

Annual Report 2021



**MELBOURNE
POLYTECHNIC**



The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, visited Prahran campus to announce a Victorian Government plan to secure the future of the Prahran campus as a vibrant education and arts precinct.

Photographer: Chris Riordan

ACKNOWLEDGEMENT OF CULTURE

Melbourne Polytechnic acknowledges the Traditional Custodians of Victoria, and we honour the first educational practices that have been occurring on these lands for tens of thousands of years. We acknowledge our campuses rest on the lands and waters of the Kulin Nations, and we pay our respects to all Elders past, present and emerging.

CONTACT US

Melbourne Polytechnic
Locked Bag 5
Preston VIC 3072
AUSTRALIA

+61 3 9269 1200

info@melbournepolytechnic.edu.au

www.melbournepolytechnic.edu.au

FOLLOW US ON

twitter.com/melbpoly 

facebook.com/MelbournePolytechnic 

instagram.com/melbpoly 

au.linkedin.com/school/melbourne-polytechnic 

youtube.com/c/MelbournePolytechnic 

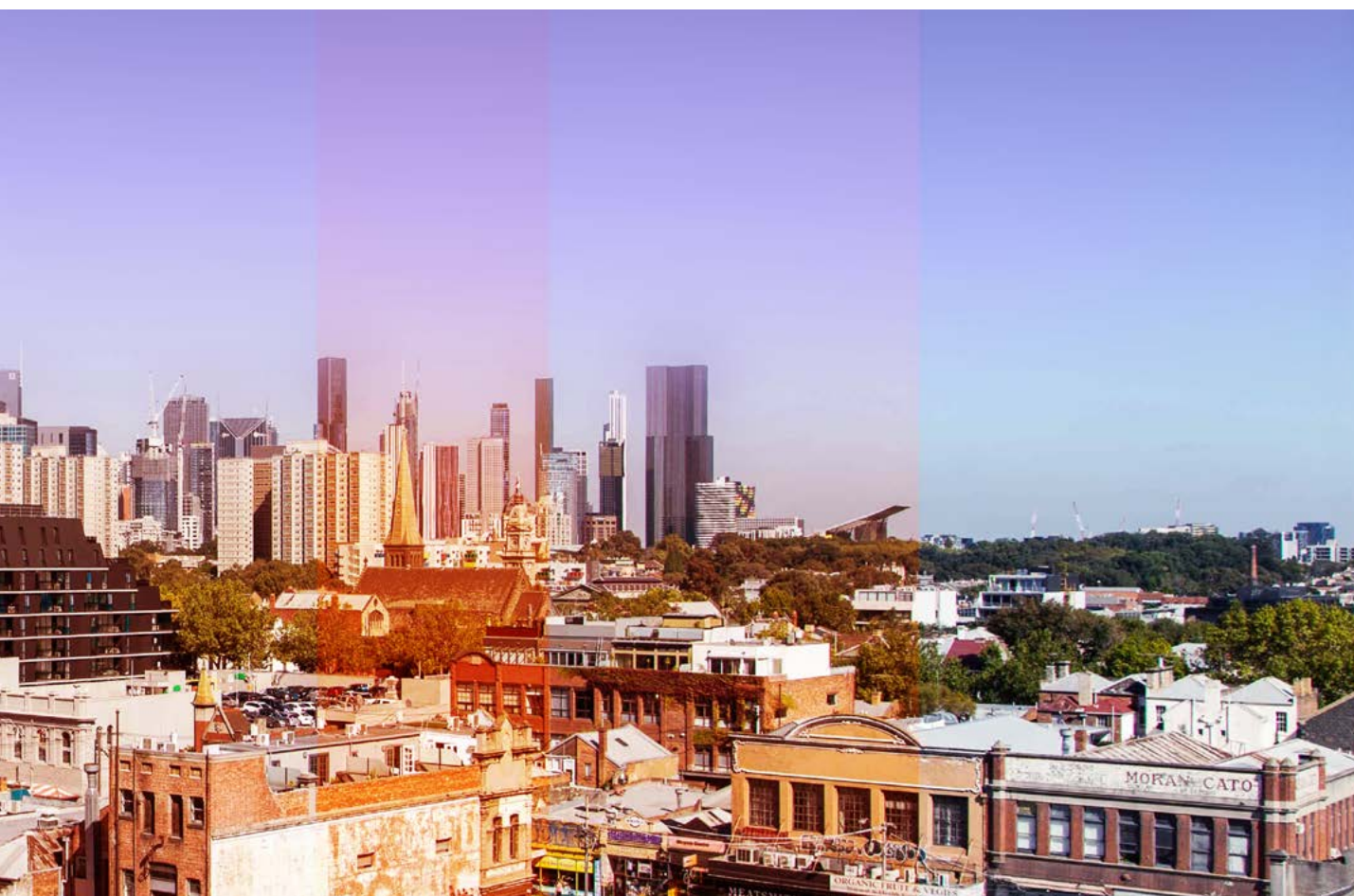


Contents

Report of Operations

6

BOARD CHAIRPERSON'S REPORT	8
MESSAGE FROM THE CHIEF EXECUTIVE	9
2021: THE YEAR IN REVIEW	12
INTERNATIONAL OPERATIONS	22
ENVIRONMENT AND SUSTAINABILITY	24
SUMMARY OF OPERATING RESULTS AND FINANCIAL POSITION	30
GOVERNANCE	31
BOARD COMMITTEES CHART AND MEMBERSHIP	32
MELBOURNE POLYTECHNIC SENIOR MANAGEMENT STRUCTURE AT 31 DECEMBER 2021	33
MELBOURNE POLYTECHNIC OBJECTIVES, FUNCTIONS, POWERS AND DUTIES	34
WORKFORCE DATA	35
OCCUPATIONAL HEALTH AND SAFETY	38
COMPLIANCE WITH LEGISLATION AND REGULATIONS	39
CONSULTANCIES	43
ADVERTISING	44
ICT EXPENDITURE	44
ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT	45



SUMMARY OF MAJOR COMMERCIAL ACTIVITIES	46
COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT 2021	47
ADDITIONAL INFORMATION	48
MELBOURNE POLYTECHNIC FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT	49
2021 Financial Statements	50
DECLARATION BY BOARD CHAIR, CHIEF EXECUTIVE AND CHIEF FINANCE AND ACCOUNTING OFFICER	53
PERFORMANCE	98
AUDIT REPORT ON PERFORMANCE STATEMENT	98
2021 PERFORMANCE STATEMENT DECLARATION	100
KEY PERFORMANCE INDICATORS	101
Disclosure Index	102
STUDENT AND STAFF AWARDS AND ACHIEVEMENTS	106



Report of Operations



Board Chairperson's Report



I am pleased to present Melbourne Polytechnic's 2021 Annual Report. This report has been prepared for our stakeholders and provides a summary of our achievements and financial results for the year.

2021 proved yet another turbulent year for all of us. As I reflect on the year that was, what stands out more prominently than the challenges, is the courage, resilience, and resourcefulness of our people. These qualities have been powerful antidotes to these troubling COVID-19 times.

On behalf of the Board of Directors, I would like to acknowledge the entire Melbourne Polytechnic community for pulling together and continuing to provide a quality teaching and learning experience for our students. This commitment ensured that students coped well with the disruption caused by the pandemic.

Despite the ongoing disruptive forces of COVID-19, we continued to deliver on the ambitions set out in the Melbourne Polytechnic Strategic Plan 2019-2023. One of the four key objectives in our Strategic Plan is for Melbourne Polytechnic to collaborate and partner with industry and a broad range of key stakeholders to contribute to economic and community success. The Strategic Plan underscores the importance of our work with 'priority industries' - those with expected growth and demand within our regions.

Melbourne Polytechnic's partnerships with the Whittlesea Community Farm, the Food Incubator + Network Centre (FoodINC) and the Advanced Manufacturing Centre of Excellence move us towards achieving our strategic objective, while enhancing student experiences and outcomes, and the sustainability of our organisation.

Progress continued on the \$40 million Melbourne Polytechnic Collingwood Campus Redevelopment Project, which will create a revitalised precinct in

Melbourne's vibrant inner north. It will bring to life a bold and exciting vision to establish a contemporary space for TAFE that fosters strong industry and community connections and improves employment outcomes through vocational education and training in key priority industries.

I thank my colleagues on the Melbourne Polytechnic Board for their commitment and support throughout the year. On behalf of the Board I extend thanks to Chief Executive, Frances Coppolillo, and the Executive Leadership Committee for their invaluable contributions. I would also like to thank outgoing Board member Fiona Smith AM for her dedication and service.

The Melbourne Polytechnic vision - to develop the capabilities of students and industry to thrive in a rapidly changing world - seems more relevant now than ever. We take pride in the progress Melbourne Polytechnic made towards realising our vision in 2021 in the face of ongoing challenges in our operating environment.

A handwritten signature in black ink, appearing to read 'Helen Clarke'.

Helen Clarke
Board Chairperson
Melbourne Polytechnic

Date: 28 March 2022

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

A handwritten signature in black ink, appearing to read 'Helen Clarke'.

Helen Clarke
Board Chairperson
Melbourne Polytechnic

Date: 28 March 2022

Message from the Chief Executive

If we thought 2020 was hard, then 2021 was certainly sent to test us.

In a year punctuated by multiple lockdowns, changing restrictions and prevailing uncertainty, there was much to celebrate. Our people continued to adapt to an ever-changing environment and persevered through complexity and ambiguity. After transitioning almost 9,000 students to continue their studies remotely in 2020 - we did it again in 2021.

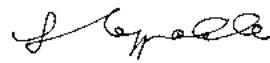
Our achievements were made possible through the ongoing commitment and hard work of our staff, who developed new skills and learnt how to work and connect with each other in different ways. In 2021, we adapted to the 'new normal' and embedded these skills and capabilities more deeply into our systems, processes and culture.

While our staff went above and beyond for our students, employee wellbeing and keeping our dispersed workforce connected was a priority. A record number of staff responded to our People Matter survey, which provided invaluable feedback that will help improve the experience of working at Melbourne Polytechnic. Significantly, more than three quarters of staff who responded said they were able to maintain a sense of connection with colleagues while working remotely.

In 2021, we drafted our first ever Gender Equality Action Plan, which brings us closer to achieving gender equality in the workplace. We also completed our first Strategic Asset Masterplan (SAM) to ensure that we utilise the full potential of all Melbourne Polytechnic campuses and training sites. This includes creating precincts with industry and community co-location.

We pushed forward in forging strategic partnerships in priority industries. These partnerships are powerful drivers of innovation, delivering tangible benefits to our students, our communities and the economy.

It is often said that past performance is a good indicator of future success. When I think about our recent achievements and how quickly our staff adapted to this dynamic environment it gives me confidence that Melbourne Polytechnic will emerge better, faster and stronger.



Frances Coppolillo
Chief Executive
Melbourne Polytechnic

Date: 28 March 2022

Overview of the Melbourne Polytechnic Strategic Plan 2019-2023

The Melbourne Polytechnic Strategic Plan 2019-2023 (the Strategic 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.

Our Strategic 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 Strategic Plan outlines five priority industries that are predicted to experience significant growth, and proposes precincts that bring together students, teachers, industry and community within our major sites.

Underpinning the Strategic Plan is a commitment to quality and continuous improvement, in addition to investment in our people, processes and systems. We will be holding ourselves to account by continually measuring our performance, while also continuing to evolve and adapt with an ever changing environment.

Throughout 2021, in the face of relentless disruption to our operating environment as a result of the COVID-19 pandemic, we continued to deliver positive training and employment outcomes for our students, local industries and communities through a consistent focus on achievement of our strategy. Our flexible, adaptable approach to achieving our objectives while simultaneously responding to the changing environment reinforced our reputation as an agile, forward-looking institute. Key achievements in 2021 in relation to each of our four strategic objectives are highlighted throughout this report.

LOOKING AHEAD

As the world emerges from the pandemic and adjusts to a 'new normal', we know that 2022 will continue as a period of change and disruption. We expect there will be continuing shifts in jobs, skills and the expectations of our students, industry and community.

Where there is change, there is also opportunity. We have identified seven key priorities for 2022 that we believe will help us to harness emerging opportunities, while also ensuring:

- ▶ a connected and satisfying student experience, embracing a range of delivery environments
- ▶ the right skills to respond to dynamic and changing industry and workforce needs now and into the future
- ▶ a sustainable institute, both financially and from a workforce and environmental perspective.



The seven priorities we believe will set us up for success in 2022, contribute to the delivery of our strategic intent, and drive our business plan are outlined below.

- **1 Students**

To deliver a more connected student experience for learning, student services and work integrated learning.
- **2 Sustainability**

To continue to improve our financial, environmental and market sustainability.
- **3 Industry**

To deliver the right skills for jobs, particularly in priority industries.
- **4 Quality**

To maintain best practice teaching and learning materials and improve the consistency of our product quality.
- **5 Capability**

To ensure we have the processes, tools, skills and attitudes to realise our full potential.
- **6 Culture**

To create the context and conditions for our people to thrive, underpinned by a new People Strategy.
- **7 Assets**

To uplift the condition, functionality, utilisation and access to our campuses, and facilitate engagement with industry and community by creating collaborative precincts.



2021: The Year in Review



30



Free TAFE courses offered

317,000



student engagements
by Library and Learning Skills




Gender Equality
Action Plan developed

Koorie student participation



15% increase*

*Cert. III and above



1,250+

career counselling and job readiness appointments

2,217 coffee cups recycled



The Melbourne Polytechnic Strategic Plan 2019-2023 outlines four key objectives that guide us towards realising our vision.



1 Collaborate for economic and community success.



2 Strengthen the delivery of applied and future-focussed learning.



3 Enhance organisational capability for excellence.



4 Focus our people and assets for greatest impact.

This section of the Annual Report highlights our 2021 progress and achievements with respect to the four strategic objectives.

Collaborate for economic and community success



Innovation-driven partnerships in priority industries help us deliver real-world benefits to our students, our communities and the economy.

Along with our partners, Melbourne Innovation Centre and the North Food Group, we are on track to launch the Food Incubator + Network Centre, FoodINC, at our Preston campus in early 2022. FoodINC will help start-up businesses realise their dream of joining Melbourne's food scene, while giving students real industry experience

In the Auslan program area, we collaborated with the Deaf and Hard of Hearing Community and Monash University to design an Auslan consolidated text that is the first student workbook of its kind. We also partnered with the Victorian College of the Deaf (VCD) to support deaf students in their transition to vocational education and assisted with the design of the Deaf Friendly Collingwood Campus.

