The Academic Operations Group houses our International Academic Operations, Vocational Education and Training (VET), Higher Education, and Foundation and Preparatory Studies.

VOCATIONAL EDUCATION AND TRAINING (VET)

The VET sector continues to be an exciting and creative place for us, and the Victorian Government's Free TAFE for Priority Courses initiative considerably raised the profile of TAFE in 2019. VET courses are designed in consultation with industry to equip students with the skills and knowledge to participate in a constantly changing workforce.

The newly formed VET Directorate delivers quality education and training to support industry and our community across five areas: Creative Arts; Human Services and Education; Business, Advanced Manufacturing and Logistics; Food, Fibre and Animal Industries; and Construction. The VET team delivers more than 150 courses, from Certificate to Advanced Diploma level, across a range of fields including Cyber Security, Community Services, Jewellery Design, and Agriculture.

Melbourne Polytechnic experienced significant increases in student participation in several VET courses during 2019, most likely as a consequence of the Victorian Government's Free TAFE for Priority Courses initiative. A global cyber security talent shortage led to a significant increase in Certificate IV in Cyber Security enrolments. On average, a 200 per cent increase in enrolments was experienced across the following qualifications:

- ▶ Certificate III in Commercial Cookery
- ▶ Certificate III in Education Support
- ▶ Certificate III in Horticulture
- ▶ Certificate IV in Disability
- ▶ Certificate IV in Child, Youth and Family Intervention
- ▶ Certificate IV in Accounting and Bookkeeping

We launched a new Security Technology Innovation Centre at Heidelberg Campus to provide state-of-the-art delivery of locksmithing and security technology courses and bring 3D printing and facial recognition technology to Locksmithing. Further growth includes the development of a Certificate III and a Diploma in Engineering Security Technology for international delivery.

With the support of industry group Glaas Inc and Victorian Government funding, the Australian Centre for Glass Design is being established at Melbourne Polytechnic's Prahran campus and two new glass and glazing qualifications were developed.

Jewellery teacher, Belinda Newick, won the Lynne Kosky Award for Contemporary Jewellery, and Melbourne Polytechnic Certificate IV in Landscape Design students placed first, second and third in Achievable Gardens at the Melbourne International Flower Show. Certificate III in Commercial Cookery student Nick Gnafakis won the 2019 National Apprentice Cookery Competition after first winning Best Third-Year Apprentice in the 2019 Victorian final of the Australian TAFE Culinary Trophy.

FOUNDATION AND PREPARATORY STUDIES

In 2019, the Foundation and Preparatory Studies area delivered a range of courses including English as an Additional Language for migrants, Certificates in General Education for Adults to native speakers of English, Institute-accredited courses for Overseas Qualified Practitioners, the Victorian Certificate of Applied Learning (VCAL) and Auslan.

We continue our commitment to serve community by offering courses at multiple sites across northern metropolitan Melbourne, giving our students flexibility and choice in terms of place, time, and mode of study. VCAL delivery was extended from Heidelberg to Epping and into a community location in Brunswick, where we offered a re-engagement program for at-risk youth enrolled in a Creative Industries Screen and Media VCAL.

In addition to offering Auslan qualifications from Certificate II through to Diploma, in 2019 we developed and delivered a Training and Assessment (TAE) and a Deaf Diploma of Auslan to contribute to growth of the Deaf workforce. We strengthened our relationships with Expressions Australia, and prepared to deliver Auslan courses in six regional areas in 2020.

We continue to collaborate with community organisations and migrant settlement service providers to understand the needs of the community and our capacity to serve it. Students undertaking English as an Additional Language courses were helped to build their ability to engage with community and gain employment through volunteering and industry placement.

ADULT MIGRANT ENGLISH PROGRAM

The Adult Migrant English Program (AMEP) is funded by the Department of Home Affairs and provides up to 510 hours of English Language tuition to eligible migrants and humanitarian entrants. AMEP helps clients learn foundation English language and settlement skills to enable them to participate socially and economically in Australian society.

Melbourne Polytechnic continued to successfully lead the Melbourne AMEP network of TAFEs and Learn Local organisations and delivered English Language tuition to over 13,000 migrants across five regions in Victoria. We provided support through volunteer tutoring and childcare placement to help learners stay engaged with the program. Volunteer Tutor training was provided at a range of community hubs, which helped higher-level English learners gain new skills and the confidence to move into further study or employment. We increased delivery of English for the Workplace courses, which include work placement for participants. Collaboration with migrant settlement and employment agencies ensured support for our students.

HIGHER EDUCATION

Melbourne Polytechnic delivers a diverse range of high-quality Higher Education degrees including Associate Degrees, Degrees and Master Programs. Our Higher Education students are usually from a mix of local, interstate and international origins.

Programs are delivered across the following disciplines:

- ▶ AgriTech and Animal Studies
- ▶ Built Environments (Architecture)
- ▶ Business, Innovation and Entrepreneurship
- ▶ Creative Arts and Visual and Performing Arts
- ▶ Education
- ▶ Engineering, Technology – Civil
- ▶ Finance and Accounting
- ▶ Hospitality
- ▶ IT industries

Overall enrolments increased in 2019, with significant uptake in the Bachelor of Built Environment and the Bachelor of Engineering. Other highlights include:

- ▶ Students from the Bachelor of Built Environment participated in the Housing Industry Association (HIA) Home Show, which is run by the Institute of Architects.
- ▶ Fuzhou Melbourne Polytechnic (China) welcomed new students into Business, Accounting, Hospitality and IT Associate Degrees.
- ▶ Bachelor of Information Technology students undertook real problem-solving industry projects in collaboration with NorthLink and the Breast Cancer Network of Australia.
- ▶ The Bachelor of Information Technology received Australian Computer Society accreditation.
- ▶ The Veterinary Surgeons Board of Western Australia recognised our Associate Degree of Veterinary Nursing, which enables our graduates to apply for registration as Veterinary Nurses in Western Australia.
- ▶ The Victorian Department of Health and Human Services approved graduates of Veterinary Nursing Bachelor Degrees and Associate Degrees to apply for radiation licences.
- ▶ Our Bachelor of Songwriting and Music Production Head of Program, Andy White, recorded and released his 14th studio album through UK-based label Floating World Records.

We are proud of the following applied research and publications achievements:

- ▶ A research grant from the VET Development Centre Fellowship for studying the effectiveness of two new subjects in the renewed Bachelor of Information Technology was completed this year with the following publication outputs:
 - Venkatraman S., Overmars A. and Wahr, F., 2019. Visualization and Experiential Learning of Mathematics for Data Analytics, *Computation*, 7, 37, 1-13.
 - Venkatraman, S., Wahr, F. and Overmars, A., 2018. Adopting Innovative Practices for Mathematics Skill Development, *Proceeding of International Society for Engineering Research and Development (ISERD) Conference*, Oct 2018, pp. 51-57.
 - Emerald publishers' Outstanding 2019 Paper Award went to Dr Venkatraman, Dr de Souza-Daw and Dr Kaspi for their paper "Improving Employment Outcomes of Career and Technical Education Students", which was published in the UK journal *Higher Education, Skills and Work-Based Learning*.
- ▶ Information Technology Program academics received a Highly Commended Paper award for "Hybrid Routing for Man-in-the-Middle (MITM) Attack Detection in IoT Networks" at the International Telecommunication Networks and Application Conference (ITNAC) in Auckland.
- ▶ The 2019 Best Poster Paper Award went to Dr de Souza-Daw, Dr Venkatraman, Kiran Fahd, Dr Parvin, Logesvary Krishnasamy, Joanna Jackson and Dr Kaspi for the paper titled "Comparison of Transnational Education Delivery Models". The paper was presented by Dr Parvin at the 2019 International Conference on Information Technology: New Generations (ITNG) in Las Vegas, USA.

INTERNATIONAL STUDENTS - OFFSHORE

International student enrolments increased by 23 per cent in 2019, with 2,150 international students from 70 different countries undertaking English Language Intensive Courses for Overseas Students (ELICOS), VET and Higher Education programs. We implemented guaranteed industry placements for all eligible international students and introduced two new scholarship categories reserved exclusively for offshore program graduates.

One of our major highlights of the year was international student, Christian Labao (Philippines), being awarded the 2019 Victorian International Student of the Year – Vocational Education and Training award.



Above: Closing Ceremony for the TVET Sector Support Programme III, Pakistan. A capacity building master trainer program funded by GIZ, in cooperation with the Pakistan Government.



Above: Staff from Enter Audio House, Indonesia, and Melbourne Polytechnic reviewing the highly successful joint sound production study tour and internship at the Soundrenalini event in Bali, September 2019.

STUDENT PROFILE – AKOLDA BIL

DIPLOMA OF COMMUNITY SERVICES

For Melbourne Polytechnic student Akolda Bil, achieving the 2019 Student of The Year award was an exciting moment in his education journey. When he was only five years old, Akolda's mother decided they would leave their home in South Sudan and head to Egypt, before settling in Australia a few years later.

"Packing up your home and leaving behind everything you know is one of the most terrifying things you can do. But my mum knew there were better opportunities for us in Australia."

When he was 17, Akolda enrolled in the Yarra Youth Service 'Living it Up' program. Here he learnt life skills such as cooking, playing games and sports with other members, and connecting with various youth workers.

"I really loved all my youth workers. They made me feel supported and understood, which was invaluable to me as a 17-year-old in a new city."

Inspired by his youth workers, in 2019 Akolda graduated with a Diploma of Community Services from Melbourne Polytechnic.

"Before this diploma, I was working smaller jobs and didn't have much ambition. Studying wasn't something I believed I was capable of doing and I'm so thankful that I had the opportunity to do so. It's given me a path to follow and a dream to pursue."

Akolda now works as a Youth Peer Leader at Drummond St Youth Services, a Youth Worker at Yarra Youth Services, and a Middle Years and Youth Community Engagement Officer at Yarra Council.

"I've come full circle. It's amazing to now be working with the people that helped me. It feels good to be repaying the favour to other young people."



CURRICULUM INNOVATION AND TEACHING EXCELLENCE

The Curriculum Innovation and Teaching Excellence Group houses the Curriculum Unit, the Tech Schools, and newly branded functions Professional Teaching Practice and Work Integrated Learning/Placements.

CURRICULUM UNIT

The Curriculum Unit designs and builds Melbourne Polytechnic's educational offerings. This includes managing and developing applications for new courses to be added to Melbourne Polytechnic's Scope of Registration, accreditation and re-accreditation of courses, and reviewing and improving courses. The Curriculum Unit also leads the design and review of curriculum and develops teaching materials and assessments for VET, Foundation and Higher Education Programs.

During 2019 we successfully piloted our new Course Development Process, which led to five additions to Melbourne Polytechnic's scope. In 2020, we will be developing, renewing, reviewing and improving more than 100 VET and Foundation courses and 22 Higher Education courses, and redeveloping all expiring short courses. We will also review all course-related policies and procedures relating to the design and build of Melbourne Polytechnic courses.

PROFESSIONAL TEACHING PRACTICE

The Professional Teaching Practice Unit guides and supports teaching delivery. Instructional Coaches work with teaching practitioners and Education Leaders to build capability in all areas of teaching delivery and development of communities of practice. This includes new methods of delivery, current pedagogical approaches to learning and teaching, the student experience and educational leadership.

During 2019, the Unit implemented, reviewed and analysed a draft Capability Framework for all levels of our educational staff, including teachers, program leads and managers. We also developed a comprehensive Induction Program, which was delivered to over 60 new teachers throughout the year. A Program Lead Capability Building Program was designed and run for 33 leaders, and the Training and Assessment (TAE) upgrade program was delivered to over 300 teachers.

In 2020, the Unit will continue to develop new approaches to building teaching staff capability using an Instructional Coaching approach.

TECH SCHOOLS

The Banyule Nillumbik Tech School and the Whittlesea Tech School marked their 12-month anniversaries in 2019. Located at Melbourne Polytechnic's Greensborough and Epping Campuses, these Science, Technology, Engineering and Maths (STEM) Hubs are partnered with 34 local secondary schools across Melbourne's north.

Throughout the year, we focused on establishing engaging, productive and sustainable programs that evolved as the year progressed and became more comprehensive, collaborative and embedded into schools' curriculum. Innovations included Student Start-Up, our entrepreneur program delivered in partnership with the Melbourne Innovation Centre, that creates real-world opportunities for students. As the Tech School program suite continues to grow, and industry partnerships flourish, even more opportunities will become available for young people to tackle real-world challenges while developing entrepreneurial, problem solving, creativity and critical thinking skills.

The Tech Schools have established strong relationships based on co-design and partnership. This has increased confidence in Melbourne Polytechnic, as evidenced through feedback and transfer of practice and programs in partner schools.

Students routinely design creative solutions and solve problems using high-tech equipment and platforms including CNC machinery, additive and subtractive manufacturing, coding microcontrollers, designing apps and more. This is undertaken in an inquiry-based learning approach that is industry connected and focused on the growth industries and skill demands of the north of Melbourne and beyond.



Left: Whittlesea Tech School



Left: Banyule Nillumbik Tech School

PEOPLE, CULTURE AND CORPORATE SERVICES

The People, Culture and Corporate Services Group incorporates a range of functions including management of ICT Services, Marketing and Communication, Facilities and Assets, Finance and Commercial, Governance and General Counsel, People and Culture, Payroll, Occupational Health and Safety and Wellbeing.

ICT SERVICES

In 2019, Melbourne Polytechnic committed to the development of an Institute-wide Digital Strategy that outlined a five-year plan to enhance ICT Services, facilities and infrastructure and achieve continual service improvement. A scalable ultra-high-speed ISP was engaged to facilitate the implementation of the Digital Strategy in 2020.

Other improvements included upgraded WAN and fibre links between campuses to ensure high-speed inter-campus connectivity and the launch of a new IT Service Management ticketing system to improve workflows and reporting.

We enhanced security to protect devices, services, data and practices by aligning passwords to industry security standards, moving towards Multi-Factor Authentication, and implementing industry-leading firewall and security solutions. Disaster recovery infrastructure for core applications was put in place to enhance our ability to recover ICT services from major failure.

Initiatives such as the Telecommunications Mobile Telephony Audit, the online payment gateway for student print cost charging, printer fleet consolidations, and renegotiating enterprise print services enabled us to reduce complexity and operating costs.

Business As Usual (BAU) ICT Expenditure	Operational and Capital	\$10.4 million
	Operational	-
Non-Business as Usual (non-BAU) ICT Expenditure	Operational	-
	Capital	\$0.3 million

FACILITIES AND ASSETS

The Facilities and Assets team is responsible for all assets and related services including buildings, utilities, grounds, timetabling, infrastructure and the management of security, cleaning, waste, sustainability and mobile equipment (excluding ICT, multimedia and telecommunication resources). The team also manages the Institute's farms located at Yan Yean, Eden Park and Ararat.

In 2019, we implemented a computerised contractor management system that incorporates contractor induction, valid insurances, working with children monitoring, and a sign-on/sign-off system for every contractor performing works onsite.

A range of upgrades and refurbishments were completed, including student canteens at Preston and Epping campuses, classrooms at Preston, computer rooms at Epping and Heidelberg campuses and an upgrade of security cameras at Heidelberg campus and Yarra House. We also relocated the Electrotechnology area from Preston to Heidelberg and incorporated additional classroom space for Plumbing programs.

Consistent with our strategic plan, we aim to masterplan and, over time, make improvements to the amenity, efficiency and sustainability of each of our campuses. As described previously, with the support of the Victorian Government, work is anticipated to commence at Collingwood campus in the short term, with masterplanning activities to inform the scope and staging at our other sites.

OCCUPATIONAL HEALTH AND SAFETY

Melbourne Polytechnic is committed, so far as is practicable, to providing and maintaining a working environment that is safe and without risks to health. This commitment is based on the belief that all occupational injuries/illnesses can and must be prevented.

The Occupational Health and Safety Committee met four times during the year. The Committee considered staff and student incident reports at each meeting.

Seventy-two staff were provided with audiometric testing.

During 2019, Occupational Health and Safety Training was provided as follows:

Number of staff	Training
59	First Aid
7	Warden Training
1	Occupational Health and Safety for Managers and Supervisors
60	Manual Handling and Ergonomics
188	Mental Health Fitness

Statistics for reported hazards and incidents are below.