Building community self-sufficiency is at the heart of our ongoing partnership with Yarra Valley Water, the City of Whittlesea, and Whittlesea Community Connections. The much-anticipated Whittlesea Community Farm will enable the local community to grow food using recycled water and will offer training and employment opportunities. Construction is scheduled to start in mid-2022.

Architects were appointed in June 2021 to transform the Melbourne Polytechnic Collingwood Campus into a world-class education, industry and community precinct. The existing multi-storey building will be redeveloped, and a new building and car park will be constructed at the Otter Street entrance. The campus will offer courses such as information technology, creative arts and English as an Additional Language (EAL) as well as Free TAFE courses including Community Services and Cyber Security. Works are expected to start in 2022 and finish in December 2023, with students welcomed on campus for Term 1 of 2024.

A Sustainable Look at The Future for Melbourne Polytechnic

A visit to a sustainability education centre inspired a team of staff to rethink the future of waste at Melbourne Polytechnic.

'Repurpose It' is a resource recovery business set on 150 acres in Epping. Working from the belief that all waste can be converted to a valuable resource, Repurpose It breathes new life into green and organic waste, construction and demolition waste, commercial and industrial waste, and municipal solid waste.

An overview of resource recovery processes showed the range of valuable repurposed materials and Melbourne Polytechnic staff were inspired to consider opportunities to collaborate with Repurpose It on student and staff research projects.

Dr Mohammad Khan, from the Bachelor of Engineering Technology, noted that the demand for concrete by Australia's booming construction industry is depleting finite resources such as sand, and that exploring

alternative sources is crucial. Bachelor of Engineering Technology students and staff will have the opportunity to conduct research into the range of fine and coarse aggregates for use in concrete.

Dr Sylvana Lacuone, Head of Agriculture Programs, identified potential research projects for students in the Bachelor of Agriculture and Technology. Sonia Hankova, a STEM Educator, began collaborating on the development of a drone and spatial data science program for students attending Tech School programs, using Repurpose It as an industry case study.

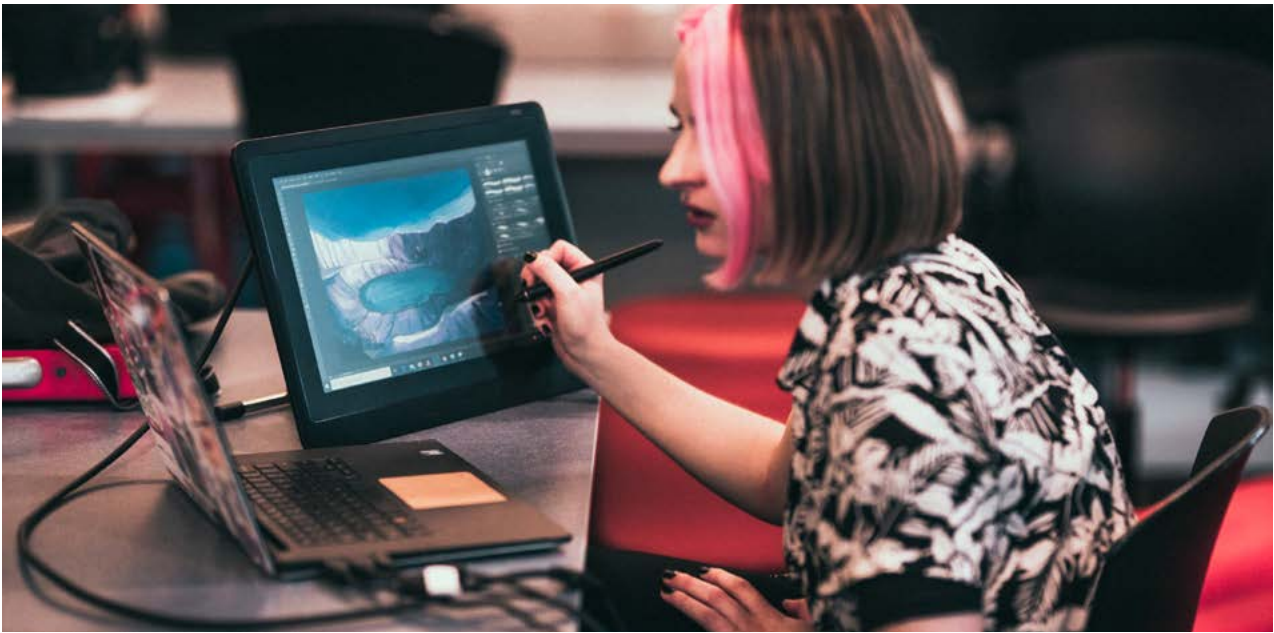
Program Leader for Civil Engineering, Rob Presutti, will be encouraging Diploma and Advanced Diploma of Engineering Technology (Civil) students to consider alternative materials when researching some of their assessments.



Melbourne Polytechnic and Repurpose It staff at the Epping facility.

L to R: Robert Presutti – Program Leader, Engineering Civil; Mark Smith – Program Leader, Wet Trades; Elsa Demetriou – Program Manager, Priority Industries; Dr Sylvana Lacuone – Head of Program, Bachelor of Agriculture and Technology; Sonia Hankova – STEM Education, Banyule Nillumbik Tech Schools; Aristos Karavias – Head of Operations and Major Projects, Repurpose It; John McCluskey – General Manager, Repurpose It; Dr Mohammad Khan – Lecturer, Bachelor of Engineering Technology (Civil); Ana Sanchez – Technical Adviser, Repurpose It.

Photographer: Menelaos Trapalis – Lab Technical Officer, Melbourne Polytechnic.



Strengthen

the delivery of applied
and future-focussed learning



Work on our Education, Digital, and Strategic Asset Strategies, as well as our Student Journey Initiative, supported the continued improvement of applied and future-focussed learning.

We made good progress against the goals of the Melbourne Polytechnic Education Strategy 2019-2023. Highlights included the launch of an instructional coaching program for our educators, and the introduction of sessions to help staff grow together as members of a passionate and skilled learning organisation.

One of the great lessons to come from the pandemic is that having access to tools that promote collaboration and communication is vital. The Digital Strategy aims to ensure a digitally enabled Melbourne Polytechnic that is capable of delivering contemporary learning and work experiences, resilient to risks, mature in governance of technology, and sophisticated in the way it builds relationships with industry and adjusts to the changing world.

A series of Leveraging Digital Technology Capability Development workshops helped build teacher capability for new delivery models and promoted further use of Melbourne Polytechnic's Learning and Teaching systems.

In 2021, we completed our first Strategic Asset Masterplan (SAM). The SAM is a guiding set of documents to ensure that all campuses and training sites are utilised to their maximum potential, including creating precincts with industry and community co-location.

To help achieve our promise to provide high-quality learning experiences, we continued to refine and develop learning materials and curricula, and support professional teaching practice. We also developed the Melbourne Polytechnic Student Charter in consultation with students, implemented Quality Standards for Vocational Education and Training (VET) and Foundation Studies Courses, and piloted a Course Review process for all VET Courses.



Built Environment student Eric Law

Building a Bright Future on Strong Foundations

International student Eric Law is building a solid career in architecture – from the inside out. After completing an interior design course in his home country of Malaysia, Eric came to Australia to pursue his dream of a career in the built environment.

“I was very interested in colours and lighting and once I finished that interior design course I needed to study more and pursue my further education,” Eric says. Coming from a family of builders, Melbourne Polytechnic’s Bachelor of Applied Architecture was a natural choice for this talented student.

As part of his Melbourne Polytechnic course, Eric completed a number of design projects – one of which won him a prize, the 2020 i2C Student Design Award. His award-winning submission conceptualised a design hub for students at the Preston campus, bringing together students from different design courses and providing them with classrooms, workshops and a space for 3D printers, modelling and sculpting zones.

Eric is looking forward to his future career as a challenging but rewarding one. “I’m interested in beauty,” he says. “A building design tells a lot of different stories... I like to work in built design because it is very challenging, you need to think critically, you have to create your own design, which is what I really like.”

Enhance

organisational capability
for excellence



The Melbourne Polytechnic Strategic Plan 2019-2023 demonstrates our ongoing commitment to improvement and our drive to be an agile, future-focused institute that delivers positive outcomes for our students, our local industries and communities.

To understand how we are tracking against all of our strategic objectives and business goals, it is important that we have a way of measuring our progress and impact. To improve our ability to make data and evidence-informed decisions, we implemented the Measure what Matters (MWM) strategic initiative, supported by the Melbourne Polytechnic Enterprise Analytics and Data Science Unit.

As an output of our integrated business planning process throughout 2021, and in line with the MWM initiative, a new Enterprise Scorecard was developed to provide a comprehensive view of our performance against the goals set out in our Business Plan. The Scorecard is based on the 'balanced scorecard' approach and looks at our business from four important perspectives:

1. Financial and risk (are we using public funds efficiently?)
2. Student and stakeholder (are we creating value for them?)
3. Internal processes (are we excelling at our key internal processes?)
4. Learning and growth (do we have the key capabilities and culture we need to succeed?)

This new approach will allow us to understand our performance, where opportunities exist and, importantly, how performance in one area interacts, drives and reinforces performance in another.

In 2021, we launched the Hub of Enterprise Analytics and Data Science (HEADS), which provides a centralised portal where staff can access a range of near real-time reports, dashboards, and interactive applications. HEADS enables all staff to better monitor and track key measures to drive continuous improvement.

As well as improving the availability of useful data, the MWM initiative will focus on building staff confidence and ability to understand, interpret and use data to inform and improve performance. Work is currently underway to roll out the 'Sherpa' Program, an initiative to provide ongoing support in analytics strategy, operations and training across the Institute. Ultimately, the aim is to provide better access to meaningful data so staff can incorporate it into their day-to-day work and decision-making.





Unlocking High-Tech Opportunities in the Ancient Trade of Locksmithing

New funding and a modernised curriculum is helping an ancient but increasingly important trade to deliver on the needs of tomorrow.

A grant secured through the Victorian Government's Regional and Specialist Training Fund enabled curriculum revitalisation and the development of a purpose-built facility to meet the needs of an increasingly automated, digital world of locksmithing.

Melbourne Polytechnic is the only TAFE in Victoria, and one of only four in Australia, that offers a comprehensive locksmithing apprenticeship program. The revitalised program offers future-focussed skills

such as 3D scanning and printing lock components, electronic, vehicular and video security, as well as traditional mechanical locks.

Melbourne Polytechnic locksmithing teacher Aaron Smith is passionate about his trade and its future. "Some parts of the job haven't changed much in centuries, but the increasing use of electronic security that allows people to monitor their property and control access from anywhere in the world is creating new opportunities," he says.

Focus

our people and assets
for greatest impact



Working together as a cohesive team is crucial to our success, and we are committed to developing and maintaining a strong, inclusive culture that supports an engaged, capable and sustainable workforce. To help us achieve this, we established a People Committee to lead, oversee and optimise Melbourne Polytechnic's approach to building the capability of its staff and to enhance organisational culture.

Clear, effective communication across the Institute is one of our great strengths and we value hearing from our people. The annual People Matter survey drew a strong response from staff, and brought great insights. The data from the survey will be translated into action under our People Strategy, which is due to launch in early 2022.

Supported by the Melbourne Polytechnic Inclusion, Respect and Equality Taskforce, we completed our first workplace gender audit. Together with

findings from the People Matter survey and comprehensive staff consultation, this data formed the basis of Melbourne Polytechnic's first Gender Equality Action Plan. This is a positive and active step towards ensuring gender equality in the workplace and supporting the broader agenda to foster a culture of inclusion, respect and equality at Melbourne Polytechnic.

Other work to support our culture included the establishment of a Lived Experience of Disability Advisory Committee (LEDAC) to provide information, advice and guidance on matters relating to improving access, participation and equity for people living with disability. Advice from the LEDAC guided the development of our Workplace Adjustment for Staff Living with Disability Policy and Guidelines, the All Ability Action Plan, and the development and implementation of an online training module to promote greater disability awareness and confidence for all staff.





Marc Colarusso seated next to his father and employer, Adriano, and his mother Paula. Photo from the Master Builders Association of Victoria 2021 Apprentice of the Year Awards ceremony.

Marc Colarusso, Bricklaying/Blocklaying Apprentice of the Year

Bricklaying is in Marc Colarusso's blood. His dad is a brickie, like his father before him. After spending hours alongside his dad in the family business from the age of 10, Marc decided to pursue the trade at Melbourne Polytechnic.

Marc excelled in Melbourne Polytechnic's Bricklaying Blocklaying (Apprenticeship) from the get-go and impressed his teachers with his desire to fearlessly push his skills into an artisanal space. He eagerly tackled more complex projects like arches and spirals, not typical skills in a bricklayer's day-to-day repertoire.

Beyond accolades and artistry, Marc's learning around regulation and business skills proved invaluable for the family business during the COVID-19 pandemic. At the age of 18, he took on more responsibility and, under his guidance, the family business evolved its practices to ensure compliance with COVID-19 regulations that limited the number of workers allowed onsite.

When the Master Builders of Victoria named Marc the 2021 Bricklaying/Blocklaying Apprentice of the Year it became clear to all that Marc had found his calling.



International Operations

Melbourne Polytechnic has a number of long-term international programs at 19 partner institutions in China (including Hong Kong (SAR)), Korea, Sri Lanka and Indonesia. The priority for international development is to lead and support Victorian and Australian Government strategic initiatives and strategies for regional engagement. The priorities for our international operations align with our organisational strategy with a focus on the student experience, workforce development and priority industries.

In 2021, international student recruitment continued to be heavily impacted by COVID-19, although measures taken during the year saw Melbourne Polytechnic become the largest TAFE provider of international education by revenue in Victoria.

In spite of border closures, our international operations showed remarkable resilience and were supported by a move to blended delivery accompanied by additional academic and pastoral support. Some in-country teaching staff were added to our Fuzhou Melbourne Polytechnic and Sichuan Architectural College partners to provide face-to-face delivery, however the remainder continued with online delivery.

We welcomed 25 pathway students from the Fuzhou Melbourne Polytechnic campus who commenced their Higher Education studies remotely. Another 40 students are expected to commence their studies remotely at the start of 2022, with the intention of coming to Melbourne to complete their degrees. We are pleased to report that student enrolments at the Fuzhou Melbourne Polytechnic campus grew from 1,800 (2020) to almost 2,200 (2021).

HIGHLIGHTS

- ▶ A new Transnational Education partnership was launched in Sri Lanka to run courses with pathways to Melbourne Polytechnic.
- ▶ Melbourne Polytechnic was awarded a Global Gateway grant from the Victorian Government to support marketing for international students in South East Asia.
- ▶ \$130,000 funding was received for the development of Victorian TAFE Association (VTA) micro-credentials throughout 2022.
- ▶ A Director of Asia Academic Operations was appointed.
- ▶ An Asian Development Bank project was delivered in Bhutan in collaboration with TAFE Queensland and TAFE Directors Australia. Melbourne Polytechnic provided the following training, with a focus on building and construction:
 - International Skills Training (IST)
 - An OHS professional development program for Bhutanese industry and vocational teachers
 - Competency based training.



Kawaljeet Forges Her Future In Waterproofing

In 2021, Kawaljeet Kaur became the first woman to complete a waterproofing qualification at Melbourne Polytechnic's Epping Campus and she is now ready to start her own business in the construction industry.

Kawaljeet's success in the Certificate III in Construction Waterproofing brought her career full circle. In India, Kawaljeet's father was a civil engineer and she knew from an early age that she wanted to work in a similar industry. She started her studies in architecture but life took a detour. A move to Australia, raising a small child, and challenges in finding work that suited her lifestyle led to Kawaljeet re-evaluating her career options.

After spending time with a friend who was a waterproofer, Kawaljeet made the life-changing decision to enrol in the Melbourne Polytechnic course. She thrived and became the top-performing student.

"It was a great journey at Melbourne Polytechnic and I hope it will change my whole life," she says. "The first day I found it really challenging but slowly I felt like 'this is amazing'," Kawaljeet says. "My teacher has been a very good mentor and motivator for me. My other classmates were very nice to me so I never felt like I am the only woman in this class. It was a very friendly environment."

And her advice for anyone thinking of taking a chance and reinventing themselves? "Find something you love to do and push your comfort zone and own it. Stand up and just do it."

Environment and Sustainability

The ESS Vision

For Melbourne Polytechnic to be known as an institute that practises environmental sustainability, empowers students and staff to change the way they think, and enables them to thrive in a rapidly changing world.

In 2021, we worked towards delivering the actions and targets set out in the Environmental Sustainability Strategy 2020-2025 (the ESS). With a focus on Operations, Knowledge and Capacity, and Community and Engagement, the ESS outlines our performance goals and pathways to achieving our sustainability targets.

The targets outlined in the ESS were informed by various global, national and state objectives. Our emissions targets meet the requirements of the Paris Agreement, which is a global response to climate change that aims to keep this century's global temperature rise to less than two degrees Celsius above pre-industrial levels, and to actively pursue efforts to limit the rise to 1.5 degrees Celsius.

The Sustainable Development Goals (SDGs) also guided the development of the ESS. The SDGs are a global call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. All United Nations Member States (including Australia) adopted the 17 Goals in 2015 as part of the 2030 Agenda for Sustainable Development.

The ESS works towards achieving the eight goals below.



ENERGY AND CARBON MANAGEMENT



TARGET:
Reduce emission to **50%**
below 2015 levels by 2025

2021*
↓ **54%**


2020
↓ **48%**

2019
↓ **41%**

*Operating under COVID-19 conditions, which included less on-campus activity than pre-pandemic.

2021 ACHIEVEMENTS


- ▶ A campus carpark lighting project was completed. All lights were converted to LED.
- ▶ A consultant was appointed to develop Melbourne Polytechnic's Net Zero Emissions Plan.
- ▶ A Rooftop Solar business case was approved, and funding allocated for Preston and Heidelberg campuses.

WATER				
	TARGET: Improve potable water efficiency by 10% compared to 2015 levels	2021*	2020	2019
		↓ 25%	↓ 11%	↑ 12%

*Operating under COVID-19 conditions, which included less on-campus activity than pre-pandemic.

2021 ACHIEVEMENTS

- ▶ Four 10,000-litre water tanks were installed for the on-campus plant nursery at Fairfield.
- ▶ The irrigation system at Yan Yean Farm was upgraded.
- ▶ A hydraulic survey was conducted at Fairfield campus to replace potable water lines to reduce water leakage. Implementation is scheduled for 2022.

WASTE AND RECYCLING				
	TARGETS: Reduce tonnes of waste produced to 10% below 2015 levels by 2025	2021*	2020	2019
		↑ 198%	↓ 4%	↑ 133%
	40% of materials are recycled	15%	20%	18%

*Operating under COVID-19 conditions, which included less on-campus activity than pre-pandemic.

Note: The total waste produced includes general waste and materials that were recycled.

Quieter campuses with fewer staff and students provided the opportunity for hard waste clean-ups during the year. The 198% increase in waste produced includes items that would not typically be recorded as general waste, including furniture, equipment and metal. This boosted the amount of waste recorded during the year. It is expected that waste produced will normalise in 2022.

Waste and recycling data integrity was improved by engaging with teaching departments to identify waste streams that had not previously been reported. This engagement identified additional waste streams that will be recycled in 2022, including PVC pipe from the plumbing department at the Heidelberg campus.

2021 ACHIEVEMENTS

- ▶ A contractor was appointed to collect electronic waste from all campuses.
- ▶ A Concrete Collection Program was implemented at Fairfield campus. 26 tonnes of concrete were diverted from landfill in 2021.
- ▶ 43 tonnes of metal were recycled, and 8 tonnes of food waste were diverted from landfill.

Sustainability Highlights

ONLINE ENROLMENT

Manually enrolling a single student generates 26 A4 pieces of printed paper. For 20,000 students, this amounts to 520,000 A4 sheets per year. Melbourne Polytechnic's transition to online enrolment began in 2021 and more than half of student course enrolments were completed online. A full transition to online enrolments will be completed by the end of 2022.

TEACHING SUSTAINABILITY

As part of a Sustainability unit in the Diploma of Jewellery and Object Design, teacher Mary Hackett and students reviewed waste management practices and how they could be improved in the Jewellery teaching space at Fairfield campus. The review provided a number of recommendations that will be implemented in 2022.

SUSTAINABLE BUILDING

Construction of a new Horticulture building started at Epping campus. The building will feature 10kw solar panels, rainwater tanks (80,000L), solar-boosted hot water, and twin-skin acrylic non-yellowing glazing panels for the glasshouse. The acrylic thermo-panels are extremely energy efficient while still allowing more than 90% ultraviolet light transmission. The project is due for completion in mid-2022.



Compliance Reporting

ENERGY USE

	2021	2020	2019
Total energy usage (megajoules)	62,767,384	58,314,991	66,530,881
Greenhouse gas emissions (tonnes CO ₂ e)	9,952	8,886	9,417
Electricity purchased as green power (%)	0%	0%	0%
Energy used per FTE (megajoules)	63,891	61,846	66,970
Energy used per unit of office area (megajoules per m ²)	381	174	399
Total renewable energy generation installed (kilowatts)	42	42	42
Total renewable energy generated (megajoules)	198,676	198,676	198,676

WASTE AND RECYCLING

		2021	2020	2019
Total units of waste (kg per year)	General waste	1,054,000	339,370	825,000
	Recycling*	160,020	85,525	150,932
Total units of waste disposed of per FTE (kg per FTE)	General waste	1,072	359	827
	Recycling*	162	90	151
Recycling rate (% of total waste by weight)		15%	20%	18%
Greenhouse gas emissions associated with waste disposal (tonnes of CO ₂ e)		1,370	442	907
Coffee cups recycled (number of cups)		2,217	834	4,620

* includes commingled, paper, cardboard, polystyrene, metal, concrete, food organics and green waste.

PAPER USE

	2021			2020			2019		
Total units of A4 equivalent copy paper used (reams)	658			3,419			10,402		
Units of A4 equivalent copy paper used per FTE (reams)	0.6			3			10		
Recycled content in copy paper purchased	0-49%	50-75%	76-100%	0-49%	50-75%	76-100%	0-49%	50-75%	76-100%
Reams purchased	560	0	98	3,014	0	405	9,677	0	725

WATER

	2021	2020	2019
Total water consumption (kilolitres)	51,674	61,225	77,323
Water consumption per FTE (kilolitres)	52	64	77
Water consumption per unit of office space (kilolitres per m ²)	0.31	0.37	0.47
Recycled water (kilolitres)	41,673	77,067	104,117

TRANSPORT

	2021		2020		2019	
	Petrol	Diesel	Petrol	Diesel	Petrol	Diesel
Total energy consumption (megajoules)	473,886	1,004,238	627,042	946,654	1,241,277	1,381,647
Total vehicle travel (kilometres)	236,376	133,791	225,691	108,529	304,245	210,423
Greenhouse gas emissions from vehicle fleet (tonnes CO ₂ e)	31	71	36	64	88	104
Total distance travelled by air (km)	0	0	1,420,602			
Employees who used sustainable transport to and from work (%)*	N/A	N/A	N/A			
Number of petrol hybrid, electric and plug-in hybrid electric vehicles in fleet	1	0	0			

* We do not currently collect this data.

GREENHOUSE GAS EMISSIONS

	2021	2020	2019
Associated with energy use (tonnes CO ₂ e)	9,952	8,886	9,417
Associated with vehicle fleet (tonnes CO ₂ e)	103	99	192
Associated with air travel (tonnes CO ₂ e)	0	0	292
Associated with waste production (tonnes CO ₂ -e)	1,161	442	907
Greenhouse gas emission offsets purchased (tonnes CO ₂ -e)	0	0	0

Procurement

Procurement policies and procedures were updated to include environmental considerations. The Procurement Policy requires that Melbourne Polytechnic employees and contractors meet the objectives of value for money and ensure that procurement outcomes are not detrimental to the environment, among other objectives.

The Melbourne Polytechnic Social Procurement Strategy prioritises initiatives that enhance social value through Melbourne Polytechnic's supply chain and operations, including environmentally sustainable business practices. Our social procurement requirements also encourage and monitor suppliers' adoption of environmentally sustainable business practices.

Melbourne Polytechnic has developed and is using sustainability clauses or specifications with a range of suppliers, including for:

- ▶ e-waste collection
- ▶ mowing and gardening
- ▶ design and construction
- ▶ coffee cup recycling
- ▶ stationery and office supplies
- ▶ security services
- ▶ quality assurance advisory services
- ▶ fire Detection system upgrade services.

Summary of Operating Results and Financial Position

Melbourne Polytechnic recorded a Net Deficit from transactions of \$7.2 million, compared to a 2020 Net Surplus from transactions of \$4.1 million.

The Institute's 2021 revenue of \$184.1 million is consistent with the 2020 revenue position of \$185.3 million. In 2021, Melbourne Polytechnic was supported through Victorian Government support packages for the TAFE sector. Expenditure rose to \$192.1 million in 2021 from \$180.5 million in 2020. This was primarily driven by increased employment costs as a result of salary increases driven by industrial

agreements, less leave taken by employees due to the ongoing impact of COVID-19 and the revaluation of leave provision accounts during the year.

The Institute's closing cash position is \$33.4 million.

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

SUMMARY OF FINANCIAL RESULTS

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Total income from transactions	184,079	185,341	183,714	203,163	165,965
Total expenses from transactions	192,068	180,462	193,167	192,393	163,798
Net result from transactions (Net operating balance)	(7,989)	4,879	(9,453)	10,770	2,167
Other economic flows included in net result	787	(769)	(1,379)	66	(2,013)
Net result	(7,202)	4,110	(10,832)	10,836	154
Other economic flows – other comprehensive income	39,182	-	-	(119)	76,148
Comprehensive result	31,980	4,110	(10,832)	10,717	76,302

SUMMARY OF FINANCIAL POSITION

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Total assets	472,307	425,001	426,520	436,727	421,659
Total liabilities	76,491	61,165	66,794	64,728	60,377
Net assets	395,816	363,836	359,726	371,999	361,282

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 2021, the Hon. Gayle Tierney MP was the Minister for Training and Skills and 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.

2021 BOARD DIRECTORS

Helen Clarke	Minister Appointed Director (Chairperson)
Tali Bernard	Minister Appointed Director
Bill Forrest	Minister Appointed Director
Karen Janiszewski	Minister Appointed Director
Jim Pasinis	Minister Appointed Director
Joe Dicks	Board Appointed Director
Michael Grogan	Board Appointed Director
Dr Marcia Devlin	Board Appointed Director
Ian Bruce Munro PSM	Board Appointed Director
Dr Fiona Wahr	Staff Elected Director
Frances Coppolillo	Chief Executive
Fiona Smith AM	Minister Appointed Director (ceased 30 March 2021)

BOARD COMMITTEES

Four committees help facilitate the functioning and responsibilities of the Board, they are the:

- ▶ 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 provide oversight and advice 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.

GOVERNANCE AND CULTURE COMMITTEE

The Governance and Culture Committee oversees and advises the Melbourne Polytechnic Board on workforce, culture and organisational performance.