	2019	2018	2017
Total number employed as at the last pay in December	1,630	2,051	1,995
Total full-time equivalent as at the last pay in December	996.8	1,093	1,031
Number of hazards/incidents reported	49	56	58
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	4.9	5.1	5.6
Time lost (hours)	7,656	3,466	1,705
Number of claims accepted	15	12	14
Number of 'lost time' standard claims for the year per 100 full-time equivalent staff members	0.9	0.5	0.8

WorkCover payments increased significantly in 2019. The outcomes of three particular claims were the primary drivers for the increase. In addition, the number of claims lodged during this period increased relative to prior years.

Hazard and incident reporting was lower than in previous years. The Occupational Health and Safety Committee is working to understand why the number of reported hazards declined in 2019, with the aim of significantly reducing the number of hazards. Near miss reporting separate to incidents will be introduced in 2020 to provide clarity around reporting hazards and near misses versus incidents in which an injury was sustained.

Melbourne Polytechnic's WorkCover premium for 2019/2020 was \$827,346.86 inclusive of GST. The performance rating of 0.9524 is 4.75 per cent better than the industry average.

Claims	2019	2018	2017
Average cost per claim for the year	\$79,389.66	\$43,094	\$22,849
Payments to date	\$411,268	\$63,435	\$92,398
Estimate of outstanding claim costs	\$1,661,532	\$454,583	\$228,183

Summary of 2019 claim figures:

- ▶ Minor claims were excluded as they do not incur costs and serve as notifications only.
- ▶ Standard claims were allocated to the date they were received by the Agent and not by the date of the injury.
- ▶ All data was extracted as at 7 February 2020 and reflects costs on all claims up to 31 December 2019.
- ▶ Average Cost - total incurred is calculated by dividing the count of claims per calendar year by Total Incurred. Total Incurred is inclusive of Total Paid + Estimate less recoveries (if any).
- ▶ Average Cost Total Paid - divides count of claims per calendar year by Total Paid only and does not include estimates.
- ▶ Melbourne Polytechnic receives an average of 13.14 standard claims per year. In 2019, Melbourne Polytechnic received 15 claims, representing an increase of 1.86 claims or 14.16 per cent.

STRATEGY, PERFORMANCE AND GOVERNANCE

The Strategy, Performance and Governance Group supports and builds internal business capability to ensure that Melbourne Polytechnic is an effective and high-performing organisation through the following functions:

- ▶ Governance, Risk and Compliance
- ▶ Education Quality and Accreditation
- ▶ Performance and Improvement
- ▶ Enterprise Analytics and Data Science
- ▶ Strategy and Planning
- ▶ NDIS and Strategic Projects
- ▶ Grants and Funded Programs
- ▶ Flagship and Industry Engagement

In 2019, the Group developed and implemented new risk and compliance management frameworks, policies and procedures. Our newly established Performance and Improvement Team introduced the Melbourne Polytechnic Performance Framework and Improvement Method to build our internal capability for improvement.

In 2020, the focus will be on building our enterprise analytics capability so that decisions we make are informed by data and evidence. This will require us to build and deploy the tools for data analysis and to support staff to use them in their day-to-day work. This will underpin our work across all of the different functions in the Strategy, Performance and Governance Group. We will continue with a focus on ensuring the quality of the education and training that we deliver meets the needs of industry and the community.

To help lead a culture of inclusion, respect and equality at Melbourne Polytechnic, we established the Inclusion, Respect and Equality Taskforce. The Taskforce provides visible support for, and demonstrates an understanding of, inclusion of people with a disability, preventing family violence, promoting gender equality and endorsing safety across our campuses.

We also saw excellent growth in industry partnerships and collaborated on projects including:

- ▶ Building a Virtual Reality training platform for Costa Foods Mushroom business, funded by the Victorian Government's Workforce Training Innovation Fund (WTIF), including demonstrating the platform at the WTIF showcase event.
- ▶ Working with Nova Caravans and the Caravan Industry of Victoria to develop Australia's first purpose-built training program for the Recreational Vehicle manufacturing industry.
- ▶ Integrating disability provider Araluen into the operations of our Greensborough campus, including the operation of student café 'Chancez', which won the Workplace Diversity Award at the Northern Business Achievement Awards.
- ▶ Starting work on two Aboriginal Workforce Development Initiative programs with Industry partners Victorian Aboriginal Child Care Agency and Aboriginal Housing Victoria.
- ▶ Working with the Melbourne Fire Brigade and the Country Fire Authority to upskill their facilitators at the Victorian Emergency Management Training Centre in Craigieburn.

STUDENT ENGAGEMENT, INTERNATIONAL AND COMMUNITY PARTNERSHIPS

The Student Engagement, International and Community Partnerships Group is responsible for Student Acquisition, Academic Registry, International Partnerships, Student Services and Student Engagement and Experience.

STUDENT ACQUISITION

The Student Acquisition Team nurtures our future students from initial enquiry to enrolment via two Skills and Job Centres, four campus enrolment hubs, and a centralised contact centre (Student Connect). The team handles enquiries from inbound calls, webchats, emails, web forms, walk-ins and events.

2019 Highlights include:

- ▶ Student Connect serviced 123,371 phone calls.
- ▶ Student Connect serviced 10,140 webchats, 3,319 more than in 2018 (48 per cent increase).
- ▶ Our Enquiry Conversion Rate increased from 6.4 per cent in 2018 to 7.1 per cent in 2019.
- ▶ We served 5,728 walk-ins at our two Skills and Job Centres. 2,579 of them booked to see an Education and Course Advisor for personalised career and learning journey advice, which is 864 more appointments than at the same time in 2018.
- ▶ 3,358 prospective students attended one of 232 Information and Enrolment events across 25 study areas.

STUDENT ENGAGEMENT AND EXPERIENCE

Student Engagement and Experience delivers a comprehensive range of services to students to ensure they meet their educational goals and to enhance their participation in Melbourne Polytechnic life. This directorate includes Academic Registry, Koorie Services, Library and Learning Skills, Student Services – Counselling and Disability Support, Student Life at Melbourne Polytechnic (SLAM), Student Communications and the Student Hub.

During the year, we launched the Family Violence Prevention project and the Teacher Wellbeing project. The SLAM team organised 223 on-campus events that engaged 20,800 students, and the library welcomed 530,000 online visitors. A record number of students (340) registered for Disability Support, which is 19 per cent higher than any other year and we achieved a 20 per cent increase in the number of Indigenous learners (317) compared to the previous year (264).

INTERNATIONAL PARTNERSHIPS

Melbourne Polytechnic delivers ongoing international programs with more than 20 partner institutions in China (including Hong Kong (SAR)), Korea and Indonesia. International programs align with our Institute strategy and enhance student experience, workforce development and the expansion of our delivery in flagship areas. Our programs support Victorian and Australian Government initiatives and regional strategic engagement.

Genuine engagement with our partners provides opportunities for Australian students and teachers to visit their offshore counterparts and forms a strong foundation for the future of Melbourne Polytechnic as an international Institute, contributes valuable export dollars to our State and builds the TAFE Victoria and Australia brands.

In 2019, we significantly increased onshore and offshore student enrolments and experienced rapidly growing interest from offshore students pursuing pathways to VET and Higher Education studies at our Australian campuses. In 2020 we will welcome the first cohort of 27 pathway students from the Fuzhou Melbourne Polytechnic campus in China to Melbourne, and we can report that student enrolments at the Fuzhou campus doubled from 700 in 2018 to more than 1,400 in 2019. This greatly enhanced the reputation of TAFE in Asia.

Other notable highlights from 2019 include:

- ▶ Ranked 13th in the Top 50 Asia Pacific Vocational Colleges at the 2019 Education Forum for Asia Annual Conference.
- ▶ 730 new student enrolments at Fuzhou Melbourne Polytechnic, China.
- ▶ Expansion of the Beijing Government Vocational Teacher Professional Development Program to include hospitality and events management streams.
- ▶ Short-term study tours were conducted in Indonesia, China and Korea.
- ▶ Delivered a capacity-building teacher training program for the National Vocational and Technical Training Commission (NVTTTC) of Pakistan, funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).
- ▶ Thailand Office of Vocational Education Commission – Successful follow-up delivery of customised English and vocational training methodology to directors and teachers of vocational colleges, and vocational English training to vocational students.
- ▶ Delivered International Skills Training (IST) courses to clients in Pakistan, Indonesia, Korea, Malaysia and China.

NATURE OF STRATEGIC AND OPERATIONAL RISKS FOR OVERSEAS OPERATIONS

Melbourne Polytechnic is committed to the effective management of risk to achieve strategic goals and objectives and to responsibly meet our regulatory and contractual obligations. We are conscious of the inherent risks of overseas projects and work to identify and mitigate them in accordance with the Institute's Risk Management Policy.

RISK MITIGATION STRATEGIES

Working continuously to assess, manage and treat risk as an element of the decision-making process, we:

- ▶ Developed business cases for all new international projects.
- ▶ Conducted due diligence and on-the-ground appraisals of the safety and security of staff and students.
- ▶ Reported monthly on the pipeline of opportunity.
- ▶ Consulted with government, key industry networks, and other stakeholders including the Victorian Government TAFE Offshore Working Party.
- ▶ Established a new directorate to oversee International Academic Operations and ensure effective academic governance.

PERFORMANCE MEASURES AND TARGETS

Melbourne Polytechnic manages the performance of international projects through ongoing assessment and review. All new major projects are subject to detailed financial planning and approval by commercial analysts, legal review and academic integrity to ascertain viability and tangible and intangible benefits. Once approved, all projects are included in the annual budget cycle and are subject to rigorous monthly identification and reporting. Any significant variances are highlighted and discussed through the corporate governance structure, namely the Executive, the Board and the relevant sub-committees.

STUDENT PROFILE – SOPHIN DAHAL

INTERNATIONAL STUDENT – BACHELOR OF AGRICULTURE AND TECHNOLOGY

Sophin's interest in agriculture developed from her experience in her home country, Nepal, where most food is imported from India. Sophin wanted to understand more about food distribution and food scarcity. What she discovered was that the real learning comes from understanding the crop process.

As an international student, Sophin often felt homesick but her classmates and teachers were welcoming and friendly, which made her feel at home in the Melbourne Polytechnic community.

As a great way to get to know and give back to the community, Sophin joined the Melbourne Polytechnic International Student Association and became the Vice President. She was also the student representative on the Higher Education Course Advisory Committee (HECAC) Board.

Sophin feels that being open to new things and meeting new people helped her secure a 2019 Lopez-Lochert Scholarship to undertake a two-week study tour to Santiago, Chile. Representing the State of Victoria, the Victorian TAFE sector and Melbourne Polytechnic, she studied The World of Chilean Wine at Duoc UC.

Sophin plans to stay in Australia to pursue further study and undertake PhD research. She is keen to continue being part of a research team that is producing heat-resistance seeds through non-genetic modification, and supporting students undertaking PhD research in agriculture and technology.



ENVIRONMENTAL PERFORMANCE

We strive to deliver sound environmental outcomes as part of our operational activities and 'Ensuring Environmental Sustainability' is a key initiative in the Melbourne Polytechnic Strategic Plan 2019-2023.

In 2019, Melbourne Polytechnic began developing an Environmental Sustainability Plan, which will guide the Institute's environmental sustainability journey for the next three years. During the year, the Institute conducted a number of audits, and preliminary results show that there are significant opportunities to deliver a positive outcome to Melbourne Polytechnic and the community.

GREENHOUSE GAS EMISSIONS

Energy and vehicle emissions reduced in 2019, compared to the previous year. Emission reduction in energy was propelled by electricity savings as a result of upgrading to more efficient mechanical services plant and upgrading Building Management systems at the Heidelberg campus. Upgrades to LED lighting and improved efficiencies in ICT equipment also reduced emissions. Vehicle fleet consolidation and upgrades to more fuel-efficient vehicles brought about a slight drop in emissions.

WASTE AND RECYCLING

During 2019, Melbourne Polytechnic completed a waste audit, which will provide a roadmap to help us reduce waste and increase recycling. Compostable Organics represent 52 per cent of our general waste, which indicates that there is a significant opportunity to divert organics from landfill.

Campus-specific recycling initiatives were successful throughout the year and included onsite composting of vegetation and food from the cafeteria and student accommodation at the Fairfield campus.

Recycling rates increased in 2019, with non-traditional recycling streams such as polystyrene, soft plastics and coffee cups targeted.

SUSTAINABILITY CULTURE INDICATOR SURVEY

In 2019, staff and students completed the inaugural Sustainability Culture Indicator Survey. The survey results will give us a better understanding of attitudes toward sustainability, and the factors that are helping and hindering staff and students when it comes to achieving sustainability outcomes.

Overall, students and staff feel committed to sustainability and believe that it should be a focus for Melbourne Polytechnic. The results of the survey will guide the development of the Environmental Sustainability Plan.

ENERGY USE

	2019	2018	2017
Total energy usage segmented by primary source (megajoules)	66,755,764	65,465,486	73,551,604
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tonnes CO ₂ -e)	9,942*	13,554	14,747
Percentage of electricity purchased as green power	0%	0%	0%
Units of energy used per FTE (megajoules)	66,970	59,877	71,340
Units of energy used per unit of GFA (megajoules per m ²)	399	392	525

*While total energy increased in 2019, emissions were down due to reduced electricity usage. Please refer to the Greenhouse Gas Emissions section (above) for more details.

FTE: full-time equivalent = 996.8

Total Gross Floor Area (GFA) is 167,205m², excluding Ararat.

A 42kw solar array at Epping campus generated approximately six per cent of the electricity needs of the campus and exported approximately one per cent.

WASTE PRODUCTION

	2019			2018			2017		
	Organic*	Recycle	Waste	Organic*	Recycle	Waste	Organic*	Recycle	Waste
Total units of office waste disposed of by destination (kg per year)	N/A	151,330**	825,000	N/A	119,302	775,000	N/A	111,550	599,280
Units of office waste disposed of per FTE by destination (kg per FTE)	N/A	151	827	N/A	109	708	N/A	108	869
Recycling rate (% of total waste by weight)	18.3%			15.4%			16.0%		
Greenhouse gas emissions associated with waste disposal (tonnes CO2-e)	907			1,072			718		

*Organic data is not available

**Melbourne Polytechnic is capturing a greater number of recycling streams (e-waste, commingled, paper, cardboard, fluorescent tubes, polystyrene, soft plastics timber, coffee cups and toner cartridge).

A change in waste management contractor resulted in more accurate data for waste and recycling.

Melbourne Polytechnic captures data for all waste streams, not only office waste.

PAPER USE

	2019			2018			2017		
	0-49%	50-75%	76-100%	0-49%	50-75%	76-100%	0-49%	50-75%	76-100%
Total units of A4 equivalent copy paper (reams)	10,402			12,876			9,608		
A4 equivalent copy paper used per FTE (reams per FTE)	10			11			9		
Percentage of recycled content copy paper purchased (reams)	9,677	0	725	12,371	0	505	9,523	0	85

Paper consumption varies depending on student and staff numbers.

Some paperless initiatives were implemented in the Finance and Teaching areas.

The number of departments that purchased paper with high recycled content increased.

WATER CONSUMPTION

	2019	2018	2017
Total water consumption (kilolitres)	79,914	76,555	52,620
Total water consumption per FTE (kilolitres)	80	70	51
Units of metered water used per unit of GFA (kilolitres per m ²)	0.47KL/m ²	0.46KL/m ²	0.37kl/m ²

The increase in water consumption was likely due to drought, which required more watering of gardens.

Toilets in Buildings D and K at Preston campus were retrofitted to be fed by rainwater tanks.

Data does not include recycled water used at the Ararat and Yan Yean campuses (66,617 kilolitres).

TRANSPORTATION

	2019			2018			2017		
	Petrol	Diesel	LPG*	Petrol	Diesel	LPG	Petrol	Diesel	LPG
Total energy consumption fleet vehicle (megajoules)	1,241,277	1,381,647	0	1,732,494	1,278,627	66,600	1,578,000	1,162,000	100,000
Total vehicle travelled (km)	304,245	210,423	0	377,602	262,103	62,301	470,959	290,721	26,134
Greenhouse gas emissions (tonnes CO2-e)	88.08	104.48	0	122	96	4.27	89	81	6
Total distance travelled by air (km)	1,420,602			N/A			N/A		
Percentage of employees using alternative forms of transport	N/A			N/A			N/A		

*Melbourne Polytechnic has moved away from LPG.

Melbourne Polytechnic's vehicle fleet is a mix of small, medium and large passenger, light commercial, heavy commercial, van and 4WD. Fuel consumption varies depending on vehicle weight and engine power, driver behaviour, distance travelled, age of the vehicle and road congestion.

GREENHOUSE GAS EMISSIONS

	2019	2018	2017
Total greenhouse gas emissions associated with energy use (tonnes CO2-e)	9,942	13,544	15,422
Total greenhouse gas emissions associated with fleet vehicle (tonnes CO2-e)	192	222	176
Total greenhouse gas emissions associated with air travel (tonnes CO2-e)	292	N/A	N/A
Total greenhouse gas emissions associated with waste production (tonnes CO2-e)	907	1,072	253
Greenhouse gas emissions offsets purchased (tonnes CO2-e)	0	0	0

SUMMARY OF OPERATING RESULTS AND FINANCIAL POSITION

Melbourne Polytechnic recorded a net deficit from transactions of \$10.8 million, compared to a 2018 surplus of \$10.8 million, largely as a result of the Institute's decreased reliance on Victorian Government contributions.

The Institute's revenue decreased to \$183.7 million in 2019, compared to \$203.2 million in 2018. This decrease was driven by the Institute's strategic direction to improve financial sustainability and reduce reliance on Victorian Government grants. Expenditure increased modestly from \$192.4 million in 2018 to \$193.2 million in 2019. This was primarily driven by the implementation of more efficient operations offset by increased costs associated with teaching and non-teaching salaries. The Institute's closing cash position was \$19.5 million.

Melbourne Polytechnic continues to focus on the delivery of excellent quality training and education, while growing revenue and reducing its reliance on Victorian Government grants on the path to financial sustainability.

SUMMARY OF FINANCIAL RESULTS

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Total income from transactions	183,714	203,163	165,965	133,071	139,588
Total expenses from transactions	193,167	192,393	163,798	135,740	142,980
Net result from transactions (Net operating balance)	(9,453)	10,770	2,167	(2,669)	(3,392)
Other economic flows included in net result	(1,379)	66	(2,013)	220	(101)
Net result	(10,832)	10,836	154	(2,449)	(3,493)
Other economic flows not included in net result	-	(119)	76,148	-	17,926
Comprehensive result	(10,832)	10,717	76,302	(2,449)	14,433

At 31 December 2019, Melbourne Polytechnic's consolidated net assets were \$359.7 million (2018: \$372.0 million).

The decrease in net assets was driven by the deficit result for the year.

SUMMARY OF FINANCIAL POSITION

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Total assets	426,520	436,727	421,659	338,470	332,031
Total liabilities	66,794	64,728	60,377	53,490	44,602
Net assets	359,726	371,999	361,282	284,980	287,429

ACKNOWLEDGEMENT OF COMMON FUNDING AGREEMENTS

Melbourne Polytechnic acknowledges the financial support provided by the Victorian Government for services funded pursuant to Common Funding Agreements between Melbourne Polytechnic and the Victorian Government.

GOVERNANCE

BOARD AND COMMITTEES

Melbourne Polytechnic is a body corporate established pursuant to the *Education and Training Reform Act 2006*. Our name reflects the Institute's operations to markets outside of northern metropolitan Melbourne.

In 2019, the Hon Gayle Tierney MP was the Minister for Training and Skills and the Minister for Higher Education.

The Melbourne Polytechnic Board is responsible to the Victorian Government for the overall strategy, governance and performance of Melbourne Polytechnic's functions. In 2019 the Board established four committees to facilitate its functioning and responsibilities:

- ▶ Finance, Audit and Risk Committee
- ▶ Governance and Culture Committee
- ▶ Education Quality Committee
- ▶ Strategic Infrastructure Investment Committee

FINANCE, AUDIT AND RISK COMMITTEE

The Board established a Finance, Audit and Risk Committee to oversee and advise the Board on finance, risk, and the compliance performance of Melbourne Polytechnic. The Finance, Audit and Risk Committee reviews the annual financial statements and makes a recommendation to the Board to authorise the statements before they are released to the Parliament of Victoria by the Responsible Minister.

2019 BOARD DIRECTORS

Helen Clarke	Minister Appointed Director (Chairperson, from September 2019)
Jim Pasinis	Minister Appointed Director (Chair, to September 2019)
Fiona Smith AM	Minister Appointed Director
Tali Bernard	Minister Appointed Director
Joe Dicks	Board Appointed Director
Professor Lee Astheimer	Board Appointed Director
Ian Bruce Munro PSM	Board Appointed Director
Dr Richard Tait	Board Appointed Director
Bill Forrest	Minister Appointed Director (commenced 1 July 2019)
Karen Janiszewski	Minister Appointed Director (commenced 3 December 2019)
Fiona McNabb	Minister Appointed Director (ceased 30 June 2019)
Daniel Stubbs	Minister Appointed Director (ceased 22 September 2019)
Fiona Wahr	Staff Elected Director
Frances Coppelillo	Chief Executive

Helen Clarke

Helen Clarke began her career teaching at Preston East Technical School and subsequently held executive and senior roles in the Department of Education and Training and the Department of Human Services. She has worked in policy and operational roles including curriculum development, school governance and stakeholder relations.

As Deputy Chair of Bank Australia and its predecessor, Education Credit Union Pty Ltd, Ms Clarke is an experienced Company Director practised in Board governance including risk, remuneration, audit and sustainable development strategy.

In addition to Diplomas in Social Science and Education, Ms Clarke holds a qualification from the Australian Institute of Company Directors and is a Fellow of the Institute

Jim Pasinis

Jim Pasinis has over 30 years' experience in the health and community services sector and was awarded the Centenary Medal for his services to culturally and linguistically diverse communities in the northern metropolitan area of Melbourne. He is a Director of the Victorian Responsible Gambling Foundation (VRGF) and the Araluen Centre.

Mr Pasinis has been instrumental in implementing government-funded community health services and has assisted marginalised young people in developing social and employment skills.

He has served as a Director of the Penington Institute, a charity that raises awareness regarding drug use and disease prevention, and was Chief Executive Officer of Banyule Community Health, West Heidelberg Community Health Centre and Box Hill Community Health Service.

Mr Pasinis holds a Diploma of Accounting and a Graduate Diploma of Health Administration and is a member of the Australian Institute of Company Directors.

Fiona Smith AM

Fiona Smith AM was awarded the Order of Australia in recognition of her human rights and social justice advocacy. She served a five-year term as Chairperson of the Victorian Equal Opportunity and Human Rights Commission and played an integral role in implementing Victoria's Charter of Human Rights and Responsibilities.

Ms Smith has practised as a public interest lawyer, is an accredited mediator, has served as a member of the Commonwealth Administrative Appeals Tribunal and holds a qualification from the Australian Institute of Company Directors.

Throughout her career, Ms Smith has held a range of leadership positions including 10 years as the Chairperson of Victoria's Business Licensing Authority, serving as a Director of Yooralla and the Victorian Eye and Ear Hospital, and as a Trustee of the Reichstein Foundation.

Tali Bernard

Tali Bernard practised as a lawyer for over 18 years in the areas of family law and personal injury litigation. She is committed to improving access to justice and access to education for all Victorians.

Ms Bernard is currently serving as a Board Member and Deputy Chair of the Accident Compensation Conciliation Service. She has previously served on the Board of the Women's Legal Service Victoria (WLSV) and as a School Council member. Ms Bernard has a particular interest in governance and organisational culture.

In addition to her legal qualifications, Ms Bernard has a Bachelor of Arts and is a former student of Melbourne Polytechnic. She is a nationally-accredited mediator and a graduate of the Company Directors Course at the Australian Institute of Company Directors.

Joe Dicks

Joe Dicks has over 31 years' experience as a chartered accountant and was one of the founding partners of the forensic accounting division of PPB Advisory. He has advised Victorian TAFEs on performance reporting, strategic planning and budgetary matters during his time as a consultant.

Mr Dicks is a Director of Campus Living Villages, a student accommodation provider, and Think Childcare. He was a founding Board Member of Uniting AgeWell and also served on the Board of Wesley Mission Victoria.

Mr Dicks is an accredited Business Valuations Specialist, a Certified Fraud Examiner, and has completed the Australian Institute of Company Directors course.

Professor Lee Astheimer

Professor Lee Astheimer served as Deputy Vice-Chancellor (Research) at Deakin University (2009-16) where she managed the growth and development of Deakin's research portfolio, including research training, infrastructure, and engagement with business and industry. She previously served as Pro Vice-Chancellor (Research) at the University of Wollongong and has a wealth of experience in research development, research policy and managing national and international research partnerships.

Professor Astheimer held academic positions at Rutgers University in New Jersey, USA, the University of Tasmania and the University of Wollongong. She held a US National Science Foundation (NSF) Postdoctoral Fellowship at the University of Washington in Seattle, USA, and her work has been widely published in peer-reviewed journals.

Professor Astheimer has a Bachelor of Science (Biology, Hons) from Lakehead University in Ontario, Canada and a PhD in Ecology from the University of California, Davis, USA. She has been a member of numerous boards and holds qualifications from the Australian Institute of Company Directors.

Ian Bruce Munro PSM

Ian Bruce Munro PSM has extensive experience in economic development across a broad range of industry sectors, and in regulatory and land supply matters. Mr Munro was the inaugural Chief Executive Officer of Invest Assist and served as a Board Member of the Metropolitan Planning Authority/Growth Areas Authority and the Victorian Environmental Assessment Council for several terms.

He held various executive roles in the then Department of Innovation, Industry and Regional Development including Chief Executive Officer, Deputy Secretary and Executive Director, and was a specialist consultant to the Victorian Department of Economic Development, Jobs, Transport and Resources for many years.

Mr Munro holds a Bachelor of Applied Science (Surveying), is a Licensed Surveyor and holds a qualification from the Australian Institute of Company Directors. He was awarded a Public Service Medal in 2007 and a Centenary Medal in 2001.

Dr Richard Tait

Dr Richard Tait has extensive experience in the information and communications technology sphere. He is currently a member of the Telecommunications Committee of the Board of VicTrack and is a former Non-Executive Director of CenITex. For over 20 years, he has worked as a consultant focused on ICT governance and digital transformation. He has served as Chief Information Officer of Goldman Sachs JBWere in Melbourne, Interim Chief Information Officer at the Australian Taxation Office, and Chief Technologist at the ANZ Bank.

Dr Tait holds qualifications in science and information technology from the University of Melbourne and Monash University, and a PhD from the Université Pierre et Marie Curie (Paris VI). He is also a graduate member of the Australian Institute of Company Directors.

Bill Forrest

Bill Forrest has over 20 years' experience as a Director in the areas of City Development, Advocacy and Community Services, and as a CEO in local Victorian Governments including Wyndham, Nillumbik and Moonee Valley.

Mr Forrest has worked on consultancy assignments with Wyndham Community and Education Centre, Deakin University and organisations including Jindara Springs Winery, Fucheng Investment Australia and Kingfield Galvanizing. In addition, Mr Forrest has undertaken short-term assignments as CEO and Executive Director of not-for-profit environment organisations.

Mr Forrest holds qualifications in Social Work (Hons) and a Master of Urban Planning. He holds a qualification from the Australian Institute of Company Directors and has membership with the Planning Institute of Australia and Local Government Professionals Inc. Mr Forrest also has an Associate in Music Australia (A.Mus.A) in Violin.

Mr Forrest is currently on the Board of the Castlemaine State Festival and served for 10 years on the Adult Community and Further Education Board, including as Deputy Chair.

Karen Janiszewski

Karen Janiszewski has over 15 years' experience working on a number of boards and is an experienced Committee Chair.

She is currently the Chair of the Royal Melbourne Showgrounds Joint Venture and is a Board Member of The Queen Elizabeth Centre, Unity Housing and Venture Housing. Ms Janiszewski has previously served on the Boards of King and Godfree Pty Ltd; Embracia Aged Care Pty Ltd; Uniting Aged Care (Victoria and Tasmania); The University of Adelaide, Centre for Housing, Urban and Regional Planning; and Flinders University Centre for Housing and Planning.

Ms Janiszewski has extensive business, commercial, general management, property and construction skills developed in a range of line management and consulting roles across many industry sectors.

Ms Janiszewski is a Professional Non-Executive Director and a Fellow of the Australian Institute of Company Directors.

Dr Fiona Wahr

Dr Fiona Wahr has over 20 years' experience working in the TAFE and university sector. Her career has focused on learning and teaching development and she has led and facilitated a broad range of innovative programs working with teaching staff to improve students' learning experiences and outcomes. She has a depth of experience in educational quality management and assurance, curriculum design and delivery, adult education, academic governance and policy development and project management.

Dr Wahr works at Melbourne Polytechnic in the role of Senior Lecturer, Applied Research and Scholarship. She chairs Melbourne Polytechnic's Applied Research and Ethics Committee (2016 to present) and is a member of the Melbourne Polytechnic Applied Research Committee. She is also inaugural co-convenor of the Small Providers Network (SPN).

Dr Wahr is an active researcher and regularly publishes in the field of higher education transformation. Her doctoral research combined her twin passions of sustainability education and collaborative peer learning.

Frances Coppelillo

Frances Coppelillo has an extensive history with Melbourne Polytechnic. She took up the role of Deputy Chief Executive Officer in September 2014 and led the College, Schools and a range of student-focused departments. Prior to this, Ms Coppelillo was the Deputy Director Programs – Teaching and Learning.

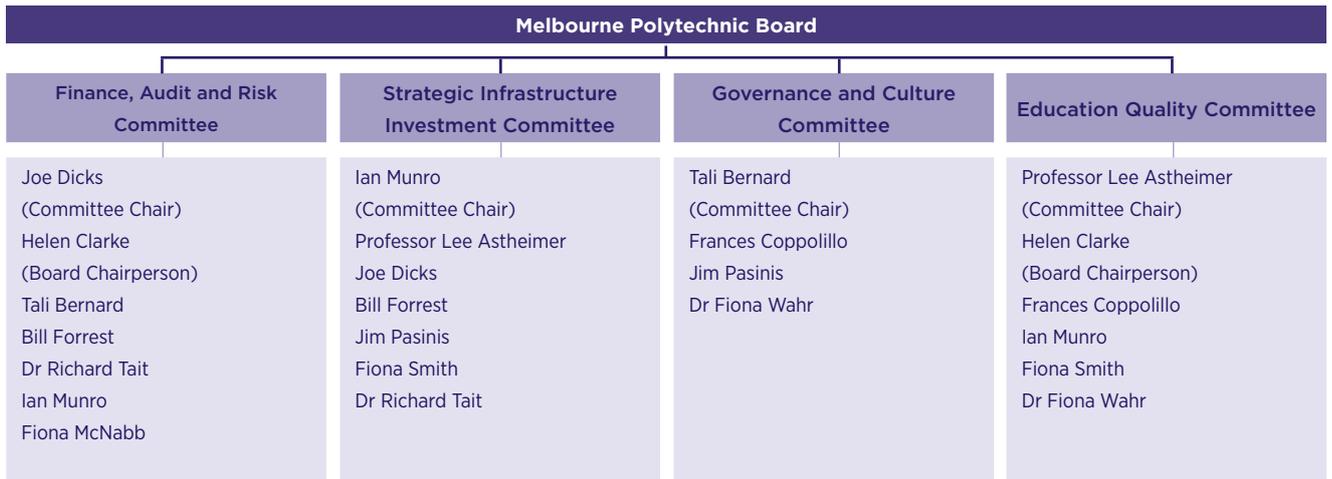
Ms Coppelillo joined the VET sector as a teacher in 1986 and throughout her career she has held a range of teaching, management and leadership positions, including Associate Director of Melbourne Polytechnic's Faculty of Further Education, a role she performed for 14 years.

Ms Coppelillo was a Founding Director of the Board of the TAFE Development Centre (now the VET Development Centre) and has led projects in learning resource development, and best practice projects in student engagement and retention. She has been a member of a number of regional development committees including the Northern RDA and Local Learning and Employment Networks.

Her qualifications include Bachelor of Education and Master of Social Sciences (Policy and Management). Ms Coppelillo is the first female Chief Executive of Melbourne Polytechnic (formerly NMIT).