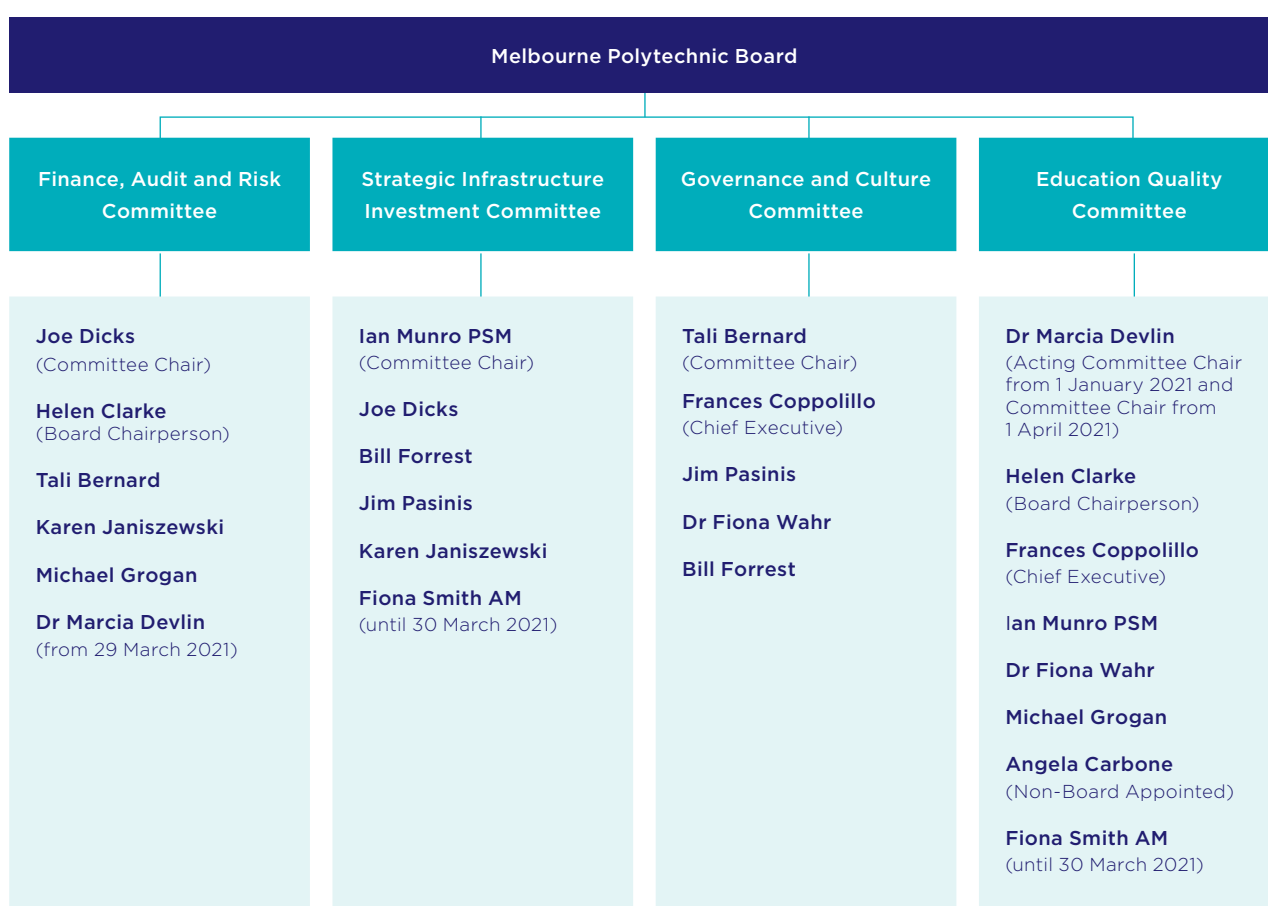
STRATEGIC INFRASTRUCTURE INVESTMENT COMMITTEE

The Strategic Infrastructure Investment Committee oversees and advises the Melbourne Polytechnic Board on strategic infrastructure and asset issues.

EDUCATION QUALITY COMMITTEE

The Education Quality Committee oversees and advises the Melbourne Polytechnic Board on the quality and outcomes of education programs and helps the Board ensure that Melbourne Polytechnic meets, and continuously improves its performance against, all education-related regulatory standards.

Board Committees Chart and Membership



Melbourne Polytechnic Senior Management Structure at 31 December 2021



Executive Director
Director
Manager

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.

OBJECTIVES

The objectives of a TAFE institute are:

- a. to perform its functions for the public benefit by—
 - i. operating its businesses, delivering educational services and utilising assets that it manages on the State's behalf as efficiently as possible; and
 - ii. ensuring that it is sustainable in the medium to long term; and
 - iii. ensuring that its procedures, policies and practices are consistent with prudent commercial practice; and
 - iv. endeavouring to maximise its contribution to the economy and wellbeing of the communities and industries served by the institute and the State as a whole; and
- b. 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; and
- c. 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; and
- d. any other objective set out in an Order in Council or Ministerial Order made under section 3.1.11 relating to the institute.

FUNCTIONS

1. A TAFE institute may perform all or any of the following functions:
 - a. to provide the communities and industries served by the institute with efficient and effective technical and further education programs and services;
 - b. 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;
 - c. to provide vocational education and training;
 - d. to offer and conduct courses of study leading to the conferral of higher education awards;
 - e. to confer higher education awards;
 - f. to provide facilities or services for study, research or education;
 - g. to undertake research, development, education, training delivery or other services on a commercial basis for other organisations;
 - h. to aid or engage in the development or promotion of institute research or the application or use of the results of that research;
 - i. to prepare, publish or distribute or license the use of literary or artistic work, audio or audio-visual material or computer software;
 - j. to seek or encourage gifts to the institute or for institute purposes;
 - k. to provide facilities for use by the community;
 - l. any other function conferred on the institute by or under this Act or any Order in Council or Ministerial Order made under section 3.1.11.
2. A TAFE institute may perform any function referred to in subsection (1) within and outside Victoria and outside Australia.
3. Subject to any direction or guideline issued by the Minister a TAFE institute may engage in an activity on a commercial basis if the activity is consistent with, and does not interfere with, the carrying out of the functions referred to in this section or the institute's strategic plan.

Workforce Data

Tables 1 and 2 provide an overview of the total staff employed at Melbourne Polytechnic during the reporting year using two different methods of calculation. Table 1 includes all staff employed during the reporting year. Table 2 includes employees from the last full pay period in December.

**TABLE 1. PERFORMANCE AND ACCOUNTABILITY FRAMEWORK
FTE - FOR YEARS ENDING DECEMBER 2020 AND 2021**

Year ending 31 December 2021	Full-time		Part-time		Casual		Total
	Ongoing	Fixed-term	Ongoing	Fixed-term	Teacher	Other	
PACCT Staff	298.5	37.6	61.5	9.3	N/A	38.2	445.1
Executive	0.0	15.0	0.0	0.0	N/A	0.0	15.0
Other	0.0	0.0	0.0	0.0	N/A	3.1	3.1
Teacher	279.1	32.5	85.4	36.3	86.0	N/A	519.3
Total	577.6	85.1	146.9	45.6	86.0	41.3	982.5

Year ending 31 December 2020	Full-time		Part-time		Casual		Total
	Ongoing	Fixed-term	Ongoing	Fixed-term	Teacher	Other	
PACCT Staff	283.9	42.6	53.9	8.2	N/A	42.9	431.5
Executive	0.0	17.4	0.0	0.8	N/A	0.0	18.2
Other	6.5	0.5	1.4	0.0	N/A	9.8	18.2
Teacher	284.2	44.5	85.9	36.2	89.5	N/A	540.3
Total	574.6	105.0	141.2	45.2	89.5	52.7	1,008.2

FTE: full-time equivalent.

PACCT Staff: including casuals, employed under the Academic and Professional Staff Agreement 2018 excluding Higher Education academic staff.

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

Employees have been correctly classified.

Notes: Table 1

The 2021 Annual Report includes all staff who worked during 2021.

TABLE 2. WORKFORCE DISCLOSURES
(DECEMBER 2020 – DECEMBER 2021)

December 2021	All employees		Ongoing			Fixed-term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Women Executives	7.0	7.0	0.0	0.0	0.0	7.0	7.0
Women (total staff)	597.0	480.2	277.0	139.0	370.2	181.0	110.0
Men Executives	7.0	7.0	0.0	0.0	0.0	7.0	7.0
Men (total staff)	446.0	379.7	279.0	68.0	321.4	99.0	58.3
Self-described	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Age							
15-24	26.0	18.3	9.0	1.0	9.6	16.0	8.7
25-34	113.0	79.8	48.0	14.0	57.4	51.0	22.4
35-44	241.0	195.8	131.0	38.0	155.3	72.0	40.5
45-54	264.0	228.9	153.0	55.0	189.9	56.0	39.0
55-64	307.0	266.1	174.0	74.0	222.5	59.0	43.6
Over 64	92.0	71.0	41.0	25.0	56.9	26.0	14.1
Total employees	1,043.0	859.9	556.0	207.0	691.6	280.0	168.3

December 2020	All employees		Ongoing			Fixed-term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Women Executives	9.0	8.6	0.0	0.0	0.0	9.0	8.6
Women (total staff)	633.0	530.6	281.0	138.0	373.8	214.0	156.8
Men Executives	7.0	7.0	0.0	0.0	0.0	7.0	7.0
Men (total staff)	487.0	412.0	288.0	66.0	331.6	133.0	80.4
Self-described	1.0	0.3	0.0	0.0	0.0	1.0	0.3
Age							
15-24	33.0	22.6	9.0	3.0	11.1	21.0	11.4
25-34	126.0	99.2	54.0	13.0	63.0	59.0	36.3
35-44	273.0	234.5	144.0	34.0	167.2	95.0	67.3
45-54	279.0	235.1	136.0	68.0	180.2	75.0	54.9
55-64	316.0	278.5	187.0	62.0	228.6	67.0	49.9
Over 64	94.0	73.0	39.0	24.0	55.3	31.0	17.7
Total employees	1,121.0	942.9	569.0	204.0	705.4	348.0	237.5

FTE: full-time equivalent.

Employees have been correctly classified.

Notes: Table 2

Active staff in last pay period December.

The ongoing and fixed-term/casual employees to be counted are those who are active and employed in the last full pay period of the reporting year. An active employee is a person who attends work and is paid, or who is on paid leave.

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 the:

- ▶ 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
- ▶ Child Safety Policy
- ▶ Gender Identity Policy
- ▶ Protected Disclosure 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 2021.

Occupational Health and Safety

Melbourne Polytechnic is committed 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.

The COVID-19 global pandemic caused significant disruptions to planned Occupational Health and Safety initiatives and limited our ability to arrange onsite training. Training that went ahead is outlined below.

Occupational Health and Safety training participation 2021

Number of staff	Training
45	Warden training
47	Occupational Health and Safety for Managers and Supervisors
94	Mental Health Fitness - Lifeworks health app
Training is available to all staff via our Safety Hub	Dangerous Goods and Hazardous Substances (DGHS)
Training is available to all staff via our Safety Hub	Manual Handling/Ergonomics

STATISTICS FOR REPORTED HAZARDS AND INCIDENTS

	2021	2020	2019
Total number employed as at the last pay in December	1,043	1,121	2,051
Total full-time equivalent as at the last pay in December	859.9	942.9	1,093.0
Number of hazards/incidents reported	68	37	56
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	7.9	3.9	5.1
Time lost (hours)	6,737	9,513	3,466
Number of claims accepted	5	14	12
Number of 'lost time' standard claims for the year per 100 full-time equivalent staff members	1.3	1.2	0.5

Melbourne Polytechnic's WorkCover premium for 2021/22 was \$1,414,996, inclusive of GST. Our performance rating of 1.189843 is 18.98 per cent below the industry average. Adjustment for underestimating salary and wages for the 2020/21 premium was \$70,854.64, inclusive of GST.

There are three main reasons why Melbourne Polytechnic WorkCover premiums are continuing to increase:

1. Wages have increased over this period.
2. Premium capping is carrying over from 2020/21 and still pushing premiums up.
3. The high claim costs from 2019 are still impacting premiums.

Note: The overall performance rating is determined by our Agent (EML) in consultation with WorkSafe Victoria. The rating is based on Melbourne Polytechnic's claims experience against industry experience and the size of our organisation.

Claims	2021	2020	2019
Average cost per claim for the year	94,448	52,926	79,389
Payments to date	736,637	83,537	411,268
Estimate of outstanding claim costs	0	339,822	454,583

Summary of 2021 claim figures

- ▶ Claims are from the date that our Agent (EML) received the claim (not the date of injury).
- ▶ Minor claims were excluded as they do not incur costs and serve as notifications only.

- ▶ All data was extracted as at 4 January 2022 and reflects costs on all claims up to 31 December 2021.

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. In 2021, the Senior Freedom of Information and Privacy Advisor was responsible for ensuring compliance with the *Freedom of Information Act 1982*.

FOI ACCESS ARRANGEMENTS

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

**The Freedom of Information Officer
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 \$30.10 from 1 July 2021. Charges for access to documents were in accordance with the Freedom of Information (Access Charges) Regulations 2014.

FOI ACCESS CLAIMS 2021

There were three requests for access to documents received pursuant to the FOI Act during 2021.

COMPLIANCE WITH THE VICTORIAN PUBLIC SECTOR TRAVEL POLICY

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

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT 2012

Melbourne Polytechnic supports individuals who make a disclosure under the *Public Interest Disclosures 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 2021, nor have any disclosures been made to Melbourne Polytechnic Protected Disclosure Contacts.

Melbourne Polytechnic's Protected Disclosure Policy was last updated in April 2017 and will next be reviewed in 2022.

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
- ▶ 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
- ▶ disability support services.

COMPLIANCE WITH THE BUILDING ACT 1993

Melbourne Polytechnic ensured that all works requiring building approval had plans certified. Works in progress were inspected and occupancy permits issued by independent building surveyors engaged on a job-by-job basis.

A register of building surveyors and the jobs they certified was maintained. Melbourne Polytechnic required all building practitioners engaged on its works to show evidence of current building registration upon their engagement.

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

Director Facilities and Assets signs off the annual essential safety measure report. Melbourne Polytechnic maintains all buildings in accordance with essential safety measures.

During 2021, 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	4
Certificate of final inspection/occupancy issued	1

COMPLIANCE WITH THE LOCAL JOBS FIRST ACT 2003

The Local Jobs First Act 2003 requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria.

In 2021, Melbourne Polytechnic commenced three Local Jobs First applicable projects, with a total estimated value of \$48.3 million.

PROJECT NAME: COLLINGWOOD CAMPUS REDEVELOPMENT

- ▶ Invitation to supply Principal Design and Superintendent Services for the Collingwood Campus Redevelopment Project.
- ▶ Invitation to supply Cost Management for the Collingwood Campus Redevelopment Project.

PROJECT NAME: EPPING CAMPUS GLASSHOUSE PROJECT

- ▶ Request for Tender for the Melbourne Polytechnic Glasshouse Project Epping Campus.

PROJECT NAME: SECURITY SERVICES

- ▶ Invitation to supply for Security Services.

All projects were metropolitan based. A minimum of 100 per cent local content was committed to the Collingwood Campus Redevelopment Project, 95 per cent for the Glasshouse Project and 97 per cent for Security Services.

The Major Project Skills Guarantee was applied on Invitation to Supply - Principal Design and Superintendent Services for the Collingwood Campus Redevelopment Project (as part of the full project).