BOARD COMMITTEES CHART AND MEMBERSHIP

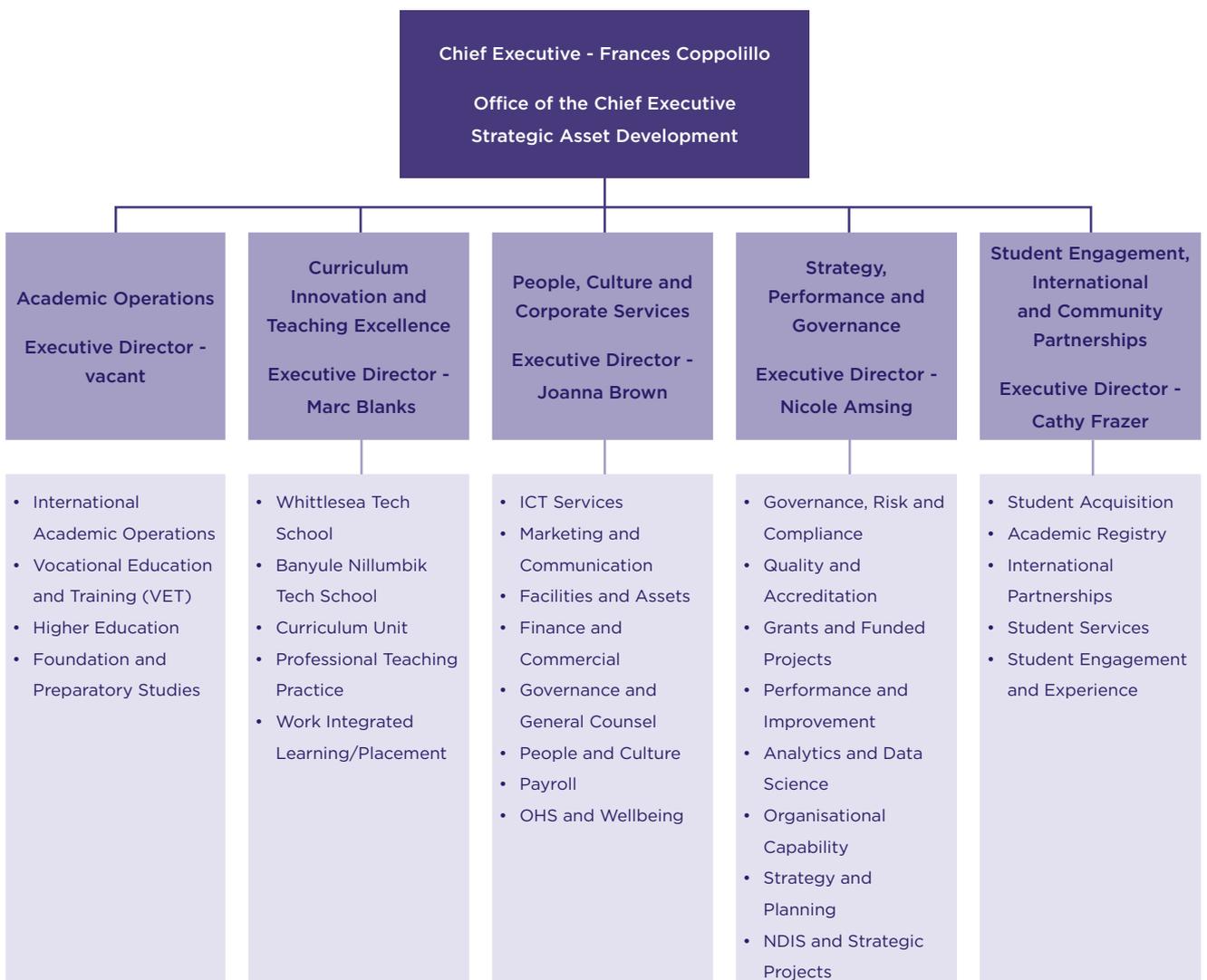
The Board undertook a review of its committee structure in 2019 and established four new committees.



The following committees were dissolved in 2019:

- ▶ Academic Board
- ▶ Nomination and Remuneration Committee (Membership: Jim Pasinis (Committee Chair), Fiona McNabb, Fiona Smith, Daniel Stubbs)
- ▶ Business Review Committee (Membership: Ian Munro (Committee Chair), Professor Lee Astheimer, Helen Clarke, Frances Coppolillo, Joe Dicks, Mel Riel, Daniel Stubbs, Richard Tait)

MELBOURNE POLYTECHNIC SENIOR MANAGEMENT STRUCTURE AT 31 DECEMBER 2019



MELBOURNE POLYTECHNIC OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

The objectives of Melbourne Polytechnic are set out in the *Education Training and Reform Act 2006* and the Melbourne Polytechnic Constitution. These require Melbourne Polytechnic:

- ▶ To perform its functions for the public benefit by operating efficiently to ensure sustainability, prudence with commercial practice, and to maximise its contribution to the economy, community and industry.
- ▶ To facilitate student learning, knowledge acquisition, skills for employment and vocational education and training through excellent teaching, innovation and educational leadership that delivers quality outcomes.
- ▶ To collaborate as part of a strong public training provider network which is mutually and commercially beneficial to enable the Institute to offer or provide educational services that meet the needs of industry partners and communities, including persons and groups that have particular education needs.
- ▶ To facilitate higher education through excellent teaching, innovation and educational leadership that delivers quality outcomes.
- ▶ To provide global education including tertiary education and consultancy services for employment, workforce development and industry productivity delivering employment outcomes, improved productivity, and enterprise business success.
- ▶ To build community capacity and enrich the lives of young people and adults through lifelong learning and personal development delivering economic development within communities, social inclusion, and adult personal learning and development.

The functions of Melbourne Polytechnic are:

- ▶ To provide the communities and industries served by the Institute with efficient and effective technical and further education programs and services.
- ▶ To provide the communities and industries served by the institute with efficient and effective adult, community and further education programs and services which are responsive to the needs of the community and to consult with the relevant Regional Councils about the provision of these programs and services.
- ▶ To prepare, publish or distribute or license the use of literary or artistic work, audio or audio-visual material or computer software.
- ▶ To engage in an activity on a commercial basis if the activity is consistent with Melbourne Polytechnic's other functions and strategic plan.
- ▶ To confer vocational training awards and higher education awards.
- ▶ To operate as a group training organisation that employs apprentices and other trainees and places them with host employers.

WORKFORCE DATA

PERFORMANCE AND ACCOUNTABILITY FRAMEWORK FTE TABLE (DECEMBER 2018 – DECEMBER 2019)

December 2019	Full-time		Part-time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	253.0	52.0	45.0	5.6	NA	58.0	413.6
Executive	19.0	0.0	0.0	0.0	NA	0.0	19.0
Other	47.0	5.0	7.3	1.1	NA	30.7	91.1
Teacher	240.0	49.0	67.4	23.4	93.3	NA	473.1
Total	559.0	106.0	119.7	30.1	93.3	88.7	996.8

December 2018	Full-time		Part-time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	267.0	53.0	51.0	10.1	NA	54.4	435.5
Executive	20.0	0.0	0.0	0.0	NA	0.0	20.0
Other	50.0	8.0	7.5	1.5	NA	34.8	101.8
Teacher	213.0	43.0	51.0	20.8	208.2	NA	536.0
Total	550.0	104.0	109.5	32.4	208.2	89.2	1,093.3

Note: Active staff in last pay period December.

FTE: full-time equivalent.

PACCT Staff: including casuals, employed under the Professional, Administrative, Clerical, Computing and Technical Award/certified agreement.

Other: excluding teachers, PACCT, Middle Managers or Executives.

Employees have been correctly classified.

WORKFORCE DISCLOSURES (DECEMBER 2018 – DECEMBER 2019)

December 2019	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Women Executives	10.0	10.0	10.0	0.0	10.0	0.0	0.0
Women (total staff)	933.0	555.5	272.0	139.0	356.7	522.0	198.8
Men Executives	9.0	9.0	9.0	0.0	9.0	0.0	0.0
Men (total staff)	694.0	440.9	287.0	60.0	322.0	347.0	118.9
Self-described	3.0	0.4	0.0	0.0	0.0	3.0	0.4
Age							
15-24	59.0	19.9	6.0	1.0	6.6	52.0	13.3
25-34	230.0	113.6	49.0	15.0	58.2	166.0	55.4
35-44	359.0	222.0	127.0	34.0	147.1	198.0	74.9
45-54	414.0	259.0	149.0	71.0	188.8	194.0	70.2
55-64	437.0	307.8	196.0	60.0	235.1	181.0	72.7
Over 64	131.0	74.5	32.0	18.0	42.9	81.0	31.6
Total employees	1,630.0	996.8	559.0	199.0	678.7	872.0	318.1

Note: Active staff in last pay period December.

FTE: full-time equivalent.

Employees have been correctly classified.

These statistics are provided to meet the Victorian Government reporting requirements for 2019 Workforce Data.

December 2018	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
Gender							
Women Executives	9	9.0	9	0	9.0	0	0.0
Women (total staff)	1,163	605.9	261	126	347.3	776	258.6
Men Executives	11	11.0	11	0	11.0	0	0.0
Men (total staff)	885	486.7	289	38	312.1	558	174.6
Self-described	3	0.7	0	0	0.0	3	0.7
Age							
15-24	90	24.7	4	1	4.6	85	20.1
25-34	293	127.0	57	13	65.5	223	61.5
35-44	421	227.4	114	34	137.3	273	90.1
45-54	534	298.2	151	55	187.2	328	111.0
55-64	549	338.3	197	46	227.4	306	110.9
Over 64	164	77.7	27	15	37.4	122	40.3
Total employees	2,051	1,093.3	550	164	659.4	1,337	433.9

Note: Active staff in last pay period December.

FTE: full-time equivalent.

Employees have been correctly classified.

These statistics are provided to meet the Victorian Government reporting requirements for 2019 Workforce Data.

EMPLOYMENT AND CONDUCT PRINCIPLES

Melbourne Polytechnic's People and Culture policies and practices are underpinned by the public sector employment principles set out in Section 8 of the *Public Administration Act 2004*. Selection decisions are based on key selection criteria in position descriptions available to all applicants. Melbourne Polytechnic has a range of policies that promote fairness and equity in the workplace and are designed to discourage discrimination and harassment against staff, students and visitors.

These policies include but are not limited to:

- ▶ Melbourne Polytechnic Code of Practice and Code of Conduct
- ▶ Equal Opportunity, Discrimination and Harassment Policy
- ▶ Employment Policy
- ▶ Prevention of Workplace Bullying Policy
- ▶ Prevention of Sexual Harassment Policy
- ▶ Employee Grievances Policy
- ▶ Melbourne Polytechnic Recruitment and Selection Policy

GENERAL STATEMENT ON INDUSTRIAL RELATIONS

Quality relationships were maintained with all unions with coverage at Melbourne Polytechnic. The Institute has regular consultative arrangements in place with the unions to ensure any issues arising are dealt with appropriately. There were no days lost to industrial action taken in 2019.

COMPLIANCE WITH LEGISLATION AND REGULATIONS

APPLICATION OF THE FREEDOM OF INFORMATION (FOI) ACT 1982

It is Melbourne Polytechnic's policy to facilitate, subject to privacy and confidentiality provisions, access to information without recourse to the provisions of the FOI Act where appropriate.

The General Counsel is responsible for ensuring compliance with the *Freedom of Information Act 1982* and the *Protected Disclosure Act 2012*.

FOI ACCESS ARRANGEMENTS

Requests for access to documents must be in writing and directed to:

The Freedom of Information Officer
General Counsel
Melbourne Polytechnic
Locked Bag 5
Preston VIC 3072 AUSTRALIA

Requests can also be sent by email to:
foi@melbournepolytechnic.edu.au

FOI FEES AND ACCESS CHARGES

The application fee for an FOI request was \$28.90 until 30 June 2019 and \$29.60 from 1 July 2019.

Charges for access to documents were in accordance with the Freedom of Information (Access Charges) Regulations 2014.

FOI ACCESS CLAIMS 2019

There was one request for access to documents received pursuant to the FOI Act during 2019.

COMPLIANCE WITH VICTORIAN PUBLIC SERVICE TRAVEL POLICY

Melbourne Polytechnic complies with the Victorian Public Service Travel Policy through application of the Melbourne Polytechnic International and Domestic Travel Policy.

COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012

Melbourne Polytechnic supports individuals who make a protected disclosure under the *Protected Disclosure Act 2012* including the protection of persons from any detrimental action by officers, employees, contractors or the Institute itself.

Melbourne Polytechnic has not been advised by the Independent Broad-based Anti-corruption Commission (IBAC) that there were any disclosures made against Melbourne Polytechnic or any of its staff in 2019, nor have any disclosures been made to Melbourne Polytechnic Protected Disclosure Contacts.

Melbourne Polytechnic's Protected Disclosure Policy was approved in June 2016, updated in April 2017 and will next be reviewed in 2020. The policy references the *Protected Disclosure Act 2012* and related internal policies. No disclosures have been made.

COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

The *Carers Recognition Act 2012* formally acknowledges the significant contribution that carers make to the Australian community. Melbourne Polytechnic considers the carers recognition principles as set out in the Act when developing relevant staff and student policies, procedures and provision of services. These include:

- ▶ flexible working arrangements;
- ▶ part-time work opportunities;
- ▶ opportunities to purchase leave; and
- ▶ an Employee Assistance Program.

Students with carer responsibilities or those with a disability are also supported at Melbourne Polytechnic through:

- ▶ application of special consideration arrangements;
- ▶ provision of reasonable accommodation to enable participation;
- ▶ provision of additional supports such as access to counselling; and
- ▶ disability support services.

COMPLIANCE WITH THE BUILDING ACT 1993

Melbourne Polytechnic ensures that all works requiring building approval have plans certified. All works in progress were inspected and occupancy permits issued by independent building surveyors engaged on a job-by-job basis upon completion. All building works comply with the *Building Act 1993* and occupancy certificates are issued for all building works as required.

Melbourne Polytechnic required all building practitioners engaged on its works to show evidence of current registration upon their engagement.

A condition of contracts between Melbourne Polytechnic and building contractors requires the maintenance of registration for the duration of the building contract. All practitioners engaged by Melbourne Polytechnic maintained their registered status throughout the year.

During 2019, the following works and maintenance were undertaken to ensure conformity with the relevant standards.

Building works	Number
Work under construction and the subject of mandatory inspections	1
Certificate of final inspection/occupancy issued	0

COMPLIANCE WITH THE MAJOR PROJECT SKILLS GUARANTEE (MPSG) POLICY AND LOCAL JOBS FIRST ACT 2003

During the year ending 31 December 2019, Melbourne Polytechnic commenced zero Local Jobs First - VIPP applicable procurements.

During the year ending 31 December 2019, Melbourne Polytechnic completed zero Local Jobs First - VIPP applicable projects.

COMPLIANCE WITH THE NATIONAL COMPETITION POLICY

Melbourne Polytechnic has developed a pricing and costing model that is consistent with the National Competition Policy, including the requirements of the policy statement 'Competitive Neutrality Policy Victoria', and any subsequent reforms.

COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

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

- ▶ *Education and Training Reform Act 2006* (ETRA)
- ▶ The Constitution of Melbourne Polytechnic
- ▶ Directions of the Minister for Training and Skills and the Minister for Higher Education (or predecessors)
- ▶ Victorian Government Department of Education and Training Commercial Guidelines
- ▶ Victorian Government Department of Education and Training Strategic Planning Guidelines
- ▶ *Public Administration Act 2004*
- ▶ *Financial Management Act 1994*
- ▶ *Freedom of Information Act 1982*
- ▶ *Building Act 1993*
- ▶ *Protected Disclosure Act 2012*
- ▶ *Victorian Industry Participation Policy Act 2003*

MELBOURNE POLYTECHNIC FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I Helen Clarke, on behalf of the Responsible Body, certify that for the period 1 January 2019 to 31 December 2019, Melbourne Polytechnic has complied with the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 24 February 2020

COVID-19 IMPACT STATEMENT

At the time of finalising the financial statements in this Annual Report and receiving the audit opinion from the Victorian Auditor-General's Office, the potential impact of COVID-19 on subsequent reporting periods was not known. Melbourne Polytechnic has since introduced measures to assist those affected, including ongoing advice and support, as the situation continues to evolve. Melbourne Polytechnic continues to monitor the non-financial and financial impacts of COVID-19 on its operations and cashflow however, due to the significant amount of material uncertainty, it is not possible to quantify the full economic outflow at present. To mitigate this risk, the Department of Education and Training has provided a Letter of Comfort to Melbourne Polytechnic to provide a level of assurance that financial assistance will be made available for Melbourne Polytechnic to continue as a going concern. Melbourne Polytechnic is working closely with the Department of Education and Training to ensure that an appropriate funding model is developed to minimise the loss in training revenue in the event that this should occur.