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 LEGISLATION AND SUBORDINATE INSTRUMENTS

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

LEGISLATION MONITORED VIA PROTECHT SOFTWARE USING LEXIS NEXIS DATABASE

COMMONWEALTH TERTIARY MODULE

1. *Tertiary Education Quality and Standards Agency Act 2011*
2. *Education Services for Overseas Students Act 2000*
3. *Education Services for Overseas Students (Registration Charges) Act 1997*
4. *Higher Education Support Act 2003*
5. *Higher Education Funding Act 1988*
6. *Australian Research Council Act 2001*
7. *Copyright Act 1968*
8. *Competition and Consumer Act 2010*
9. *Privacy Act 1988*
10. *Occupational Safety and Health Act 1984*
11. *Poison Act 1971*
12. *Prevention of Cruelty to Animal Act 1986*
13. *Drugs, Poisons and Controlled Substances Act 1981*
14. *Medicines and Poisons Act 2014*
15. Standards for Registered Training Organisations 2015

VICTORIAN GOVERNMENT MODULE

GOVERNANCE - LEGAL LANDSCAPE

1. Asset Management Accountability Framework
2. Code of Conduct for Directors of Victorian Public Entities
3. Code of Conduct for Victorian Public Sector Employees
4. *Privacy and Data Protection Act 2014 (Vic)*
5. *Protected Disclosure Act 2012 (Vic)*
6. Protected Disclosure Regulations 2013 (Vic)
7. *Financial Management Act 1994 (Vic)*
8. Financial Management Regulations 2014 (Vic)
9. Guidance supporting the Standing Directions of the Minister for Finance
10. IBAC Guidelines for making and handling protected disclosures Victorian
11. IBAC Guidelines for protected disclosure welfare management *Independent Broad-based Anti-corruption Commission Act 2011 (Vic)* Victorian Warning Protocol
12. Instructions supporting the Standing Directions of the Minister for Finance 2016
13. *Public Administration Act 2004 (Vic)*
14. *2016 Victorian Managed Insurance Authority Act 1996 (Vic)*
15. Public Sector Commission - Code of Conduct for Directors of Victorian Public Entities
16. Victorian Public Service Commission - Code of Conduct for Victorian Public Sector Employees

COMPLIANCE LEGISLATION AND SUBORDINATE INSTRUMENTS

EMPLOYMENT - LEGAL LANDSCAPE

17. *Age Discrimination Act 2004 (Cth)*
18. *Australian Consumer Law and Fair Trading Act 2012 (Vic)*
19. *Australian Human Rights Commission Act 1986 (Cth)*
20. *Charter of Human Rights and Responsibilities Act 2006 (Vic)*
21. *Competition and Consumer Act 2010 (Cth)*
22. *Constitution Act 1975 (Vic)*
23. *Constitution of Australia 1901 (Cth)*
24. *Corporations Act 2001 (Cth)*
25. *Disability Act 2006 (Vic)*
26. *Disability Discrimination Act 1992 (Cth)*
27. *Education and Training Reform Act 2006 (Vic)* - including Strategy Planning Guidelines and Commercial Guidelines
28. *Education Training Act 2006 (Vic)*
29. *Education Training Reform Act 2006 (Vic)*
30. *Equal Opportunity Act 2010 (Vic)*
31. *Fair Work Act 2009 (Cth)*
32. *Fair Work Regulations 2009 (Cth)*
33. *Financial Management Act 1994 (Vic)*
34. *Health Practitioner Regulation National Law (Victoria) Act 2009 (Vic)*
35. *Health Practitioner Regulation National Law Act 2009 (Vic)*
36. *Health Records Act 2001 (Vic)*
37. *Independent Broad-based Anti-corruption Commission Act 2011 (Vic)*
38. *Juries Act 2000 (Vic)*
39. *Long Service Leave Act 1992 (Vic)*
40. *Migration Act 1958 (Cth)*
41. *Age Discrimination Act 2004 (Cth)*
42. *National Minimum Wage Order 2017*
43. *Occupational Health and Safety Act 2004 (Vic)*
44. *Paid Parental Leave Act 2010 (Cth)*
45. *Privacy Act 1988 (Cth)*
46. *Privacy and Data Protection Act 2014 (Vic)*
47. *Protected Disclosure Act 2012 (Vic)*
48. *Public Administration (Review of Actions) Regulations 2015 (Vic)*
49. *Public Administration Act 2004 (Vic)*
50. *Public Holidays Act 1993 (Vic)*
51. *Racial and Religious Tolerance Act 2001 (Vic)*
52. *Racial Discrimination Act 1975 (Cth)*
53. *Sex Discrimination Act 1984 (Cth)*
54. *Social Security (Administration) Act 1999 (Cth)*
55. *Social Security Act 1991 (Cth)*
56. *Social Security Act 1994 (Cth)*
57. *Superannuation Guarantee (Administration) Act 1992 (Cth)*
58. *Taxation Administration Act 1953 (Cth)*
59. *Workplace Injury Rehabilitation and Compensation Act 2013 (Vic)*

REPORTING, RECORD KEEPING & INFORMATION SECURITY - LEGAL LANDSCAPE

60. *Freedom of Information Act 1982 (Vic)*
61. *Public Record Office Victoria Access Standard*
62. *Victorian Protective Data Security Framework*

Consultancies

In 2021, Melbourne Polytechnic engaged 10 consultancies over \$10,000 with total expenditure of \$1,405,948.

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (excl. GST)	Actual 2021 Expenditure (excl. GST)	Future Expenditure (excl. GST)
Audit Express	Support for VET and Higher Education re-registration	Oct 2021	Jun 2022	270,080	218,240	51,840
KPMG	Development of Asset Masterplan	Jun 2021	Dec 2021	307,168	307,168	-
Macutex Pty Ltd	Development and strategic advice of Asset Register and Asset Performance	Jan 2021	Jan 2022	297,410	206,110	91,300
Nous Group	Review and strategic advice on Digital Strategy	Oct 2021	Dec 2021	260,000	150,000	110,000
PriceWaterhouseCoopers	Strategic advice related to the Collingwood Campus Redevelopment Project	Jan 2021	May 2022	75,487	75,487	-
PriceWaterhouseCoopers	Property Services Strategy	Aug 2021	Dec 2021	92,814	92,814	-
PriceWaterhouseCoopers	Review and strategic advice on Transformation Project	Oct 2021	Dec 2021	438,369	129,129	309,240
Wells Advisory	Academic Governance Review	May 2021	Feb 2022	29,400	29,400	-
Willis Towers	Review and advise on OHS	May 2021	May 2022	50,600	50,600	-
Millennium Insights Pty Ltd	ICT Asset Masterplan	Nov 2021	Dec 2021	147,000	147,000	-

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/

During 2021, Melbourne Polytechnic had no consultancies under \$10,000.

Advertising

Details of 2021 advertising expenditure (campaigns with a media spend of \$100,000 or greater)

Campaign name	Summer Campaign Start of Year	Midyear Campaign	Summer Campaign End of Year
Campaign summary	Enrolment and Brand Campaign	Enrolment and Brand Campaign	Enrolment and Brand Campaign
Start date	1 January 2021	16 April 2021	15 October 2021
End date	10 March 2021	31 July 2021	31 December 2021
Advertising (Media) expenditure (excl GST)	\$299,800	\$165,312	\$250,000
Creative and campaign development expenditure (excl GST)	-	-	\$9,868
Research and evaluation expenditure (excl GST)	-	-	-
Print and collateral expenditure (excl GST)	-	-	-
Other campaign expenditure (excl GST)	-	-	-
Total campaign expenditure (excl GST)	\$299,800	\$165,312	\$259,868

ICT Expenditure

Business As Usual (BAU) ICT Expenditure	Operational and Capital	\$9,122,996
Non-Business as Usual (non-BAU) ICT Expenditure	Operational	\$1,991,027
	Capital	\$576,753

Asset Management Accountability Framework (AMAF) Maturity Assessment

Asset management is an organisation’s coordinated activities to realise the full value of assets in delivering service delivery objectives. It is carried out over the whole asset lifecycle.

The Asset Management Accountability Framework (AMAF) is the Victorian Government’s policy framework for asset management. It was introduced to help Victorian Public Sector agencies properly manage their asset holdings and better support the delivery of services for Victorians.

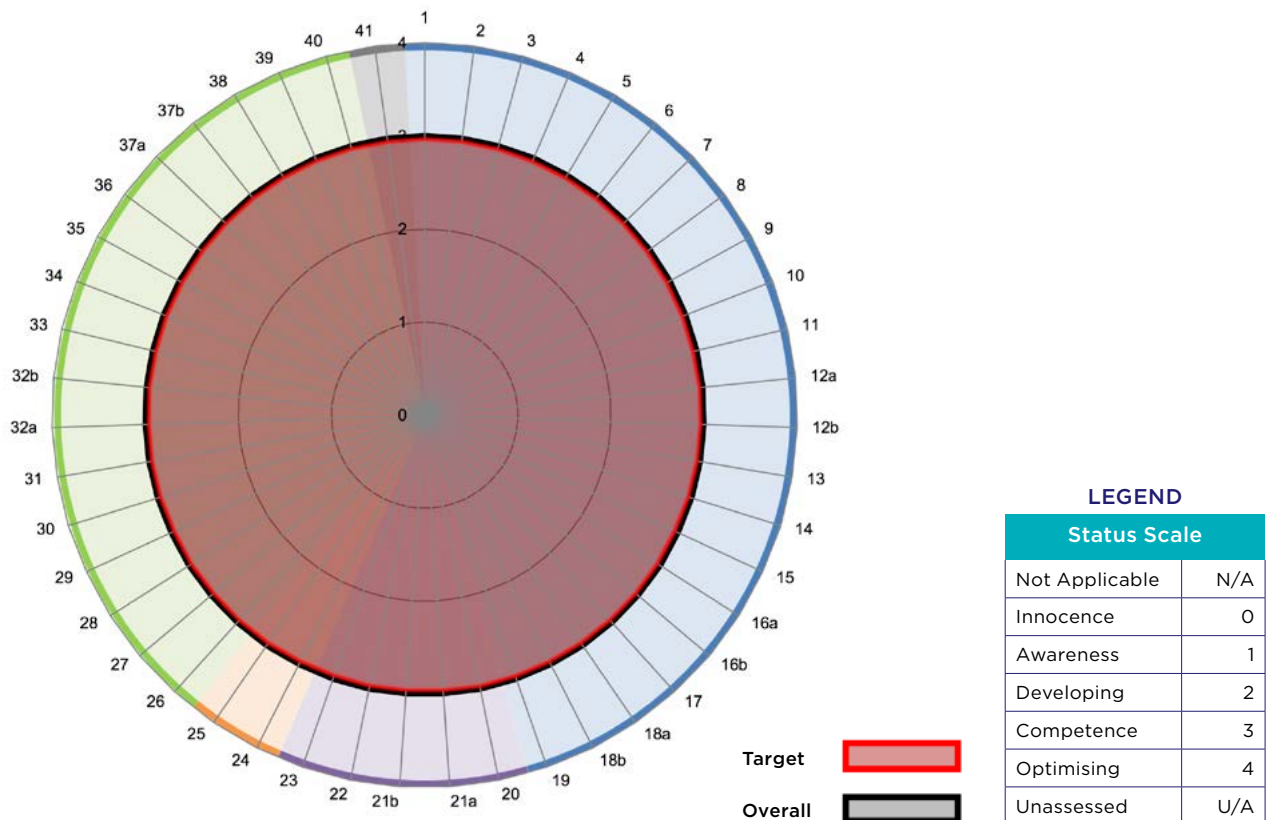
The AMAF outlines responsibilities and obligations for asset management, and includes a set of mandatory requirements and general expectations, including establishing governance frameworks, developing asset management strategies, and setting performance standards and processes to regularly monitor and improve asset management.

The four key stages of the asset lifecycle are:

- ▶ Planning: determination of asset requirements, based on an assessment of both service delivery needs and the capability of the existing asset base to meet these needs.
- ▶ Acquisition: procurement of assets to meet an identified service need, including the assessment of procurement options.
- ▶ Operation and maintenance: management and use of an asset to deliver services, including maintenance.
- ▶ Disposal: treatment of an asset that has either reached the end of its useful life, is considered surplus, or is under-performing.

These stages are represented in the diagram below as occurring sequentially, but each stage will be informed by activities occurring in each of the other sectors.

Melbourne Polytechnic’s target maturity rating is ‘competence’ and this was achieved in 2021 (status 3).



Asset Management Accountability Framework (AMAF) Maturity Assessment Cont.

LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1-19)

Melbourne Polytechnic met its target maturity level in this category.

PLANNING (REQUIREMENTS 20-23)

Melbourne Polytechnic met its target maturity level in this category.

ACQUISITION (REQUIREMENTS 24 AND 25)

Melbourne Polytechnic met its target maturity level in this category.

OPERATION (REQUIREMENTS 26-40)

Melbourne Polytechnic met its target maturity level in this category.

DISPOSAL (REQUIREMENT 41)

Melbourne Polytechnic met its target maturity level in this category.

Summary of Major Commercial Activities

There were no Major Commercial Activities requiring disclosure conducted by Melbourne Polytechnic in 2021.

Compulsory Non-Academic Fees and Charges Statement 2021

Melbourne Polytechnic imposes a compulsory non-academic fee known as the Student Services and Amenities Fee to cover a range of free support services to students, student engagement activities through the Student Life at Melbourne Polytechnic (SLAM) unit, and the maintenance of facilities and amenities for direct student use.

The 2021 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 2021 was \$1,312,334.

The Institute used the income generated from the compulsory non-academic fee for campus betterment activities, a range of support services including additional responses to COVID-19, student online events, mental health support services 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.

	2021	2020
	\$	\$
Income		
Compulsory Non-Academic Fees	1,312,334	1,308,006
Total Income	1,312,334	1,308,006
Expenditure		
Salaries		
Salaries	960,678	1,054,150
Salary Oncosts	188,098	189,885
Total Salary Expenditure	1,148,776	1,244,035
Non salaries		
Consumables	7,494	11,931
Subscriptions	27,501	157,282
Telephone	145	154
Equipment Purchases	20,128	26,121
Software Licenses	79	6,490
Fitness Centre	45,498	59,929
Travel	612	646
Freight and Cartage	1,076	4,222
Advertising - Courses and Other	29,608	19,490
Orientation/Recreational activities	47,033	59,658
Minor Works	8,764	807
Uniforms	0	305
Hospitality	152	0
Security Services	177	20
Total Non-salary Expenditure	188,267	347,055
Total Expenditure	1,337,043	1,591,090
Operating Result for the Year	(24,709)	(283,084)

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:

- ▶ a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- ▶ details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- ▶ details of publications produced by the entity about itself, and how these can be obtained
- ▶ details of changes in prices, fees, charges, rates and levies charged by the entity
- ▶ details of any major external reviews carried out on the entity;
- ▶ details of major research and development activities undertaken by the entity
- ▶ details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- ▶ details of major promotional, public relations and marketing activities undertaken by the entity 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 the entity and details of time lost through industrial accidents and disputes
- ▶ a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- ▶ details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

REQUESTS FOR ADDITIONAL INFORMATION

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

Melbourne Polytechnic Financial Management Compliance Attestation Statement

I, Helen Clarke, on behalf of the Responsible Body, certify that for the period 1 January 2021 to 31 December 2021, Melbourne Polytechnic has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 21 February 2022



2021 Financial Statements



Hospitality students with the Melbourne Polytechnic food van. Developed and built by hospitality, carpentry, electrical, plumbing, and sheet metal fabrication students. Proudly sponsored by Jayco.