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2019 FINANCIAL STATEMENTS

MELBOURNE POLYTECHNIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



DECLARATION

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2019

DECLARATION BY THE BOARD CHAIRPERSON, CHIEF EXECUTIVE, AND CHIEF FINANCE OFFICER

We certify that the attached Financial Statements for Melbourne Polytechnic have been prepared in accordance with Part 7 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to and forming part of the Financial Report, presents fairly the financial transactions during the year ended 31 December 2019 and financial position of the Institute as at 31 December 2019.

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

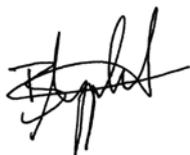
The Board Chairperson and the Chief Executive sign this declaration as delegates of, and in accordance with a resolution of, the Board of Melbourne Polytechnic.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 24 February 2020



Frances Coppolillo
Chief Executive
Melbourne Polytechnic
Date: 24 February 2020



Brad Appleton
Chief Finance Officer
Melbourne Polytechnic
Date: 24 February 2020



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Melbourne Polytechnic

Opinion	<p>I have audited the financial report of Melbourne Polytechnic (the institute) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 31 December 2019• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration by the Board Chair, Chief Executive and Chief Finance Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute'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 institute's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
28 February 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$'000	2018 \$'000
Continuing operations			
Income from transactions			
Government contributions	2.1	73,466	97,490
Sale of goods and services	2.2	105,120	100,068
Interest income		455	426
Other income		4,673	5,179
Total income from transactions		183,714	203,163
Expenses from transactions			
Employee benefits	3.1.1	105,895	105,114
Depreciation and amortisation	4.2	8,715	5,482
Supplies and services	3.2	64,368	64,302
Other operating expenses	3.3	13,992	17,495
Finance costs		197	-
Total expenses from transactions		193,167	192,393
Net result from transactions		(9,453)	10,770
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets		80	157
Other gains/(losses) from other economic flows	9.1	(1,459)	(91)
Total other economic flows included in net result		(1,379)	66
Net result		(10,832)	10,836
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.2	-	(119)
Comprehensive result		(10,832)	10,717

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

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	19,490	33,461
Receivables	5.1	7,220	7,076
Contract assets	2.2, 5.1	7,776	8,245
Total financial assets		34,486	48,782
Non-financial assets			
Inventories and biological assets		167	215
Non-current assets held for sale		-	1,100
Prepayments		6,372	5,558
Property, plant and equipment	4.1	384,516	380,248
Intangible assets		979	824
Total non-financial assets		392,034	387,945
Total assets		426,520	436,727
Liabilities			
Payables	5.2	16,460	17,102
Employee provisions	3.1.2	22,287	19,331
Other provisions		1,300	2,112
Borrowings	6.2	17,086	17,369
Contract liabilities	2.2	9,661	8,814
Total liabilities		66,794	64,728
Net assets		359,726	371,999
Equity			
Contributed capital		31,681	31,681
Accumulated surplus/(deficit)		39,176	51,449
Reserves	9.2	288,869	288,869
Net worth		359,726	371,999

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

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

The balance sheet should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
At 1 January 2018		288,988	40,613	31,681	361,282
Net result for the year		-	10,836	-	10,836
Other economic flows - other comprehensive income		(119)	-	-	(119)
Year ended 31 December 2018		288,869	51,449	31,681	371,999
Impact of change in accounting policy - Revenue from Contracts with Customers	2.2	-	(1,441)	-	(1,441)
At 1 January 2019		288,869	50,008	31,681	370,558
Net result for the year		-	(10,832)	-	(10,832)
Year ended 31 December 2019		288,869	39,176	31,681	359,726

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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		74,284	96,852
User fees and charges received		118,057	109,665
Goods and services tax recovered		-	611
Interest received		456	426
Total receipts		192,797	207,554
Payments			
Payments to suppliers and employees		(192,815)	(193,222)
Goods and services tax paid		(1,011)	-
Fringe benefits tax paid		(162)	(152)
Short-term, low value and variable lease payments		(342)	-
Total payments		(194,330)	(193,374)
Net cash flows from/(used in) operating activities	6.1.1	(1,533)	14,180
Cash flows from investing activities			
Purchase of non-financial assets		(4,675)	(13,061)
Proceeds from sales of non-financial assets		1,219	217
Net cash provided by/(used in) investing activities		(3,456)	(12,844)
Cash flows from financing activities			
Payment of lease liabilities		(3,109)	-
Repayment of borrowings		(5,873)	(274)
Net cash flows from/(used in) financing activities		(8,982)	(274)
Net (decrease)/increase in cash and cash equivalents		(13,971)	1,062
Cash and cash equivalents at the beginning of the financial year		33,461	32,399
Cash and cash equivalents at the end of the financial year	6.1	19,490	33,461

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

TABLE OF CONTENTS

NOTE		PAGE
1.	About this report	48
1.1	Basis of preparation	48
1.2	Compliance information	48
2.	How we earned our funds	49
2.1	Government contributions	49
2.2	Sale of goods and services	50
3.	How we expended our funds	53
3.1	Employee benefits	53
3.2	Supplies and services	54
3.3	Other operating expenses	54
3.4	Leases	55
4.	The assets we invested in	58
4.1	Property, plant and equipment	58
4.2	Depreciation and amortisation	60
5.	Balances from operations	60
5.1	Receivables	60
5.2	Payables	62
6.	How we financed our operations	63
6.1	Cash and deposits	63
6.2	Borrowings	63
7.	Managing risks and uncertainties	64
7.1	Financial instruments	64
7.2	Contingent assets and contingent liabilities	67
7.3	Fair value determination	67
8.	Governance disclosures	70
8.1	Responsible persons	70
8.2	Remuneration of executives	71
8.3	Related parties	71
9.	Other disclosures	72
9.1	Other economic flows included in net result	72
9.2	Reserves	72
9.3	Events after reporting date	72
9.4	Application of standards issued but not yet effective	73

NOTE 1. ABOUT THIS REPORT

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

Its registered office and principal address is:

77 St Georges Road
Preston VIC 3072

1.1 BASIS OF PREPARATION

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

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

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

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

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

- ▶ recognition of revenue in relation to contracts with customers (refer to note 2.2);
- ▶ actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 3.1);
- ▶ determining the lease term to the extent that extension options are certain (refer to note 3.4); and
- ▶ the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3).

Estimation uncertainty

Discount rate

The lease payments are discounted using the interest rate implicit in the lease. Where that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate is subject to estimation uncertainty.

These financial statements cover Melbourne Polytechnic as an individual reporting entity. Melbourne Polytechnic had no controlled entities for the year ended 31 December 2019.

Goods and Services Tax (GST)

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

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

Funding risk

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

Melbourne Polytechnic has substantial economic dependency on Government operating and capital contributions.

Melbourne Polytechnic manages funding risk by continuing to diversify and increased funding from commercial activities, both domestically and offshore.

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

1.2 COMPLIANCE INFORMATION

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

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

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

NOTE 2. HOW WE EARNED OUR FUNDS

2.1 GOVERNMENT CONTRIBUTIONS

	2019	2018
	\$'000	\$'000
Grants and other transfers		
Government grant – contestable	48,401	43,157
Government grant – other contributions	23,494	46,551
Total Government contributions – operating	71,895	89,708
Government contributions – capital	1,571	7,782
Total Government contributions	73,466	97,490
Government contributions by revenue standards		
AASB 1058 Income of Not-for-Profit Entities	20,905	49,009
AASB 15 Revenue from Contracts with Customers	52,561	48,481
Total Government contributions	73,466	97,490
Revenue from Contracts with Customers by timing of revenue recognition		
Revenue recognised over time	2,922	4,665
Revenue recognised at a point in time	49,639	43,816
Total revenue from Contracts with Customers	52,561	48,481

Policy applicable prior to 1 January 2019

Government contributions are recognised as revenue in the period when the following conditions are met: Melbourne Polytechnic obtains control of the contributions or the right to receive the contribution, the economic benefits comprising the contribution will flow to Melbourne Polytechnic and the amount of the contribution can be measured reliably.

Operating grants

Melbourne Polytechnic recognises income immediately within the scope of AASB 1058 Income of Not-for-Profit Entities 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. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement within the scope of AASB 15 Revenue from Contracts with Customers.

The major operating grant of Melbourne Polytechnic is the Victorian Training Guarantee (VTG) provided by the Victorian Government to the Vocational Education and Training (VET) sector for eligible training. This contestable (VTG) income is typically recognised at the point in time when Melbourne Polytechnic has claimed and delivered the funded training for eligible students enrolled in its VET courses.

Other operating grants are recognised as income:

- ▶ upon delivery of specific project milestones; or
- ▶ upon delivery of services or activities over the length of the contract period, as specified in individual contracts (mainly the TAFE VET Funding Contract and Common Funding Agreements). Project delivery in most instances will not extend over more than one financial year. In circumstances where the operating grants are received upfront or the deliverables are to be met only in the following financial periods, significant judgement is required to allocate the transaction price and unsatisfied performance obligations will be presented as contract liabilities. An input method is used based on the percentage of budgeted total expenditure or as the percentage of the transaction price of the next milestone reached.

Capital grants

Where the entity receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the entity, the financial asset and the related amount is recognised on the balance sheet and any residual is recognised immediately as income. When the contractual obligations are satisfied, additional income is recognised.

Melbourne Polytechnic satisfies its performance obligations over time as the asset is constructed and expects to recognise as income the outstanding contract liability at the end of the year. During the year Melbourne Polytechnic received some capital funding for Whittlesea and Banyule Nillumbik Tech Schools.

Significant judgement

Significant judgement is required to determine whether the grants fall within the scope of AASB 1058 Income of Not-for-Profit Entities or AASB 15 Revenue from Contracts with Customers.

Changes in accounting policy

Melbourne Polytechnic has adopted AASB 1058 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new standard are therefore recognised in the opening balance of equity in the balance sheet on 1 January 2019.

Under AASB 1058, the timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. This standard applies when an entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard.

2.2 SALE OF GOODS AND SERVICES

	2019 \$'000	2018 \$'000
Student fees and charges	13,701	15,050
Fee for service – Government	45,654	46,423
Fee for service – international operations – onshore	25,099	19,467
Fee for service – international operations – offshore	5,582	4,288
Fee for service – other	13,160	12,987
Other non-course fees and charges		
Sale of goods	1,924	1,853
Total sale of goods and services	105,120	100,068

	2019 \$'000	2018 \$'000
Revenue from Contracts with Customers by timing of revenue recognition		
Revenue recognised over time	13,701	15,050
Revenue recognised at a point in time	91,419	85,018
Total sale of goods and services	105,120	100,068

As outlined below, Melbourne Polytechnic has applied AASB 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Revenue arises mainly from the provision of education services across the vocational, higher education and corporate training sectors, servicing both domestic and international students.

To determine whether to recognise revenue, Melbourne Polytechnic follows a five-step process:

Step 1 – Identifying the contract with a customer.

Step 2 – Identifying the performance obligations.

Step 3 – Determining the transaction price.

Step 4 – Allocating the transaction price to the performance obligations.

Step 5 – Recognising revenue when/as performance obligation(s) are satisfied.

Melbourne Polytechnic often enters into transactions involving a range of its services, e.g. for the delivery of vocational qualifications and higher education courses to students from its campuses. In all cases, the total transaction price for a contract is allocated among the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) Melbourne Polytechnic satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. Melbourne Polytechnic recognises revenue when it transfers control over a good or service to a customer.

Melbourne Polytechnic recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'contract liabilities' in the balance sheet. Similarly, if Melbourne Polytechnic satisfies a performance obligation before it receives the consideration, Melbourne Polytechnic 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.

Melbourne Polytechnic has recognised the following assets and liabilities related to contracts with customers:

	2019 \$'000	2018 \$'000
Trade and other receivables	7,071	6,981
Loss allowance	(192)	(188)
Contract assets	7,776	8,245
	14,655	15,038
Contract liabilities – domestic students	6,619	5,059
Contract liabilities – international students	3,042	3,755
	9,661	8,814

Significant changes in contract assets and liabilities

Contract assets relate to uninvoiced amounts for revenue recognised where Melbourne Polytechnic has satisfied its performance obligations. Contract liabilities primarily relate to tuition revenue, enrolment fees and course materials which have been received in advance of the tuition delivery or the materials being provided to students. These are deferred and then recognised in accordance with the provision of the tuition and course materials. Contract assets/liabilities have increased/decreased as Melbourne Polytechnic has reclassified a contract asset to a receivable or recognised revenue arising from a contract liability.

Melbourne Polytechnic also recognised a loss allowance for receivables and contract assets following the adoption of AASB 9, see note 5.1 for further information.

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:

	2019 \$'000
Revenue recognised from performance obligations satisfied in previous periods	8,427

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.

	2020 \$'000	2021 \$'000	2022 \$'000
Revenue expected to be recognised	9,228	399	34

Melbourne Polytechnic applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15. Furthermore the amounts disclosed above do not include variable consideration which has been constrained.

Student fees and charges

Student fees and charges revenue is recognised over time as the services are provided with the stage of completion determined with reference to the classroom hours provided as a percentage of total expected classroom hours.

Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, such amounts are disclosed as contract liability.

Courses are either paid for upfront or by payment plan. Melbourne Polytechnic is an approved provider of both VET Student Loans and FEE-HELP. Melbourne Polytechnic is obliged to refund the tuition fees paid by any students who terminate their study before the census dates.

Fee for service

Fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered.

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.

Fee for service – government revenue arises mainly from the role of Melbourne Polytechnic as training provider to deliver assessment and training services under the Adult Migrant Education Program (AMEP) and the Skills for Education and Employment Program (SEE), which are funded by the Australian Government. Fee for service – government revenue is recognised at the point of time when Melbourne Polytechnic has met the contract requirements upon delivery of English language tuition to eligible migrants and job seekers.

Fee for service – international operations – onshore represents education offerings to international students traveling to Melbourne to study at Melbourne Polytechnic's campuses.

Fee for service – international operations – offshore represents education offerings to international students studying Melbourne Polytechnic's courses outside Australia. International education service revenue is recognised at the point of time upon the delivery of programs by Melbourne Polytechnic's transnational partner institutions.

Revenue from sale of goods

Revenue from sale of goods is recognised when the goods are delivered and have been accepted by customers, which is when the control is transferred. Sales are recognised based on the contractual price, net of any discounts (if there are discounts).

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

Policy applicable prior to 1 January 2019

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date.

AASB 15 did not have a significant impact on Melbourne Polytechnic's accounting policies with respect to other revenue streams.

Changes in significant accounting policies

Melbourne Polytechnic has elected to apply AASB 15 retrospectively only to contracts that are not completed at the date of initial application (1 January 2019). Melbourne Polytechnic has also applied the practical expedient for contract modifications to all modifications that occurred before the beginning of the earliest period presented (1 January 2018) [or before the date of initial application (1 January 2019)]. Melbourne Polytechnic has applied AASB 15 using the cumulative effect method - i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118 and AASB 111. The details of the significant changes and quantitative impact of the changes are set out below.

Due to the transition methods chosen by Melbourne Polytechnic in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables and contract assets and contract liabilities.

Impacts on the financial statements

The following tables summarise the impacts of adopting AASB 15 on Melbourne Polytechnic's financial statements for the year ending 31 December 2019.

	As reported as at 1 January 2019 \$'000	Adjustments (AASB 15) \$'000	Balance without adoption of AASB 15, 1058 \$'000
Other liabilities	-	8,814	(8,814)
Contract liabilities	(10,255)	(10,255)	-
Accumulated surplus/(deficit)	(50,008)	1,441	(51,449)

NOTE 3. HOW WE EXPENDED OUR FUNDS

3.1 EMPLOYEE BENEFITS

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

All assumptions are reviewed at each reporting date.

3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2019	2018
	\$'000	\$'000
Expense		
Salaries, wages, overtime and allowances	81,941	83,398
Superannuation	8,097	7,894
Payroll tax	4,623	4,474
Long service leave	3,269	2,492
Annual leave	6,422	4,114
Termination benefits	698	1,880
Other	845	862
Total employee benefits	105,895	105,114

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

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

3.1.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2019	2018
	\$'000	\$'000
Leave obligations		
Current	18,084	17,780
Non-current	4,203	1,551
	22,287	19,331

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$18,084,000 (2018: \$17,780,000) is presented as current, since Melbourne Polytechnic does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, Melbourne Polytechnic does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2019	2018
	\$'000	\$'000
Current leave obligations expected to be settled after 12 months	12,545	12,420

3.2 SUPPLIES AND SERVICES

	2019	2018
	\$'000	\$'000
Purchase of supplies and consumables	6,336	6,343
Contract and other services	4,314	4,323
Cost of goods sold/distributed (ancillary trading)	3,963	4,047
Building repairs and maintenance	4,958	3,946
Operating lease payments	-	2,750
Professional fees and charges	6,336	4,867
Third-party training providers	33,592	34,565
Computer software and hardware expenses	4,869	3,461
Total supplies and services	64,368	64,302

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

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

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

	2019	2018
	\$'000	\$'000
Payable:		
Within one year	-	2,479
Later than one year but not later than five years	-	4,081
Total operating lease commitments	-	6,560

Other expenditure commitments

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

	2019	2018
	\$'000	\$'000
Payable:		
Within one year	3,032	3,194
Later than one year but not later than five years	2,040	1,580
Total other expenditure commitments	5,072	4,774

3.3 OTHER OPERATING EXPENSES

	2019	2018
	\$'000	\$'000
General expenses	4,101	4,352
Settlement payments	-	300
Marketing and promotional expenses	3,546	3,739
Utilities	3,331	3,720
Audit fees and services	62	43
Staff development	426	713
Bad debts from transactions	69	123
Equipment below capitalisation threshold	2,236	4,505
Variable lease payments not included in the measurement of lease liabilities	145	-
Expenses relating to short-term leases	76	-
Total other operating expenses	13,992	17,495

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

Audit fees and services relate to remuneration to the Victorian Auditor General's office for the audit of the financial statements.

Please refer to note 3.4 for further information on lease-related expenses.

3.4 LEASES

Leases

Melbourne Polytechnic has applied AASB 16 using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 January 2019, with no restatement of comparative information.

Policy applicable before 1 January 2019

As a lessee, Melbourne Polytechnic classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Melbourne Polytechnic.

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

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

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

Policy applicable after 1 January 2019

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

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

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

On transition to AASB 16, Melbourne Polytechnic elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases.

As a lessee

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

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Melbourne Polytechnic's estimate of the amount expected to be payable under a residual value guarantee, or if Melbourne Polytechnic changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Real estate leases

Melbourne Polytechnic leases land and buildings for its campuses, skills and jobs centres, course advice centre and training centres. The leases typically run for a period of 2–4 years, except for a peppercorn lease for a training centre which runs for 30 years and another training centre that runs on perpetual lease. Some leases include an option to renew the lease for an additional period of the agreed duration after the end of the contract term. Some leases provide for additional rent payments that are based on changes in local price indices. Some also require Melbourne Polytechnic to make payments that relate to the property taxes levied on the lessor; these amounts are generally determined annually.

Peppercorn leases

Melbourne Polytechnic has elected to apply the temporary option available under AASB 16 that allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Melbourne Polytechnic has peppercorn leases as follows:

i. Growling Frog

This lease is for part of the land at the Growling Frog golf course in Yan Yean that is available to Melbourne Polytechnic. The lease period is 30 years, with a commencement date of 1 October 2003 and annual lease payments of \$1. The permitted use is for vineyard research purposes and it must not be used for the sale of retail goods and services.

ii. Eden Park

This lease is for part of the property known as 'Melrose Park', situated on Glenburnie Road Eden Park. The permitted use of the land under the lease is for the development and exploration of conservation and sustainable agricultural practices subject to relevant planning schemes and controls. The lease commencement date is 1 August 1996 and terminates on the death of the survivor of the lessors. The current lease payments are \$29,000 per annum plus outgoings, subject to CPI increase, which is considered to be below market value for such property.

Right-of-use assets

	Property \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 January 2019	6,667	32	483	7,182
Additions	185	188	947	1,320
Depreciation charge	(2,726)	(27)	(226)	(2,979)
Balance at 31 December 2019	4,126	193	1,204	5,523

Lease liabilities

	2019 \$'000
Maturity analysis – contractual undiscounted cash flows	
Less than one year	2,699
One to five years	2,891
More than five years	-
Total undiscounted lease liabilities as at 31 December:	5,590
Lease liabilities included in the Balance Sheet at 31 December:	
Current	2,699
Non-current	2,891
Total lease liabilities	5,590
Melbourne Polytechnic has recognised the following in the Comprehensive Operating Statement relating to leases:	
Expense relating to variable lease payments not included in lease liabilities	145
Interest expense (included in finance cost)	197
The total cash outflow for leases	3,109

Short-term and low-value leases

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

Leases classified as operating leases under AASB 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Melbourne Polytechnic's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment.

Melbourne Polytechnic applied this approach to all other leases.

Melbourne Polytechnic used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- ▶ Applied a single discount rate to a portfolio of leases with similar characteristics.
- ▶ Adjusted the right-of-use assets by the amount of AASB 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- ▶ Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- ▶ Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- ▶ Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Melbourne Polytechnic applied AASB 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

Impact on financial statements

On transition to AASB 16, Melbourne Polytechnic recognised an additional \$7,182,000 of right-of-use assets and \$7,182,000 of lease liabilities, recognising any difference in retained earnings.

When measuring lease liabilities, Melbourne Polytechnic discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 3.22%.

	1 Jan 2019 \$'000
Operating lease commitment at 31 December 2018 as disclosed in Melbourne Polytechnic's financial statements	6,560
Discounted using the incremental borrowing rate at 1 January 2019	(334)
Finance lease liability recognised as at 31 December 2018	6,226
Leases not included in operating lease commitment at 31 December 2018	925
Recognition exemption for:	
▶ short-term leases	-
▶ leases of low-value assets	-
Extension and termination options reasonably certain to be exercised	-
Variable lease payments based on an index or a rate	20
Residual value guarantees	11
Lease liabilities recognised as at 1 January 2019	7,182

NOTE 4. THE ASSETS WE INVESTED IN

4.1 PROPERTY, PLANT AND EQUIPMENT

Fair value measurement

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

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	178,352	178,352	-	-	178,352	178,352
Buildings	199,955	199,258	(7,757)	(3,763)	192,198	195,495
Construction in progress	1,441	541	-	-	1,441	541
Plant and equipment	30,838	28,396	(24,414)	(23,324)	6,424	5,072
Motor vehicles	1,717	2,297	(1,525)	(1,900)	192	397
Leasehold improvements	1,308	1,308	(1,240)	(1,096)	68	212
Library collections	5,281	5,066	(4,963)	(4,887)	318	179
Right of use assets	8,186	-	(2,663)	-	5,523	-
Net carrying amount	427,078	415,218	(42,562)	(34,970)	384,516	380,248

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

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

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

Revaluations of non-financial physical assets

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

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

4.1.1 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

Reconciliation of movements in carrying amount of property, plant and equipment as at 31 December 2019

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Library collections \$'000	ROU assets \$'000	Total \$'000
Opening balance	178,352	195,495	541	5,072	397	212	179	-	380,248
Impact of change in accounting policy - Leases	-	-	-	-	-	-	-	7,182	7,182
Additions	-	-	3,305	791	-	-	214	1,320	5,630
Revaluations	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(39)	-	-	-	(39)
Transfer (to)/from asset categories	-	697	(2,405)	1,708	-	-	-	-	-
Transfer (to)/from disposal group held for sale	-	-	-	-	-	-	-	-	-
Depreciation	-	(3,994)	-	(1,147)	(166)	(144)	(75)	(2,979)	(8,505)
Impairment	-	-	-	-	-	-	-	-	-
Closing balance	178,352	192,198	1,441	6,424	192	68	318	5,523	384,516

Reconciliation of movements in carrying amount of property, plant and equipment as at 31 December 2018

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Library collections \$'000	ROU assets \$'000	Total \$'000
Opening balance	179,552	186,503	3,082	3,814	515	663	168	-	374,297
Impact of change in accounting policy - Leases	-	-	-	-	-	-	-	-	-
Additions	-	-	12,485	270	-	42	83	-	12,880
Revaluations	(100)	(19)	-	-	-	-	-	-	(119)
Disposals	-	-	-	(54)	(5)	-	-	-	(59)
Transfer (to)/from asset categories	-	12,774	(15,026)	2,108	90	54	-	-	-
Transfer (to)/from disposal group held for sale	(1,100)	-	-	-	-	-	-	-	(1,100)
Depreciation	-	(3,763)	-	(1,066)	(203)	(234)	(72)	-	(5,338)
Impairment	-	-	-	-	-	(313)	-	-	(313)
Closing balance	178,352	195,495	541	5,072	397	212	179	-	380,248

4.2 DEPRECIATION AND AMORTISATION

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

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

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

Class of assets	Useful Life
Buildings	3 – 60 years (2018: 3 - 60 years)
Plant and Equipment	4 – 20 years (2018: 3 - 20 years)
Motor Vehicles	4 – 13 years (2018: 4 - 13 years)
Leasehold Improvements	3 – 4 years (2018: 3 - 4 years)
Library Collections	5 years (2018: 5 years)
ICT Software	2.5 – 5 years (2018: 2.5 - 5 years)
Right-of-use Asset	Lease term

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

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

The following is a summary of depreciation and amortisation for the period ended 31 December 2019:

	2019 \$'000	2018 \$'000
Depreciation of non-financial assets		
Buildings	3,994	3,763
Plant and equipment	1,147	1,066
Motor vehicles	166	203
Library collections	75	72
Leasehold improvements	144	234
ROU assets	2,979	-
Total depreciation	8,505	5,338
Amortisation of non-financial physical and intangible assets		
Software	210	144
Total amortisation	210	144
Total depreciation and amortisation	8,715	5,482

NOTE 5. BALANCES FROM OPERATIONS

5.1 RECEIVABLES

	2019 \$'000	2018 \$'000
Contractual		
Trade receivables	4,620	4,214
Allowance for credit losses	(192)	(188)
Other receivables	2,451	2,767
Contract assets	7,776	8,245
Total contractual	14,655	15,038
Statutory		
GST input tax credit recoverable	341	283
Total receivables	14,996	15,321
Represented by:		
Receivables	7,220	7,076
Contract assets	7,776	8,245
	14,996	15,321

Receivables consist of:

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

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

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

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

Please refer to Note 2.2 for further information on contract assets.

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

Impairment

Melbourne Polytechnic 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.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2019 \$'000	2018 \$'000
Movement in loss allowance for contractual receivables		
Balance at the beginning of the year	(188)	(638)
Adjustment on initial application of AASB 9	-	-
Balance at the beginning of the year under AASB 9	(188)	(638)
Amounts written off	69	123
Net remeasurement of loss allowance	-	(144)
Increase in loss allowance recognised in the net result	(192)	-
Reversal of unused loss allowance recognised in net result	188	594
Reversal of loss allowance for uncollectable receivables written off during the year	(69)	(123)
Balance at the end of the year	(192)	(188)

Trade receivables of Melbourne Polytechnic consist of some customers with similar characteristics in that they are predominantly government or educational who operate both locally and internationally. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good and are not resulting in exposure to any significant risk.

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	
2019						
Trade and other receivables	6,879	5,298	1,579	43	151	(192)
Contract assets	7,776	7,776	-	-	-	-
Total 2019	14,655	13,074	1,579	43	151	(192)
2018						
Trade and other receivables	6,793	3,763	3,071	45	102	(188)
Contract assets	8,245	8,245	-	-	-	-
Total 2018	15,038	12,008	3,071	45	102	(188)

Note: The disclosures above exclude statutory receivables (e.g. amounts owed from the Government and GST taxes payable).

The weighted average credit period on sale of goods is 26 days (2018: 22 days). No interest is charged on receivables.

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

5.2 PAYABLES

	2019 \$'000	2018 \$'000
Contractual		
Supplies and services	16,418	17,063
Statutory		
FBT Payable	42	39
Total payables	16,460	17,102
Represented by:		
Current payables	16,460	17,102

Payables consist of:

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

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

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

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

Maturity Analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ years \$'000
2019							
Supplies and services	16,418	16,418	9,688	5,175	1,555	-	-
Total 2019	16,418	16,418	9,688	5,175	1,555	-	-
2018							
Supplies and services	17,063	17,063	13,937	1,590	1,536	-	-
Total 2018	17,063	17,063	13,937	1,590	1,536	-	-

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

The average credit period is 30 days (2018: 30 days). No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

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

NOTE 6. HOW WE FINANCED OUR OPERATIONS

6.1 CASH AND DEPOSITS

	2019 \$'000	2018 \$'000
Cash at bank and on hand	15,837	33,461
Deposits at call	3,653	-
Total cash and deposits	19,490	33,461

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

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

6.1.1 RECONCILIATION OF OPERATING RESULT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2019 \$'000	2018 \$'000
Net result for the year	(10,832)	10,836
Adjustment on initial application of AASB 15	(1,441)	-
Net result for the year under AASB 15	(12,273)	10,836
Non-cash movements		
Depreciation and amortisation of non-financial assets	8,715	5,482
Net (gain)/loss on sale of non-financial assets	(80)	(157)
Finance costs	197	-
Movements in assets and liabilities		
Decrease/(increase) in receivables	325	(2,963)
Decrease/(increase) in inventories	48	239
Decrease/(increase) in other assets	(814)	(3,882)
Increase/(decrease) in payables	(642)	(908)
Increase/(decrease) in provisions	2,144	4,161
Increase/(decrease) in other liabilities	847	1,372
Net cash flows from/(used in) operating activities	(1,533)	14,180

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

6.2 BORROWINGS

	2019 \$'000	2018 \$'000
Current		
Lease liabilities	2,699	-
Advances from Government	2,874	5,874
Non-Current		
Lease liabilities	2,891	-
Advances from Government	8,622	11,495
Total borrowings	17,086	17,369

Borrowings

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

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

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

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

Please refer to Note 3.4 for further information on lease liabilities.

Maturity Analysis of borrowings

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ years \$'000
2019							
Lease liabilities	5,590	5,590	253	536	1,910	2,891	-
Advances from Government	11,496	11,496	274	650	1,950	8,622	-
Total 2019	17,086	17,086	527	1,186	3,860	11,513	-
2018							
Advances from Government	17,369	17,369	274	650	4,950	11,495	-
Total 2018	17,369	17,369	274	650	4,950	11,495	-

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

NOTE 7. MANAGING RISKS AND UNCERTAINTIES

7.1 FINANCIAL INSTRUMENTS

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

Categories of financial instruments

	2019 \$'000	2018 \$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	19,490	33,461
Trade and other receivables	6,879	6,793
Contract assets	7,776	8,245
Total contractual financial assets	34,145	48,499
Contractual financial liabilities		
Financial liabilities measured at amortised cost		
Loans and payables		
Supplies and services	16,418	17,063
Borrowings	17,086	17,369
Contract liabilities	9,661	8,814
Total contractual financial liabilities	43,165	43,246

Categories of financial instruments

Classification of financial assets at amortised cost

Melbourne Polytechnic classifies its financial assets at amortised cost only if both of the following criteria are met:

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

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

Melbourne Polytechnic recognises the following financial assets in this category:

- ▶ cash and deposits;
- ▶ receivables (excluding statutory receivables); and
- ▶ contract assets.

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

- ▶ supplies and services (excluding statutory payables); and
- ▶ borrowings (including lease liabilities).

Financial risk management objectives and policies

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

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

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

Primary responsibility for the identification and management of financial risks rests with the Finance, Audit and Risk Committee of Melbourne Polytechnic with oversight by the Board.

Credit risk

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

The trade receivables balances at 31 December 2019 and 31 December 2018 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed below.

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

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

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

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

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

	Financial Institutions (AA - rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
2019				
Cash and deposits	19,490	-	-	19,490
Trade and other receivables	-	2,265	4,614	6,879
Contract assets	-	7,655	121	7,776
Total contractual financial assets	19,490	9,920	4,735	34,145
2018				
Cash and deposits	33,461	-	-	33,461
Trade and other receivables	-	5,017	1,776	6,793
Contract assets	-	8,074	171	8,245
Total contractual financial assets	33,461	13,091	1,947	48,499

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

Under AASB 9, loss allowances are measured on either of the following bases:

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

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

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables.