Photographer: Prue Blake

This Page Has Been Left Blank Intentionally

Melbourne Polytechnic Financial Statements for the Year Ended 31 December 2021

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

The attached financial statements for Melbourne Polytechnic (the "Institute") have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2021 and financial position of the Institute as at 31 December 2021.

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

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



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 28 March 2022



Frances Coppelillo
Chief Executive
Melbourne Polytechnic
Date: 28 March 2022



Joseph Santiago
Chief Finance and Accounting Officer
Melbourne Polytechnic
Date: 28 March 2022

Auditor-General's Independent Auditor's Report



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 2021• 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 and Accounting Officer.
----------------	--

In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Accounting Standards.

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 <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
--------------------------	---

Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute'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-General's Independent Auditor's Report Cont.

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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the institute to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the institute. I remain solely responsible for my audit opinion.

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

MELBOURNE
1 April 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Table of Contents

Melbourne Polytechnic has presented its audited general-purpose financial statements for the financial year ended 31 December 2021 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

2021 FINANCIAL STATEMENTS	50
COMPREHENSIVE OPERATING STATEMENT	58
BALANCE SHEET	59
STATEMENT OF CHANGES IN EQUITY	60
CASH FLOW STATEMENT	61

NOTES TO THE FINANCIAL STATEMENTS

NOTE	PAGE
1. ABOUT THIS REPORT	62
1.1 Basis of preparation	62
1.2 Compliance information	63
1.3 Impact of COVID-19	63
1.4 Economic dependency	64
2. HOW WE EARNED OUR FUNDS	65
2.1 Government contributions	65
2.1.1 Government contributions - operating	65
2.1.2 Government contributions - capital	66
2.2 Revenue from fees, charges and sales	67
2.3 Other revenue and income	68
2.3.1 Leases receivable	69
3. HOW WE EXPENDED OUR FUNDS	70
3.1 Employee benefits	70
3.1.1 Employee benefits in the comprehensive operating statement	70
3.2 Superannuation	70
3.3 Supplies and services	71
3.3.1 Non-cancellable lease commitments - short-term and low-value leases	71
3.3.2 Other expenditure commitments	72
3.4 Other operating expenses	72
3.5 Finance costs	72
3.6 Depreciation and amortisation	73

NOTE		PAGE
4.	THE ASSETS WE INVESTED IN	73
4.1	Property, plant and equipment	73
4.1.1	Reconciliation of movements in carrying amount of property, plant and equipment	74
4.1.2	Capital commitments	75
4.1.3	Net gain/(loss) on non-financial assets	75
4.2	Intangible assets	75
4.3	Depreciation and amortisation	76
5.	BALANCES FROM OPERATIONS	77
5.1	Receivables	77
5.2	Contract assets	78
5.3	Other non-financial assets	78
5.4	Payables	79
5.5	Contract and other liabilities	80
5.6	Employee benefits in the balance sheet	80
5.7	Other provisions	81
6.	HOW WE FINANCED OUR OPERATIONS	82
6.1	Cash and deposits	82
6.1.1	Reconciliation of operating result to net cash flows from operating activities	82
6.2	Borrowings	82
6.3	Contributed capital	83
6.4	Leases	84
7.	MANAGING RISKS AND UNCERTAINTIES	86
7.1	Financial instruments	86
7.1.1	Financial risk management objectives and policies	86
7.1.2	Credit risk	87
7.1.3	Liquidity risk	88
7.1.4	Market risk	89
7.2	Contingent assets and contingent liabilities	90
7.3	Fair value determination	90
8.	GOVERNANCE DISCLOSURES	94
8.1	Responsible persons	94
8.2	Remuneration of executives	95
8.3	Related parties	95
8.4	Remuneration of auditors	96
9.	OTHER DISCLOSURES	96
9.1	Other economic flows included in net result	96
9.2	Other equity reserves	97
9.3	Ex gratia expenses	97
9.4	Events after reporting date	97
9.5	Application of standards issued but not yet effective	97
9.6	New or amended Accounting Standards and Interpretations adopted	97

Comprehensive Operating Statement for the Year Ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Continuing operations			
Revenue and income from transactions			
Government contributions - operating	2.1.1	84,776	90,118
Government contributions - capital	2.1.2	3,800	552
Revenue from fees, charges and sales	2.2	91,942	90,534
Other revenue	2.3	2,736	3,177
Other income	2.3	825	960
Total income from transactions		184,079	185,341
Expenses from transactions			
Employee benefits	3.1.1	111,091	102,075
Depreciation and amortisation	3.6	8,438	9,371
Supplies and services	3.3	61,224	58,076
Finance costs	3.5	66	138
Other operating expenses	3.4	11,249	10,802
Total expenses from transactions		192,068	180,462
Net result from transactions		(7,989)	4,879
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.1.3	80	(111)
Net gain/(loss) on financial instruments	9.1a	(157)	(184)
Other gains/(losses) from other economic flows	9.1b	864	(474)
Total other economic flows included in net result		787	(769)
Net result		(7,202)	4,110
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Gain/(loss) on revaluation of physical assets		39,182	-
Comprehensive result		31,980	4,110

Balance Sheet as at 31 December 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	33,419	23,856
Receivables	5.1	4,647	6,249
Total financial assets		38,066	30,105
Non-financial assets			
Contract assets	5.2	10,100	10,109
Property, plant and equipment	4.1	414,339	375,456
Right of use assets	6.4	1,662	2,977
Intangible assets	4.2	1,505	1,321
Other non-financial assets	5.3	6,635	6,682
Total non-financial assets		434,241	396,545
Total assets		472,307	426,650
Liabilities			
Payables	5.4	15,624	17,025
Contract liabilities	5.5	21,946	8,014
Employee provisions	5.6	24,562	22,006
Other provisions	5.7	2,123	2,150
Borrowings	6.2	10,572	10,572
Lease liabilities	6.4	1,664	3,047
Total liabilities		76,491	62,814
Net assets		395,816	363,836
Equity			
Accumulated surplus/(deficit)		36,084	43,286
Contributed capital	6.3	31,681	31,681
Reserves	9.2	328,051	288,869
Net worth		395,816	363,836

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.

During 2021 Melbourne Polytechnic performed a managerial revaluation of land resulting in increases in property and in reserves.

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 2021

	Physical assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
As at 1 January 2020	288,869	39,176	31,681	359,726
Net result for the year	-	4,110	-	4,110
Total comprehensive income	-	4,110	-	4,110
Year ended 31 December 2020	288,869	43,286	31,681	363,836
Net result for the year	-	(7,202)	-	(7,202)
Other economic flows - other comprehensive income	39,182	-	-	39,182
Total comprehensive income	39,182	(7,202)	-	31,980
Year ended 31 December 2021	328,051	36,084	31,681	395,816

Cash Flow Statement for the Year Ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		104,529	87,927
Receipts from customers – fees, charges and sales		102,563	104,616
Goods and services tax recovered from the ATO		256	-
Interest received		198	167
Total receipts from operating activities		207,546	192,710
Payments			
Payments to employees		(91,627)	(87,433)
Payments to suppliers		(96,045)	(91,499)
Goods and services tax paid to the ATO		(1,437)	(1,468)
Short-term, low-value and variable lease payments		(431)	(454)
Interest paid – lease liability		(66)	(138)
Total payments from operating activities		(189,606)	(180,992)
Net cash flows from/(used in) operating activities	6.1.1	17,940	11,718
Cash flows from investing activities			
Payments for property, plant and equipment		(5,446)	(3,071)
Payments for intangible assets		(516)	(581)
Proceeds from sales of non-financial assets		94	76
Net cash flows from/(used in) investing activities		(5,868)	(3,576)
Cash flows from financing activities			
Repayment of borrowings		-	(924)
Payment of lease liabilities		(2,509)	(2,852)
Net cash flows from/(used in) financing activities		(2,509)	(3,776)
Net increase/(decrease) in cash and cash equivalents		9,563	4,366
Cash and cash equivalents at beginning of year		23,856	19,490
Cash and cash equivalents at end of year	6.1	33,419	23,856

NOTE 1. About this report

Melbourne Polytechnic (the "Institute") 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:
Melbourne Polytechnic
77 St Georges Road
Preston VIC 3072
Australia

1.1 BASIS OF PREPARATION

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

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

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

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

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

- ▶ the fair value of land, buildings, plant and equipment (refer to Note 7.3);
- ▶ actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.6);
- ▶ determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring Melbourne Polytechnic's satisfaction of a performance obligation (refer to Note 2.1);
- ▶ AASB 16 Leases and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4); and

- ▶ whether AASB 1059 Service Concession Arrangements: Grantors is applicable - specifically, in determining whether an asset provides public services and in determining whether the operator manages at least some of the public services and not acting merely as an agent on behalf of the grantor.

These financial statements cover Melbourne Polytechnic as an individual reporting entity.

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 increase 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 AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

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

1.3 IMPACT OF COVID-19

The coronavirus (COVID-19), which was declared a global pandemic in March 2020, continued to evolve throughout 2021.

Restrictions such as lockdowns and closure of the borders (state and international) were implemented intermittently by the Government during 2021 in an effort to contain the spread of the virus and to prioritise the health and safety of our communities. As a result of these restrictions, Melbourne Polytechnic's operations were impacted with lower numbers of international students enrolled in 2021 versus prior years, limited face-to-face delivery and additional expenditure in response to COVID-19 protocols. These factors resulted in a number of material impacts on the performance of Melbourne Polytechnic as well as the judgements and estimates used in assessing balances.

To ensure the safety of students and staff, Melbourne Polytechnic continued to conduct classes through remote learning where possible, place restrictions on non-essential work on campus, and implement work from home arrangements where appropriate.

Melbourne Polytechnic continued to receive government support by way of Boost Funding, Viability Funding and Business Continuity Grants in order to assist the Institute with meeting financial obligations and its ongoing responses to the pandemic including the continued delivery of online and remote learning and retention of staff.

The key impacts on the appropriateness of the going concern basis of accounting, performance of the business as well as various accounting treatments and estimates are summarised below and disclosed in subsequent notes where relevant and material.

Management continues to actively monitor the impact of COVID-19 on Melbourne Polytechnic's financial performance into 2022, concentrating on increasing student enrolments, ensuring student retention remains high and reducing expenditure consistent with revenue.

The key impacts on the performance are summarised as follows:

Basis of preparation

Melbourne Polytechnic is reporting a net deficit from transactions in 2021 of \$7,989,000 (2020: net surplus from transactions \$4,879,000), inclusive of government assistance. When assistance is excluded, Melbourne Polytechnic would have reported a net result deficit of \$23,686,000. This result is consistent with 2020, whereby with no State Government assistance the Institute would have reported a net deficit of \$25,192,000 versus the reported net result surplus of \$4,879,000.

Melbourne Polytechnic is reporting a strong balance sheet and cash position, with net asset position of \$395,816,000 (2020: \$363,836,000) and cash reserves of \$33,419,000 (2020: \$23,856,000). A significant amount of cash reserves are committed to Government funded capital projects due to be completed in future years. Net assets have increased due to the revaluation of land per Valuer General indices in 2021.

As at 31 December 2021, it has been concluded that it is appropriate to prepare the financial statements on a going concern basis.

The impact of the COVID-19 pandemic on Melbourne Polytechnic finances is expected to continue in 2022, which may require Melbourne Polytechnic to draw on their cash reserves to cover their operating costs.

Where there is a risk of a low cash reserve position, the Department of Education and Training (the Department) has provided a Letter of Comfort to guarantee the cash solvency of Melbourne Polytechnic as a state-owned entity.

The Letter of Comfort provides assurance that financial assistance will be made available to Melbourne Polytechnic until 25 March 2023 (if required) and to enable Melbourne Polytechnic to continue as a going concern.

Melbourne Polytechnic is continuing to closely manage a number of productivity initiatives to reduce costs and ensure that the Institute has adequate cash reserves to satisfy obligations as and when they fall due.

Revenue and other income

Melbourne Polytechnic's continued response to the pandemic and strategies to maintain revenue were in line with advice from the State Government and included the continued use of a blended learning model which has a strong focus on remote learning. Where classes required face-to-face learning due to the practical nature of the unit, Melbourne Polytechnic followed State Government guidelines to ensure students were able to complete courses safely. The Department of Education and Training provided Business Continuity Grants during 2021 to assist Melbourne Polytechnic with its response to the pandemic, provide support to retain staff, and assist with Melbourne Polytechnic's continued transition to online and remote learning. This is further discussed in Note 2.1.

Expenses

Melbourne Polytechnic's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being included, such as additional staffing costs for new or expanded services, additional supplies and consumables for staff and students. Similarly, cost reductions were reported by the Institute due to having a large number of students and staff in a remote environment, savings were generated in office consumables, utilities and other facilities-related expenses.

Employee provisions

COVID-19 and State Government mandated lockdowns forced the cancellation of a number of instances of planned leave by staff. As a result, the leave provisions have increased by \$2,556,000. This is further discussed in Note 5.6.

The key impacts on accounting treatments and estimates are as follows:

Allowance for expected credit losses

Although both local and international students have been impacted by the pandemic, Melbourne Polytechnic has not experienced a decline in the collectability of its trade receivables. Where students are experiencing financial difficulty, Melbourne Polytechnic has allowed for payments to be made in accordance with a payment plan. The number of students on payment plans remains consistent on prior year. Melbourne Polytechnic monitors payments made under the plan and noted that for the majority of students on a plan, payments continue to be made in line with schedule. These factors, including the continued impact of the pandemic on students' payment history has been considered in determining the expected credit loss for the 2021 financial year.

It should also be noted that Melbourne Polytechnic has the right to cancel a student's enrolment and prohibit them from undertaking new courses in situations where there are unpaid fees or outstanding debts.

Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 1031. A full revaluation of education assets normally occurs every five years, with this last occurring for the year ended 31 December 2017. In 2021, Melbourne Polytechnic performed a management revaluation of land based on the indices provided by the Valuer Generals Office. Due to COVID-19, there is an increased element of estimation uncertainty with regard to the fair values of Melbourne Polytechnic's non-financial physical assets. This is further discussed in Note 7.3.

Exceptions to the fair value measurement policy as described above include:

- ▶ right-of-use assets that arise from below market (including peppercorn) leases, which are measured at cost in accordance with FRD 123;
- ▶ service concession arrangement assets (whether tangible or intangible) which are measured at current replacement cost in accordance with AASB 1059;
- ▶ assets under construction which are measured under cost unless they relate to service concession arrangement assets which shall be measured at current replacement cost; and
- ▶ assets where Melbourne Polytechnic has received the prior written approval of the Assistant Treasurer to be measured at cost.

1.4 ECONOMIC DEPENDENCY

Melbourne Polytechnic is dependent on the continued financial support of the Victorian Government and, in particular, the Department of Education and Training. The Department of Education and Training has provided confirmation that it will continue to provide Melbourne Polytechnic adequate cash flow support to meet current and future obligations as and when they fall due for a period up to 25 March 2023 (*if required*). On that basis, the financial statements have been prepared on a going concern basis.

NOTE 2. How we earned our funds

2.1 GOVERNMENT CONTRIBUTIONS

2.1.1 Government contributions - operating

	2021 \$'000	2020 \$'000
Grants and other transfers		
Government contributions - operating		
State Government - contestable	48,190	52,171
State Government - other contributions	36,586	37,947
Total government contributions - operating	84,776	90,118

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

Revenue from government contributions

Where grants or contracts are recognised over time, the input method of costs incurred-to-date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date is the best measure of the transfer of control over the service or product. Where government contributions has been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.5).

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

Revenue type	Nature	Performance obligation	Timing of satisfaction
State Government - contestable	Refers to contributions received from a limited pool of government funding for which Melbourne Polytechnic must compete with other registered training providers.	Provision of education services.	Over time, as the student receives and consumes the educational services.
State Government - other contributions	Refers to funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts.	These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised as income on receipt or when the right to receive payment is established.	
		Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.	At the point-in-time when the final product is delivered. Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided.

Transaction price allocated to remaining performance obligations

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

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

	2022 \$'000	2023 \$'000	2024 \$'000
2021			
Revenue expected to be recognised	16,388	86	-

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

2.1.2 Government contributions - capital

	2021 \$'000	2020 \$'000
Government contributions - capital		
State Government - capital	3,800	552
Total government contributions - capital	3,800	552
Total government contributions	88,576	90,670

Revenue type	Nature	Performance obligation	Timing of satisfaction
State Government - capital	Where Melbourne Polytechnic receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by Melbourne Polytechnic.	Whilst Melbourne Polytechnic has an obligation to acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058.	When the asset is acquired. Or Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building. Where government contributions has been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.5).

2.2 REVENUE FROM FEES, CHARGES AND SALES

	2021 \$'000	2020 \$'000
Student fees and charges	12,067	10,529
Fee for service – government	48,985	45,204
Fee for service – international operations – onshore	14,870	19,594
Fee for service – international operations – offshore	4,505	4,650
Fee for service – other	10,307	9,645
Other non-course fees and charges		
Sale of goods	1,208	912
Total revenue from fees, charges and sales	91,942	90,534

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

	2021 \$'000	2020 \$'000
Over time	90,734	89,622
At a point-in-time	1,208	912
Total revenue from fees, charges and sales	91,942	90,534

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

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

Other non-course fees and charges are recognised as the service is delivered to the student or the public.

Melbourne Polytechnic uses performance obligations to recognise revenue over time in line with AASB 15.

Revenue type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	Student fees and charges relates to delivery of education to full-fee paying students and related charges to students.	Provision of education services	Course fees and charges revenue is recognised over time as the course is delivered to the student and is measured as the amount Melbourne Polytechnic expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – government, international operations	Fee for service relates to course fees funded by government or provision of education services to international students.	Provision of services	Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to non-course fees and charges.	Provision of services	Other non-course fees and charges are recognised either over time or at a point in time as or when the service is delivered to the student or the public.
Revenue from sale of goods		Delivery of goods	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

Revenue recognised in relation to contract liabilities

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

	2021 \$'000	2020 \$'000
Student fees and charges	3,629	3,616
Fee for service	4,095	5,512
	7,724	9,128

Transaction price allocated to remaining performance obligations

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

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

2021	Total \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000
Revenue expected to be recognised	5,472	5,232	213	25	2

2020	Total \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Revenue expected to be recognised	6,374	6,115	228	28	3

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

Payment terms

The payment terms for student fees are as follows:

- ▶ up-front payment via cash, EFTPOS or credit card prior to course commencement;
- ▶ payment plan via a third party (Debit Success);
- ▶ government assistance (e.g. FEE Help and student loan); and/or
- ▶ invoice to a third party (e.g. a student's employer or workers' compensation provider).

Students are generally entitled to a refund (less administration fee) if they withdraw from a course before the census date. Students who withdraw after this time are generally not entitled to a refund.

2.3 OTHER REVENUE AND INCOME

	2021 \$'000	2020 \$'000
Bad debt recovery	4	7
Student accommodation revenue	519	1,285
Rental revenue	1,583	1,292
Revenue from sub-leasing right-of-use assets	630	593
Total other revenue	2,736	3,177
Interest income	198	165
Donations, bequests and contributions	183	37
Scholarships	9	-
Other income	435	758
Total other income	825	960
Total other revenue and other income	3,561	4,137

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Interest	Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets.
Rental income	Melbourne Polytechnic receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. Melbourne Polytechnic also receives rental income from long-term lease arrangements with third parties.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when Melbourne Polytechnic's right to receive the rental is established.
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of Melbourne Polytechnic. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
Other income		Other income is recognised when Melbourne Polytechnic's right to receive payment is established.	

2.3.1 Leases receivable

	2021 \$'000	2020 \$'000
Receivable:		
Within one year	765	1,411
Later than one year but not later than five years	286	638
Later than five years	400	451
Total leases receivable	1,451	2,500
GST payable on the above	132	225
Net operating leases receivable	1,319	2,275

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

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 are determined using various assumptions that may differ from actual developments in the future. These include future salary growth rate, future discount rates, tenure of existing staff, and patterns of leave claims.

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2021	2020
	\$'000	\$'000
Salaries, wages, overtime and allowances	84,113	82,301
Superannuation	8,787	8,374
Payroll tax	4,830	4,480
Workers compensation	1,074	752
Annual leave	6,976	5,886
Long service leave	3,993	229
Termination benefits	1,207	(104)
Other	111	157
Total employee benefits	111,091	102,075

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.

IMPACT OF COVID-19

Melbourne Polytechnic's employment costs were impacted as a result of the pandemic with lower leave taken by employees due to lockdowns and border restrictions.

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.

3.2 SUPERANNUATION

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

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

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

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

	2021	2020
	\$'000	\$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	289	325
Total defined benefit plans	289	325
Accumulation contribution plans:		
VicSuper	4,279	4,316
Other	4,227	4,011
Total accumulation contribution plans	8,506	8,327
Total paid contribution for the year	8,795	8,652
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	-	-
Other	1	-
Total accumulation contribution plans	1	-
Total contribution outstanding at year end	1	-

ACCUMULATION CONTRIBUTION PLANS

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 SUPPLIES AND SERVICES

	2021	2020
	\$'000	\$'000
Building repairs and maintenance	4,913	6,770
Computer software and hardware expenses	4,783	4,341
Contract and other services	4,754	4,262
Cost of goods sold/distributed (ancillary trading)	1,903	2,177
Fees and charges	4,276	5,021
Purchase of supplies and consumables	4,710	4,908
Third-party training providers	35,885	30,597
Total supplies and services	61,224	58,076

IMPACT OF COVID-19

Melbourne Polytechnic's expenses were impacted as a result of the pandemic due to additional investment in IT to enable the continuation of remote learning and working. The Institute experienced a decline in maintenance costs due to continued low campus activity.

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

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

Melbourne Polytechnic had no material non-cancellable lease commitments for short-term and low-value leases as at 31 December 2021.

3.3.2 Other expenditure commitments

Commitments for future maintenance, repairs or services at reporting date but not recognised as liabilities are as follows:

	2021	2020
	\$'000	\$'000
Payable		
Within one year	8,126	6,066
Later than one year but not later than five years	4,775	5,878
Later than five years	-	-
Total other expenditure commitments	12,901	11,944
GST payable on the above	1,173	1,057
Net other expenditure commitments	11,728	10,887

3.4 OTHER OPERATING EXPENSES

	2021	2020
	\$'000	\$'000
Audit fees and services	263	182
Equipment below capitalisation threshold	2,280	3,079
Impairment of assets	-	6
Bad debts from transactions	29	65
Marketing and promotional expenses	1,598	1,773
Settlement payments	84	37
Staff development	274	185
Travel and motor vehicle expenses	261	270
Utilities	2,699	2,789
Variable lease payments not included in the measurement of lease liability	-	33
Expenses relating to short-term leases	431	421
Other	3,330	1,962
Total other operating expenses	11,249	10,802

IMPACT OF COVID-19

Melbourne Polytechnic's expenses were impacted as a result of the pandemic with marketing and low-value equipment expenditure being reduced, while the Institute was required to invest in COVID-19 protocols such as check-in kiosks, cleaning/sanitisation and additional resources to support on-campus and remote learning.

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

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

3.5 FINANCE COSTS

	2021	2020
	\$'000	\$'000
Interest on lease liabilities	66	138
Total finance costs	66	138

3.6 DEPRECIATION AND AMORTISATION

	2021	2020
	\$'000	\$'000
Depreciation of property, plant and equipment	5,731	6,415
Depreciation of right-of-use assets	2,375	2,717
Amortisation of intangible assets	332	239
Total depreciation and amortisation	8,438	9,371

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 (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), 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	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	217,533	178,352	-	-	217,533	178,352
Buildings	200,011	200,012	(15,644)	(11,704)	184,367	188,308
Construction in progress	4,631	361	-	-	4,631	361
Plant and equipment	31,598	32,271	(24,071)	(24,478)	7,527	7,793
Motor vehicles	1,246	1,369	(1,222)	(1,307)	24	62
Leasehold improvements	1,289	1,289	(1,221)	(955)	68	334
Library collections	5,337	5,305	(5,148)	(5,059)	189	246
Net carrying amount	461,645	418,959	(47,306)	(43,503)	414,339	375,456

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

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

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

The last formal revaluation of land and building assets was conducted for the year ended 31 December 2017. For the year ended 31 December 2021, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. After application of the indices, Melbourne Polytechnic has calculated an increase of less than 10% for the building valuation and thus no management revaluation was required. However, land valuation was greater than 10% after application of the indices and as a result of this assessment, management revaluation of \$39,182,000 was performed.

Revaluations of non-financial physical assets

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

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

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

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Library collections \$'000	Total \$'000
2021								
Opening net book amount	178,351	188,308	361	7,794	62	334	246	375,456
Additions	-	-	5,414	-	-	-	32	5,446
Revaluations	39,182	-	-	-	-	-	-	39,182
Disposals	-	-	-	(10)	(4)	-	-	(14)
Transfers	-	-	(1,144)	1,127	17	-	-	-
Depreciation	-	(3,941)	-	(1,384)	(51)	(266)	(89)	(5,731)
Net carrying amount	217,533	184,367	4,631	7,527	24	68	189	414,339
2020								
Opening net book amount	178,351	192,198	1,441	6,425	192	68	318	378,993
Additions	-	-	2,123	-	-	924	24	3,071
Impairment	-	-	-	(6)	-	-	-	(6)
Disposals	-	-	-	(178)	(5)	(4)	-	(187)
Transfers	-	57	(3,203)	2,884	-	262	-	-
Depreciation	-	(3,947)	-	(1,331)	(125)	(916)	(96)	(6,415)
Net carrying amount	178,351	188,308	361	7,794	62	334	246	375,456

4.1.2 Capital commitments

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

	2021	2020
	\$'000	\$'000
Payable		
Within one year	6,588	161
Later than one year but not later than five years	573	-
Total capital expenditure commitments	7,161	161
GST payable on the above	651	15
Net capital expenditure commitments	6,510	146

The large capital commitment as at 31 December 2021 mainly relates to the delivery of the State Government-funded Collingwood Campus Redevelopment Project, which is a multi-year project.

4.1.3 Net gain/(loss) on non-financial assets

	2021	2020
	\$'000	\$'000
Net gain/(loss) on disposal of property, plant and equipment	80	(111)
Net gain/(loss) on non-financial assets	80	(111)

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

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

4.2 INTANGIBLE ASSETS

	2021	2020
	\$'000	\$'000
Gross carrying amount		
Opening balance	4,367	3,786
Additions	516	581
Disposals	(41)	-
Closing balance	4,842	4,367
Accumulated amortisation		
Opening balance	(3,046)	(2,807)
Amortisation charge	(332)	(239)
Disposals	41	-
Closing balance	(3,337)	(3,046)
Net carrying amount at end of the year	1,505	1,321

Initial recognition

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

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

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

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible assets have useful lives of five years.

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

Impairment of intangible assets

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

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

4.3 DEPRECIATION AND AMORTISATION

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

Depreciation and amortisation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Right-of-use assets and leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The only exception is where Melbourne Polytechnic expects to obtain ownership of the leased asset at the end of the lease term, where in such instances, the right-of-use assets and leasehold improvements will be depreciated over their expected useful lives.

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

Class of assets	Useful Life		Method
Buildings	3 - 60 years	(2020: 3 - 60 years)	Straight Line
Plant and equipment	4 - 20 years	(2020: 4 - 20 years)	Straight Line
Motor vehicles	4 - 13 years	(2020: 4 - 13 years)	Straight Line
Leasehold improvements	2 - 6.5 years	(2020: 2 - 6 years)	Straight Line
Library collections	5 years	(2020: 5 years)	Straight Line
Right-of-use assets	Lease term	(2020: lease term)	Straight Line
Software	5 years	(2020: 2.5 - 5 years)	Straight Line

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

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

NOTE 5. Balances from operations

5.1 RECEIVABLES

	2021	2020
	\$'000	\$'000
Current		
Trade receivables	2,099	2,783
Loss allowance on trade receivables	(461)	(323)
Other receivables	2,789	3,603
Loss allowance on other receivables	(62)	(53)
Total receivables from contracts with customers	4,365	6,010
Statutory		
GST input tax credit recoverable	282	239
Total current receivables	4,647	6,249

Note: A prior year amount in other receivables has been reclassified for consistency with the current year presentation. This reclassification had no effect on the reported results of operations.