	Estimated gross carrying amount \$'000	Weighted average loss rate	Estimated loss allowance \$'000	Credit impaired
31 December 2019				
Current (not past due)	13,074	1%	81	YES
31-60 days past due	1,579	1%	8	YES
61-90 days past due	43	50%	22	YES
More than 90 days past due	151	54%	81	YES
	14,847		192	
1 January 2019				
Current (not past due)	12,008	5%	79	YES
31-60 days past due	3,071	10%	6	YES
61-90 days past due	45	50%	21	YES
More than 90 days past due	102	90%	82	YES
	15,226		188	

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

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

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

During 2019, there were no impairment losses relating to receivables arising from contracts with customers.

Liquidity risk

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

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

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

Melbourne Polytechnic manages liquidity risk by:

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

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

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

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Melbourne Polytechnic had no contingent assets or contingent liabilities for the period ending 31 December 2019.

7.3 FAIR VALUE DETERMINATION

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

Melbourne Polytechnic determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. A summary of changes between levels can be found in table 7.3 (a).

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2019.

(a) Fair value determination of non-financial assets

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

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

Below are the relevant fair value information relating to those assets.

Fair value measurement hierarchy

	Carrying amount as at 31 Dec 2019 \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
2019				
Specialised land	178,352	-	5,431	172,921
Total land at fair value	178,352	-	5,431	172,921
Specialised buildings	156,094	-	1,535	154,559
Heritage buildings	36,104	-	613	35,491
Total buildings at fair value	192,198	-	2,148	190,050
Construction in progress	1,441	-	-	1,441
Plant and equipment	6,424	-	-	6,424
Motor vehicles	192	-	-	192
Leasehold improvements	68	-	-	68
Library collections	318	-	-	318
Total other assets at fair value	8,443	-	-	8,443

	Carrying amount as at 31 Dec 2018 \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
2018				
Specialised land	178,352	-	5,431	172,921
Total land at fair value	178,352	-	5,431	172,921
Specialised buildings	158,640	-	1,564	157,076
Heritage buildings	36,855	-	627	36,228
Total buildings at fair value	195,495	-	2,191	193,304
Construction in progress	541	-	-	541
Plant and equipment	5,072	-	-	5,072
Motor vehicles	397	-	-	397
Leasehold improvements	212	-	-	212
Library collections	179	-	-	179
Total other assets at fair value	6,401	-	-	6,401

Impairment

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

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

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

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

(b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with FRD 103H Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD.

Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

Specialised land is valued using the market approach and then adjusting for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as either Level 2 or Level 3 assets.

Specialised and heritage buildings are valued using the depreciated replacement cost method for all but some minor exceptions. This represents the highest and best use when the market approach is not suitable. The replacement costs assessment is based on replacement of the existing building with a modern equivalent standard, and where heritage buildings are involved, a cost loading to reflect the likely need to replace any destroyed buildings with closely similar (i.e. heritage) architecture, then adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings and heritage buildings are classified as either Level 2 or Level 3 in the fair value hierarchy.

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

Construction in Progress assets are held at cost. The Institute transfers the assets into and out of assets under construction when they are ready for use.

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

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

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

There were no changes in valuation techniques throughout the period to 31 December 2019.

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

2019 and 2018	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
Heritage buildings	Depreciated replacement cost	Direct cost per square metre
Construction in progress	Depreciated replacement cost	Useful life of the asset once it is ready for use
Plant and equipment	Depreciated replacement cost	Useful life of plant and equipment
Motor vehicles	Depreciated replacement cost	Useful life of vehicles
Library collections	Depreciated replacement cost	Useful life of library books
Leasehold improvements	Depreciated replacement cost	Useful life of lease

NOTE 8. GOVERNANCE DISCLOSURES

8.1 RESPONSIBLE PERSONS

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

The persons who held the positions of Ministers and Accountable Officer in Melbourne Polytechnic are as follows:

Position	Position	Dates of appointment
Minister for Training and Skills and the Minister for Higher Education	The Hon Gayle Tierney MP	1 January 2019 to 31 December 2019
Chief Executive Officer (Accountable Officer)	Frances Coppelillo	1 January 2019 to 31 December 2019
Board Chairperson	Helen Clarke	17 September 2019 to 31 December 2019
Board Director	Helen Clarke	1 July 2019 to 31 December 2019
Board Chairman	Jim Pasinis	1 January 2019 to 16 September 2019
Board Director	Jim Pasinis	1 January 2019 to 31 December 2019
Board Director	Tali Bernard	1 January 2019 to 31 December 2019
Board Director	Fiona Smith	1 January 2019 to 31 December 2019
Board Director	Joe Dicks	1 January 2019 to 31 December 2019
Board Director	Lee Astheimer	1 January 2019 to 31 December 2019
Board Director	Ian Munro	1 January 2019 to 31 December 2019
Board Director	Richard Tait	1 January 2019 to 31 December 2019
Board Director	Fiona Wahr	1 July 2019 to 31 December 2019
Board Director	Bill Forrest	1 July 2019 to 31 December 2019
Board Director	Karen Janiszewski	3 December 2019 to 31 December 2019
Board Director	Mel Riel	1 January 2019 to 30 June 2019
Board Director	Fiona McNabb	1 January 2019 to 30 June 2019
Board Director	Daniel Stubbs	1 January 2019 to 22 September 2019

Remuneration of Accountable Officer

Remuneration received or receivable by the Accountable Officer in connection with the management of the Institute during the reporting period was in the range: \$310,000 - \$319,999 (2018: \$310,000 - \$319,999).

Remuneration

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

Income band	2019	2018
The number of responsible persons whose total remuneration from the Institute was within the specified income bands are as follows:	Number	Number
Nil to \$9,999	2	-
\$10,000 to \$19,999	1	6
\$20,000 to \$29,999	2	-
\$30,000 to \$39,999	6	6
\$40,000 to \$49,999	2	-
\$60,000 to \$69,999	1	-
\$70,000 to \$79,999	-	1
The remuneration of the Accountable Officer who also acts as a Board member is disclosed under Remuneration of Accountable Officer	1	1
Total number	15	14

	2019	2018
Remuneration	\$'000	\$'000
Short-term benefits	704	684
Post-employment benefits	54	53
Other long-term benefits	-	8
Termination benefits	-	-
Share-based payments	-	-
Total remuneration	758	745
Total number of responsible persons	15	14
Total annualised employee equivalents (AEE)	15	14

8.2 REMUNERATION OF EXECUTIVES

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents (AEE) provides a measure of full-time equivalent executive officers over the reporting period.

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

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

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

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

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

	2019	2018
Remuneration of executive officers	\$'000	\$'000
Short-term employee benefits	3,550	4,159
Post-employment benefits	325	346
Other long-term benefits	87	92
Termination benefits	111	250
Total remuneration	4,073	4,847
Total number of executives	24	24
Total annualised employee equivalents (AEE) ⁽ⁱ⁾	19	23

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

8.3 RELATED PARTIES

Related parties of Melbourne Polytechnic include:

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

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

Key management personnel of Melbourne Polytechnic includes the Minister for Training and Skills and the Minister for Higher Education, the members of the Board, Chief Executive Officer, and members of the Executive Committee. The compensation detailed below excludes the salaries and benefits of the Minister for Training and Skills and the Minister for Higher Education. The Minister's remuneration and allowances are reported within the Department of Parliamentary Services' Financial Report.

Compensation of key management personnel

	2019	2018
Remuneration	\$'000	\$'000
Short-term employee benefits	2,659	2,732
Post-employment benefits	204	198
Other long-term benefits	151	45
Termination benefits	118	20
Total remuneration	3,132	2,995

Transactions and balances with key management personnel and other related parties

Melbourne Polytechnic had no material related party transactions for the year ending 31 December 2019.

NOTE 9. OTHER DISCLOSURES

9.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2019	2018
	\$'000	\$'000
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(1,455)	(228)
Impairment of non-financial physical and intangible assets	-	(313)
Remeasurement of provision for doubtful debts under AASB 9	-	(144)
Unwinding of other provisions	(4)	594
Total other gains/(losses) from other economic flows	(1,459)	(91)

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

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

- ▶ revaluations and impairments of non-financial physical and intangible assets; and
- ▶ remeasurements arising from employee benefits and the provision for doubtful debts disclosed above.

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

9.2 RESERVES

Physical asset revaluation surplus¹

	2019	2018
	\$'000	\$'000
Balance at 1 January	288,869	288,988
Revaluation increment/(decrement) on non-current asset	-	(119)
Balance at 31 December	288,869	288,869

Note:

¹ The physical asset revaluation surplus arises on the revaluation of land and buildings. The Valuer-General Victoria conducted a revaluation of 91 St Georges Road, Preston in 2018 that resulted in a decrement.

9.3 EVENTS AFTER REPORTING DATE

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of Melbourne Polytechnic, the results of those operations or the state of affairs of Melbourne Polytechnic in subsequent financial years.

9.4 APPLICATION OF STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not effective for the 31 December 2019 reporting period.

As at 31 December 2019 the following standards and interpretations had been issued but were not effective for financial year ending 31 December 2019. The Institute has not, and does not intend to, adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
Amendments to Australian Accounting Standards - References to the Conceptual Framework	AASB 2019-1 amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the revised Conceptual Framework for Financial Reporting (Conceptual Framework).	01-Jan-20	The assessment has indicated that there will be no significant impact for the Institute.
AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business	AASB 2018-6 amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.	01-Jan-20	The assessment has indicated that there will be no significant impact for the Institute.
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	01-Jan-20	The assessment has indicated that there will be no significant impact for the Institute.

In addition to the amending standards above, the AASB has issued a list of amending standards that are not effective for the 2019 reporting period (as listed below). In general, these amending standards are not expected to have a significant impact on Melbourne Polytechnic's financial statements.

- ▶ AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059
- ▶ AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform
- ▶ AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- ▶ AASB 17 Insurance Contracts #
- ▶ AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Note:

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

AUDIT REPORT ON PERFORMANCE STATEMENT



Independent Auditor's Report

To the Board of Melbourne Polytechnic

Opinion	<p>I have audited the accompanying performance statement of Melbourne Polytechnic (the institute) which comprises the:</p> <ul style="list-style-type: none">• performance statement for the year ended 31 December 2019• performance statement declaration. <p>In my opinion, the performance statement of Melbourne Polytechnic in respect of the year ended 31 December 2019 presents fairly, in all material respects.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
28 February 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

2019 PERFORMANCE STATEMENT DECLARATION

In our opinion, the performance of Melbourne Polytechnic in respect of the 2019 financial year is presented fairly in accordance with the key performance measures developed in the Annual Statement of Corporate Intent.

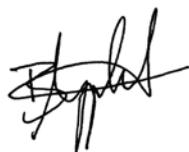
The performance indicators are determined by the Board in its Strategic Plan identifying pre-determined targets and the actual results for the year against these indicators and an explanation of any significant variance between the actual results and performance targets. As at the date of signing, we are not aware of any circumstance that would render any particulars in the statement to be misleading or inaccurate.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 24 February 2020



Frances Coppolillo
Chief Executive
Melbourne Polytechnic
Date: 24 February 2020



Brad Appleton
Chief Finance Officer
Melbourne Polytechnic
Date: 24 February 2020

2019 PERFORMANCE STATEMENT

TAFEs are required to report on the following KPIs in the format shown in the table below.

Indicator	Description and Methodology	Measure	2019		Explanation of variances	2018
			Target	Actual		Result
Training revenue diversity	Breakdown of training revenue by: ▶ Government Funded (GF) ▶ Fee for Service (FFS) ▶ Student Fees and Charges (SFC).	%	VTG - 30% FFS - 57% SFC - 13%	VTG - 32.0% FFS - 59.0% SFC - 9.0%	Fee-Free TAFE has reduced Student Fees and Charges and increased VTG funding.	VTG - 30.5% FFS - 58.8% SFC - 10.6%
Employment costs as a proportion of training revenue	Employment and third-party training delivery costs as a proportion of training revenue. (Employment costs - Workforce reduction expenses + third-party training delivery costs)/ Training revenue.	%	94%	91.5%	Implementation of more efficient operations has improved this indicator.	97.5%
Training revenue per teaching FTE	Training revenue (excluding revenue delivered by third parties) per Teaching FTE. Training revenue (excluding revenue delivered by third parties)/Teaching FTEs.	\$	205k	250k	Implementation of more efficient operations has improved this indicator.	199k
Operating margin percentage	Operating margin percentage. EBIT (excluding capital contributions)/Total revenue (excluding capital contributions).	%	-6.7%	-5.9%	Implementation of more efficient operations has improved this indicator.	1.5%

Note: all account groupings (e.g. employment costs, training revenue, etc.) included in the table above are prescribed by the official Department of Education and Training (DET) financial account structure, and are in line with the quarterly financial data submission template provided by DET for completion by TAFEs.

CONSULTANCIES

Details regarding consultancies over \$10,000 are made publicly available through the publication of this Annual Report on the Melbourne Polytechnic website www.melbournepolytechnic.edu.au/explore-melbourne-polytechnic/reports/

In 2019, Melbourne Polytechnic did not engage or incur any expenditure related to consultants.

ADVERTISING

Details of 2019 advertising expenditure (campaigns with a media spend of \$100,000 or greater)

Campaign name	Campaign summary	Start date	End date	Advertising (Media) expenditure (excl GST)	Creative and campaign development expenditure (excl GST)	Research and evaluation expenditure (excl GST)	Print and collateral expenditure (excl GST)	Other campaign expenditure (excl GST)	Total campaign expenditure (excl GST)
Summer Campaign (2018/2019) Start of Year	Enrolment and Brand Campaign	1 Jan 2019	28 Feb 2019	\$569,000	-	-	-	-	\$569,000
Midyear Campaign	Enrolment and Brand Campaign	1 May 2019	31 Jul 2019	\$138,093	\$43,687	-	-	-	\$181,780
Summer Campaign (2018/2019) End of Year	Enrolment and Brand Campaign	1 Oct 2019	31 Dec 2019	\$510,291	\$208,109	\$550	-	-	\$718,950

SUMMARY OF MAJOR COMMERCIAL ACTIVITIES

In 2019, Melbourne Polytechnic undertook commercial activity that reached the threshold for reporting.

A property held by the Institute and located at 91 St Georges Road, Preston, was sold. This property was adjacent to the student carpark at the Preston campus and surrounded by domestic properties. As such, the property was not considered of strategic importance for the future of the organisation.

There were no other Major Commercial Activities requiring disclosure conducted by Melbourne Polytechnic in 2019.

COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT 2019

Melbourne Polytechnic imposes a compulsory non-academic fee, known as the Student Services and Amenities Fee, for the purposes of providing a range of free support services to students; on-campus recreational activities through the Student Life and Media (SLAM) unit; and the maintenance of campus facilities for direct student use.

The 2019 Student Services and Amenities Fee was calculated on the basis of 40 cents per enrolled student contact hour in government-funded accredited courses, with a maximum fee of \$250 and a minimum fee of \$50. Certain concessions and exemptions applied. Courses delivered in the workplace or at community locations were charged a flat fee of \$50 per enrolment. The collection and expenditure of the amenities fee is subject to the provisions of the *Education and Training Reform Act 2006*.

The total income from compulsory non-academic fees collected by the Institute in 2019 was \$1,652,211.

The Institute used the income generated from the compulsory non-academic fee for campus betterment activities, a range of support services, student events, and student communications.

The processes for the collection and disbursement of the Student Services and Amenities Fee are managed by Melbourne Polytechnic and are not paid to any student organisations.

	2019 \$	2018 \$
Income		
Compulsory Non-Academic Fees	1,652,211	1,393,311
Total Income	1,652,211	1,393,311
Expenditure		
Salaries		
Salaries	902,085	936,713
Salary Oncosts	154,594	163,866
Total Salary Expenditure	1,056,679	1,100,579
Non salaries		
Consumables	11,420	24,146
Subscriptions	26,209	59,497
Telephone	3,185	2,631
Equipment Purchases	31,125	20,215
Software Licenses	3,245	-
Fitness Centre	74,044	113,784
Student HUB	66,473	-
Library and Learning Skills	286,667	-
Travel	3,179	6,304
Staff Development	-	500
Freight and Cartage	2,868	1,348
Advertising - Courses and Other	28,545	3,228
Orientation/Recreational Activities	66,405	95,882
Minor Works	1,221	50,528
Uniforms	1,526	8,564
Hospitality	371	6
Security Services	264	228
Professional fees	120	545
Total Non-salary Expenditure	606,867	387,406
Total Expenditure	1,663,546	1,487,986
Operating Result for the Year	(11,335)	(94,674)

ADDITIONAL INFORMATION

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

- ▶ Statement regarding declarations of pecuniary interests.
- ▶ Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- ▶ Details of publications produced by Melbourne Polytechnic about itself and how they can be obtained.
- ▶ Details of changes in prices, fees, charges, rates and levies charged by Melbourne Polytechnic.
- ▶ Details of any major external reviews carried out on Melbourne Polytechnic.
- ▶ Details of major research and development activities undertaken by Melbourne Polytechnic.
- ▶ Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit.
- ▶ Details of major promotional, public relations and marketing activities undertaken by Melbourne Polytechnic to develop community awareness of the entity and its services.
- ▶ Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- ▶ A general statement on industrial relations within Melbourne Polytechnic and details of time lost through industrial accidents and disputes.
- ▶ A list of major committees sponsored by Melbourne Polytechnic, the purposes of each committee, and the extent to which the purposes have been achieved.
- ▶ Details of all consultancies and contractors.

REQUESTS FOR ADDITIONAL INFORMATION

The Board Secretary
Melbourne Polytechnic
Locked Bag 5
Preston VIC 3072
AUSTRALIA
+61 3 9269 1200

DISCLOSURE INDEX

The Disclosure Index shows compliance with the statutory requirements.

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22H 5.4	Manner of establishment and the relevant Minister.	27
2	FRD 22H 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	4-7, 10-13, 15-21, 27-32
3	FRD 22H	Nature and range of services provided including the communities served.	4-7, 11-13, 15-21
MANAGEMENT AND STRUCTURE			
4	FRD 22H 5.6	Organisational structure and chart, detailing members of the governing Board, Audit Committee, CEO, senior officers and their responsibilities.	27-31
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends.	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements.	73
7	FRD 10A	Disclosure Index.	80-82
8	FRD 17B	Long Service leave and annual leave for employees.	53
9	FRD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements.	4-6, 26, 76
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	18
11	FRD 22H 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections.	33-34
12	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods.	26
13	FRD 22H 5.11 b	Summary of significant changes in financial position.	26, 44
14	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	2, 4-7, 11-13, 15-17, 19-21, 23-25
15	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	37, 72
16	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i> .	35
17	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance.	26
18	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target.	N/A
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	77
20	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform.	36
21	FRD 22H 5.18 g	Statement on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	35
22	FRD 22H 5.18 c	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act.	35
23	FRD 22H 5.18 h and FRD 24D	Summary of Environmental Performance.	23-25

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE
FINANCIAL AND OTHER INFORMATION CONT.			
24	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST). 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available: ▶ Consultant engaged ▶ Brief summary of project ▶ Total project fees approved (excluding GST) ▶ Expenditure for reporting period (excluding GST) ▶ Any future expenditure committed to the consultant for the project. 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period.	77
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	79
26	FRD 22H 5.17	An entity shall disclose the following in the report of operations: a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: i. Operational expenditure (OPEX); and ii. Capital expenditure (CAPEX).	17
27	FRD 25D	Local Jobs First.	36
28	AASB 16	Leases.	55-57
29	SD 5.1.4	Financial Management Compliance Attestation Statement The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	37
30	FRD 119A	Transfers through contributed capital.	44
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	ii, 4, 37, 40, 48
32	SD 5.2.3	The Report of Operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	4
33	CG 10 Clause 27	Summary of Major Commercial Activities.	77
34	CG 12 Clause 33	TAFE Institute Controlled Entities.	48

FINANCIAL REPORT

FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1994

35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: ▶ the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and ▶ the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.	40
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OTHER REQUIREMENTS UNDER STANDING DIRECTIONS/FINANCIAL MANAGEMENT ACT 1994

36	SD 5.2.2(a) and FMA s49	An Agency's financial statements must include a signed and dated declaration by: ▶ the Accountable Officer; ▶ subject to Direction 5.2.2(c), the CFO; and ▶ for Agencies with a statutory Board or equivalent governing body established by or under statute, a member of the Responsible Body.	40
37	FRD 30D	Rounding of amounts.	48

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> ▶ review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament. 	27, 31

OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS

39	FRD 11A	Disclosure of ex-gratia payments.	N/A
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report.	70-72
41	FRD 102A	Inventories.	44
42	FRD 103H	Non-financial physical assets.	44, 58-60, 63, 67-69
43	FRD 105B	Borrowing costs.	N/A
44	FRD 106B	Impairment of assets.	61, 66, 68, 72
45	FRD 107B	Investment properties.	N/A
46	FRD 109A	Intangible assets.	44, 60, 72
47	FRD 110A	Cash flow statements.	46
48	FRD 112D	Defined benefit superannuation obligations.	N/A
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates.	N/A
50	FRD 114C	Financial instruments.	64-67
51	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period.	47-73

COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES

52	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> ▶ <i>Education and Training Reform Act 2006</i> (ETRA) ▶ TAFE institute constitution ▶ Directions of the Minister for Training and Skills (or predecessors) ▶ TAFE institute Commercial Guidelines ▶ TAFE institute Strategic Planning Guidelines ▶ <i>Public Administration Act 2004</i> ▶ <i>Financial Management Act 1994</i> ▶ <i>Freedom of Information Act 1982</i> ▶ <i>Building Act 1993</i> ▶ <i>Protected Disclosure Act 2012</i> ▶ <i>Local Jobs First Act 2003</i>. 	36
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019.	78
54	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy.	35
55	Key Performance Indicators	See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting. Institutes to report against: <ul style="list-style-type: none"> ▶ Employment costs as a proportion of training revenue; ▶ Training revenue per teaching FTE; ▶ Operating margin percentage; ▶ Training revenue diversity. 	76

OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES

56.	PAEC and VAGO (June 2003 Special Review - Recommendation 11)	<ul style="list-style-type: none"> ▶ Financial and other information on initiatives taken or strategies relating to the institute's overseas operations. ▶ Nature of strategic and operational risks for overseas operations. ▶ Strategies established to manage such risks of overseas operations. ▶ Performance measures and targets formulated for overseas operations. ▶ The extent to which expected outcomes for overseas operations have been achieved. 	2, 4, 7, 13, 20-22
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STUDENT AWARDS AND ACHIEVEMENTS

The 2019 awards and achievements of Melbourne Polytechnic students and staff demonstrate excellence in student achievement and the commitment of our staff to continuous professional development.

STUDENT AWARDS

2019 ANNUAL HAIR AND BARBERING SHOWCASE

Zahara Amini-Yar	First Place - Junior Hairdresser
Amanda Green	Second Place - Junior Hairdresser
Namrah Kashmiri	Third Place - Junior Hairdresser
Carolyne Griffiths	Honourable Mention - Junior Hairdresser
Fatma Demirel	First Place - Senior Braiding
Anneliese Tully	Second Place - Senior Braiding
Soheyla Shakerian	Third Place - Senior Braiding
Letebrahan Gebrehiwet	Honourable Mention - Senior Braiding
Rachel Pollard	First Place - Senior Styling
Johnny Gharebeh	Second Place - Senior Styling
Shazia Khattak	Third Place - Senior Styling
Mickayla Blyton	Honourable Mention - Senior Styling
Ali Algburi	First Place - Barbering
Auoub Alhasari	Second Place - Barbering
Bassel Katrib	First Place - Barbering (Beards)
Devt Sleoo	Second Place - Barbering (Beards)
Rami Ayooob	Honourable Mention Barbering
Teresa Salaf Franca	First Place - Alumni
Daniela Sabotkovski	Second Place - Alumni

2019 AUSTRALIAN INSTITUTE OF PROFESSIONAL PHOTOGRAPHY (AIPP) VICTORIAN EPSON PROFESSIONAL PHOTOGRAPHY AWARDS

Deborah Brown	Winner - Student Photographer of the Year
Jackie Winkelman	Winner - Emerging Photographer of the Year



2019 FACT OR FICTION PORTRAIT COMPETITION (SPONSORED BY INDUSTRY PARTNERS AND SLAM)

Simone dePetro	Winner – First Prize
Alexandra Saxby	Winner – Second Prize
Jenny Saunders	Winner – Third Prize
Aimee Mumford	Winner – Fourth Prize
Jocelyn Dexter	Winner – Illustrators Australia Award
Dean Phelps	Winner – Photography Award
Pranvera Bytyci	Commendation – Photography

2019 VICTORIAN INTERNATIONAL EDUCATION AWARDS

Christian Labao	Winner – International Student of the Year – Vocational Education and Training
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AUSTRALIAN TAFE CULINARY TROPHY

Nick Gnafakis	Winner – 2019 National Apprentice Cookery Competition
	Winner – Best Third-Year Apprentice (2019 Victorian State Final)

BUILDING DESIGNERS ASSOCIATION OF VICTORIA ANNUAL BUILDING DESIGN AWARDS

Ryder Hallett	Winner – Brian Morrison Award
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CIVIL CONTRACTORS FEDERATION 2019 EARTH AND TRAINING AWARDS

Heath McAvoy	Winner – Diploma of Civil Engineering Award
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EPOCH GRADUATE EXHIBITION

Lisa Dallest	Excellence Award (sponsored by Deans Art)
Monique Luzza	Excellence Award (sponsored by Deans Art)
Min Qu	Excellence Award (sponsored by Deans Art)
Allan Cross	Industry Award (sponsored by Firestation Print Studio)
Monique Luzza	Winner – The Adam and Stathi Kotzapavidis Memorial Acquisition Prize
Leslie Holding	Encouragement Award (sponsored by the Visual Arts Department)
Kevin O’Callaghan	Encouragement Award (sponsored by the Visual Arts Department)
Dean Adams	Highly Commended Award (sponsored by the Visual Arts Department)
Darcy Ridgway	Highly Commended Award (sponsored by the Visual Arts Department)
Lisa Dallest	Professional Practice Award (sponsored by the Visual Arts Department)
Jaymie Kershaw	Professional Practice Award (sponsored by the Visual Arts Department)
Hung-Ying Yao	Professional Practice Award (sponsored by the Visual Arts Department)
Kevin O’Callaghan	Visual Arts Technicians’ Packing Room Award



FUSION GRADUATE EXHIBITION (SPONSORED BY INDUSTRY PARTNERS)

Vickie Trivellas	Best Illustration of Work
Allan Cross	Best Body of Work
Melissa Alvaro	Highly Commended
Lorenzo Rodas	Highly Commended

ILLUSTRE GRADUATE EXHIBITION

Monique Luzza	Winner - The Adam and Stathi Kotzapavidis Memorial Acquisition Prize
Lynn Bremner	Outstanding Commitment
Stephen Comte	Outstanding Commitment
Jocelyn Dexter	Outstanding Commitment
Aurora Gray	Outstanding Commitment
Louise Peet-Anderson	Outstanding Commitment
Julia Scarmozzino	Outstanding Commitment
Megan Tampaline	Outstanding Commitment

MELBOURNE INTERNATIONAL FLOWER AND GARDEN SHOW

Martioni Garcia	Gold Award - Advanced Student Competition
Bart Lorist	Gold Award - Advanced Student Competition
Skye Teo	Gold Award - Advanced Student Competition
Chang Wang	Gold Award - Advanced Student Competition
Kate Manning	Silver Gilt Award - Advanced Student Competition
Jennifer O'Fee	Silver Gilt Award - Advanced Student Competition
Sarah Bird	Silver Award - Advanced Student Competition
Angelina Corso	Silver Award - Advanced Student Competition
Eva Daly	Silver Award - Advanced Student Competition
Brooke Mora	Bronze Award - Advanced Student Competition
Stephanie Monaco	Gold Award - Intermediate Student Competition and Fifth Place Overall
Ashleigh Becker	Silver Gilt Award - Intermediate Student Competition
Amy Loring	Silver Gilt Award - Intermediate Student Competition
Elsbeth Rozanski	Silver Gilt Award - Intermediate Student Competition
Jaylee-Renee Van Ginkel	Silver Gilt Award - Intermediate Student Competition
Theresa Webb	Silver Award - Intermediate Student Competition
Jason Donnelly	First Place and Overall Winner - Achievable Gardens Competition
Travis Overend	Second Place - Achievable Gardens Competition



MELBOURNE INTERNATIONAL FLOWER AND GARDEN SHOW CONT.

David Joseph	Third Place – Achievable Gardens Competition
Karthick Udaiappan	First Place – Hanging Baskets Competition
Renee Bertoncini	Second Place – Hanging Baskets Competition
Gina Robertson	Third Place – Hanging Baskets Competition
Vaughn Gale	Highly Commended – Hanging Baskets Competition

MUSIC INDUSTRY ACHIEVEMENT

Chitra Ridwan	Signed by Our Golden Friend, an independent record company based in Melbourne and funded by Warner Music Australia.
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ROYAL AGRICULTURAL SOCIETY OF VICTORIA ROYAL MELBOURNE SHOW

Ashley D'Arma	Third Place – School Steer Handlers Award
Claire Verplak	Fourth Place – School Steer Handlers Award
Hannah Patrikios	Fourth Place – School Steer Handlers Award
Jesse Chamberlain	Fifth Place – School Steer Handlers Award
Jordyn Spyker	Sixth Place – School Steer Handlers Award

UNFOLD

Dianne Erlichman	Outstanding Achievement Award (sponsored by Deans Art)
Kaleb Bail	Achievement Award (sponsored by the Visual Arts Department)
Sydney Richmond	Encouragement Award (sponsored by the Visual Arts Department)

VICTORIAN TOURISM INDUSTRY COUNCIL STUDENT ENTREPRENEURIAL AWARD

Marine Laine	Winner
Ni Luh Wayan Pujani	Winner
Fathima Shamara Mohamed Ruwais	Winner

WORLDSKILLS MELBOURNE EAST REGION MEDAL PRESENTATION CEREMONY

Diego Calderon	Winner – Gold Medal, Bricklaying
Marc Colarusso	Winner – Silver Medal, Bricklaying

ABOUT THIS REPORT

The Melbourne Polytechnic Annual Report 2019 is a report to the Parliament of Victoria required under Section 45 of the Financial Management Act 1994. The Annual Report contains information about the operations of Melbourne Polytechnic during 2019, audited standard Financial and Performance Statements and other information required under Standing Directions of the Assistant Treasurer under the Act (Section 4 Financial Management Reporting) and the Financial Reporting Directions given under the Act.

In preparing this report, Melbourne Polytechnic followed the reporting guidelines issued by the Higher Education and Skills Group, Department of Education and Training, Victorian Government. This report is based on the model Annual Report issued with these guidelines, in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statement of Accounting Concepts, authoritative pronouncements of the Australian Accounting Standards Board and other legislative requirements.

The Melbourne Polytechnic Annual Report 2019 is printed on partially-recycled paper.

*This training may be delivered with Victorian and Commonwealth Government funding.
Information correct at March 2020 © MELBOURNE POLYTECHNIC ABN 50 230 165 243*



MELBOURNE POLYTECHNIC CAMPUSES, TRAINING CENTRES, SKILLS AND JOBS CENTRES & COURSE ADVICE CENTRE

CAMPUSES

Collingwood

20 Otter Street
Collingwood VIC 3066

Epping

Corner Cooper Street and Dalton Road
Epping VIC 3076

Fairfield

Yarra Bend Road
Fairfield VIC 3078

Greensborough

61 Civic Drive
Greensborough VIC 3088

Heidelberg

Corner Waterdale Road and Bell Street
Heidelberg West VIC 3081

Prahran

144 High Street
Prahran VIC 3181

Preston

77 St Georges Road
Preston VIC 3072

INTERNATIONAL CAMPUS

Fuzhou Melbourne Polytechnic Campus

199 Xi Yuan Gong Road
Shangjie District, Minhou County, Fuzhou
Fujian Province, China

SKILLS AND JOBS CENTRES

Melbourne Polytechnic @ Northland Shopping Centre

2-50 Murray Road
Preston VIC 3072

Melbourne Polytechnic @ Westfield Plenty Valley

415 McDonalds Road
Mill Park VIC 3082

COURSE ADVICE CENTRE

Melbourne Polytechnic @ Westfield Doncaster

619 Doncaster Road (Cnr Williamsons Road)
Doncaster VIC 3108

TRAINING CENTRES

Ararat Training Centre

Grano Street
Ararat VIC 3377

Growling Frog Vineyard

1910 Donnybrook Road
Yan Yean VIC 3755

Northern AMEP Centre

Corner Belfast and Blair Streets
Broadmeadows VIC 3047

Northern Lodge, Eden Park

Glen Robin Court
Eden Park VIC 3757

Northern Lodge, Yan Yean

2005 Plenty Road
Yan Yean VIC 3755