Receivables consist of:

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

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

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. 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.

Due to the short-term nature of 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 and other receivables during the year is shown in the following table.

	2021	2020
	\$'000	\$'000
Balance at the beginning of the year	376	192
Amounts written off	-	65
Reversal of unused loss allowance recognised in net result	(376)	(192)
Increase in loss allowance recognised in net result	523	376
Reversal of loss allowance for uncollectable receivables written off during the year	-	(65)
Balance at the end of the year	523	376

Trade receivables of Melbourne Polytechnic consists of some customers having 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.

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2021						
Trade receivables	2,099	568	1,186	109	162	74
Other receivables	2,789	2,351	213	49	110	66
Total	4,888	2,919	1,399	158	272	140
2020						
Trade receivables	2,783	2,165	429	31	158	-
Other receivables	3,603	3,603	-	-	-	-
Total	6,386	5,768	429	31	158	-

Note: The disclosures above exclude statutory receivables (e.g. GST credits).

The weighted average credit period on sales of goods is 12 days (2020: 18 days).

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

5.2 CONTRACT ASSETS

	2021 \$'000	2020 \$'000
Current		
Contract assets	10,100	10,109
Loss allowance on contract assets	-	-
Total contract assets	10,100	10,109

Contract assets are recognised when Melbourne Polytechnic has transferred goods or services to the customer but where the Institute is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

5.3 OTHER NON-FINANCIAL ASSETS

	2021 \$'000	2020 \$'000
Current		
Prepayments	2,577	2,361
Inventories	253	207
Total current other non-financial assets	2,830	2,568
Non-current		
Prepayments	3,805	4,114
Total non-current other non-financial assets	3,805	4,114
Total other non-financial assets	6,635	6,682

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

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

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories

are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

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

5.4 PAYABLES

	2021 \$'000	2020 \$'000
Current		
Contractual		
Supplies and services	2,314	4,248
Refund liability	2,830	1,658
Other payables	10,432	11,064
Total contractual payables	15,576	16,970
Statutory		
GST payable	-	-
FBT payable	31	39
Other taxes payable	17	16
Total statutory payables	48	55
Total current payables	15,624	17,025

Note: A prior year amount in refund liability has been reclassified for consistency with the current year presentation. This reclassification had no effect on the reported results of operations.

Payables consist of:

- ▶ contractual payables, such as accounts payable and refund liabilities. 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 payable.

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

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

Ageing analysis of contractual payables

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

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2021						
Supplies and services	2,314	2,314	1,259	1,000	55	-
Refund liability	2,830	2,830	-	-	2,817	13
Other payables	10,432	10,432	10,432	-	-	-
Total	15,576	15,576	11,691	1,000	2,872	13
2020						
Supplies and services	4,248	4,248	3,633	561	54	-
Refund liability	1,658	1,658	9	-	1,649	-
Other payables	11,064	11,064	11,064	-	-	-
Total	16,970	16,970	14,706	561	1,703	-

Note: The disclosures above exclude statutory payables (e.g. GST payable).

The Institute implemented the State Government fair payment policy whereby all Victorian creditors are paid within 10 days (2020: average credit period was 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.

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

5.5 CONTRACT AND OTHER LIABILITIES

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

	2021 \$'000	2020 \$'000
Contract liabilities		
Student fees	3,201	3,709
Fee for service	2,271	2,665
Government contributions - other contributions	1,533	656
Total contract liabilities	7,005	7,030
Other liabilities		
Deferred capital grants	14,419	956
Other	522	28
Total other liabilities	14,941	984
Total contract and other liabilities	21,946	8,014

Contract liabilities

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

Deferred capital grants

Grant considerations were received from the State Government to support the construction of a Glasshouse at Epping campus; redevelopment of Collingwood campus; purchases of Engineering Trades Equipment and purchases of equipment for Technical Schools. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed or purchased. Income is recognised to the extent of costs incurred-to-date because the costs of construction or purchases are most closely reflecting the stage of completion. As such, Melbourne Polytechnic has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

	2021 \$'000	2020 \$'000
Contractual		
Deferred capital grants at beginning of the year	956	-
Grant consideration for capital works received during the year	17,263	1,110
Grant consideration recognised as income under AASB 1058	(3,800)	(154)
Closing balance of deferred capital grants	14,419	956

5.6 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2021 \$'000	2020 \$'000
Annual leave	4,920	4,680
Long service leave	13,303	12,208
Total short-term benefits	18,223	16,888
Annual leave	2,893	2,399
Long service leave	3,446	2,719
Total long-term benefits	6,339	5,118
Total employee provisions	24,562	22,006

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 \$18,223,000 (2020: \$16,888,000) 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.

COVID-19, interstate border closures and Victorian lockdowns forced the cancellation of a number of instances of planned leave by staff. As a result, leave provisions increased by \$734,000 (2020: \$291,000). The impact of COVID-19 is further discussed in Note 1.3.

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

	2021 \$'000	2020 \$'000
Unconditional and expected to settle within 12 months	5,917	5,437
Unconditional and expected to settle after 12 months	12,306	11,451
Total current employee provisions	18,223	16,888

5.7 OTHER PROVISIONS

	2021 \$'000	2020 \$'000
Make good provision	924	924
Other provisions	1,199	1,226
Total other provisions	2,123	2,150

Make good provision

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

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

Reconciliation of other provisions

	2021 \$'000	2020 \$'000
Opening balance	2,150	1,300
Additional provisions recognised	299	1,250
Reductions arising from payments	(326)	(400)
Closing balance	2,123	2,150

NOTE 6. How we financed our operations

6.1 CASH AND DEPOSITS

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	30,319	22,256
Deposits at call	3,100	1,600
Total cash and deposits	33,419	23,856

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

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

	2021	2020
	\$'000	\$'000
Net result for the year	(7,202)	4,110
Non-cash movements		
Depreciation/amortisation of non-financial assets	8,438	9,371
Net (gain)/loss on sale of non-financial assets	(80)	111
Finance costs	66	138
Impairment of non-financial assets	-	6
Impairment and forgiveness of loans and receivables	147	184
Movements in assets and liabilities		
Decrease/(increase) in receivables	1,455	2,436
Decrease/(increase) in inventories	(46)	(40)
Decrease/(increase) in contract assets	9	(2,333)
Decrease/(increase) in other assets	93	(103)
(Decrease)/increase in payables	(1,401)	(1,084)
(Decrease)/increase in provisions	2,529	569
(Decrease)/increase in contract liabilities	13,932	(1,647)
Net cash flows from/(used in) operating activities	17,940	11,718
Per cash flow statement	17,940	11,718

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

	2021	2020
	\$'000	\$'000
Current		
Advances from government	274	-
Non-Current		
Advances from government	10,298	10,572
Total borrowings	10,572	10,572

Advances from government

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

The measurement basis subsequent to initial recognition depends on whether 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.

Maturity analysis of borrowings

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000
2021							
Advances from government	10,572	10,572	-	274	-	10,298	-
Total	10,572	10,572	-	274	-	10,298	-
2020							
Advances from government	10,572	10,572	-	-	-	7,972	2,600
Total	10,572	10,572	-	-	-	7,972	2,600

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

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

6.3 CONTRIBUTED CAPITAL

	2021 \$'000	2020 \$'000
Balance at 1 January	31,681	31,681
Balance at 31 December	31,681	31,681

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

6.4 LEASES

Policy

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

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

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

As a lessee

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.

Right-of-use assets that arise from below market (including peppercorn) leases, which are measured at cost in accordance with FRD 123

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

Peppercorn leases

Melbourne Polytechnic has elected to apply the option available under AASB 16 which 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 the 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 with annual lease payments of \$1. The permitted use is for vineyard research purposes and 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 annual 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
2021				
Balance as at 1 January 2021	1,871	307	799	2,977
Additions	991	71	(2)	1,060
Amortisation	(1,874)	(59)	(442)	(2,375)
Balance as at 31 December 2021	988	319	355	1,662
2020				
Balance as at 1 January 2020	4,126	193	1,204	5,523
Additions	-	159	12	171
Amortisation	(2,255)	(45)	(417)	(2,717)
Balance as at 31 December 2020	1,871	307	799	2,977

Lease liabilities

	2021 \$'000	2020 \$'000
Maturity analysis - contractual undiscounted cash flows		
Within one year	1,526	2,447
Later than one year but not later than five years	161	675
Later than five years	-	-
Total undiscounted lease liabilities as at 31 December	1,687	3,122
Future finance charges	(23)	(75)
Total discounted lease liabilities as at 31 December	1,664	3,047
Current	1,506	2,384
Non-current	158	663
Total lease liabilities	1,664	3,047

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 \$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.

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

	2021 \$'000	2020 \$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	33,419	23,856
Trade receivables	1,638	2,460
Other receivables	2,727	3,550
Total contractual financial assets	37,784	29,866
Contractual financial liabilities		
At amortised cost		
Loans and payables		
Trade and other payables	15,576	16,970
Lease liabilities	1,664	3,047
Borrowings (advances from government)	10,572	10,572
Total contractual financial liabilities	27,812	30,589

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

Categories of financial instruments

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 necessary impairment).

Melbourne Polytechnic recognises the following assets in this category:

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

Financial liabilities at amortised cost are initially recognised on the date they originate. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of

the interest-bearing liability, using the effective interest rate method. Melbourne Polytechnic recognises the following liabilities in this category:

- ▶ payables (excluding statutory payables);
- ▶ borrowings (including lease liabilities); and
- ▶ advances from government.

7.1.1 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 overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Melbourne Polytechnic. Melbourne Polytechnic 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 Melbourne Polytechnic's finance function, overseen by the Finance, Audit and Risk Management Committee of Melbourne Polytechnic on behalf of the Board.

7.1.2 Credit risk

Credit risk refers to the possibility that a customer will default on its financial obligations as and when they fall due. Credit risk arises from the contractual financial assets of 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.

Credit risk is measured at fair value and is monitored on a regular basis. Melbourne Polytechnic monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

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

The trade receivables balances at 31 December 2021 and 31 December 2020 do not include any counterparties with external credit ratings, except for the government agencies. Customers are assessed for credit worthiness using the criteria detailed earlier.

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
2021				
Cash and deposits	33,419	-	-	33,419
Trade receivables	-	112	1,526	1,638
Other receivables	-	2,491	236	2,727
Total contractual financial assets	33,419	2,603	1,762	37,784
2020				
Cash and deposits	23,856	-	-	23,856
Trade receivables	-	282	2,178	2,460
Other receivables	-	3,402	148	3,550
Total contractual financial assets	23,856	3,684	2,326	29,866

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

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

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

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

The expected loss rates are based on the payment profile, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2021:

	Estimated gross carrying amount \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired (yes/no)
31 December 2021				
Current (not past due)	2,919	24%	196	Yes
31 - 60 days past due	1,399	10%	119	Yes
61 - 90 days past due	158	50%	9	Yes
More than 90 days past due	412	90%	199	Yes
	4,888		523	
31 December 2020				
Current (not past due)	5,768	8%	199	Yes
31 - 60 days past due	429	10%	40	Yes
61 - 90 days past due	31	50%	15	Yes
More than 90 days past due	158	90%	122	Yes
	6,386		376	

Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and 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, amongst 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.

7.1.3 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 10 days for local suppliers and contract terms for non-local suppliers, 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 Note 7.1.

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

Of the above impairment losses, \$Nil (2020: \$Nil) relate to receivables arising from contracts with customers.

Melbourne Polytechnic manages liquidity risk by:

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

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

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

7.1.4 Market risk

In its daily operations, Melbourne Polytechnic, is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of Melbourne Polytechnic.

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

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

Foreign currency risk

Foreign currency risk is the risk that Melbourne Polytechnic's operating result, cash flow or capital are negatively impacted by a change in foreign exchange rates. Melbourne Polytechnic has minimal exposure to foreign currency risk.

Interest rate risk

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

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

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

The organisation's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis table below:

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount at 31 December \$'000	Interest rate exposure		
			Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
2021					
Financial assets					
Cash and deposits	0.18%	33,419	33,413	-	6
Trade receivables		1,638	-	-	1,638
Other receivables		2,727	-	-	2,727
Total financial assets		37,784	33,413	-	4,371
Financial liabilities					
Trade and other payables		15,576	-	-	15,576
Total financial liabilities		15,576	-	-	15,576
2020					
Financial assets					
Cash and deposits	0.40%	23,856	23,850	-	6
Trade receivables		2,460	-	-	2,460
Other receivables		3,550	-	-	3,550
Total financial assets		29,866	23,850	-	6,016
Financial liabilities					
Trade and other payables		16,970	-	-	16,970
Total financial liabilities		16,970	-	-	16,970

Sensitivity analysis and assumptions

	Carrying amount at 31 December \$'000	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
2021					
Financial assets					
Cash and deposits	33,419	(334)	(334)	334	334
Total impact	33,419	(334)	(334)	334	334
2020					
Financial assets					
Cash and deposits	23,856	(239)	(239)	239	239
Total impact	23,856	(239)	(239)	239	239

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

There were no contingent assets or contingent liabilities as at 31 December 2021 (31 December 2020: nil) that may have a material effect on the financial operations of Melbourne Polytechnic.

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, motor 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

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

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

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 Note 7.3(a).

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

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 2021.

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

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

Melbourne Polytechnic, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on Level 2 observable inputs and Level 3 unobservable inputs due to the nature and characteristics of Melbourne Polytechnic'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.

Right-of-use assets that arose from below market (including peppercorn) leases, were measured at cost in accordance with FRD 123 Transitional requirements on the application of AASB 16 Leases.

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

	Carrying amount at 31 December \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
2021				
Specialised land	217,533	-	6,664	210,869
Total land at fair value	217,533	-	6,664	210,869
Heritage buildings	34,695	-	545	34,150
Specialised buildings	149,672	-	1,451	148,221
Total buildings at fair value	184,367	-	1,996	182,371
Plant and equipment	7,527	-	-	7,527
Motor vehicles	24	-	-	24
Leasehold improvements	68	-	-	68
Library collections	189	-	-	189
Right-of-use assets	1,662	-	-	1,662
Total other assets at fair value	9,470	-	-	9,470
2020				
Specialised land	178,351	-	5,430	172,921
Total land at fair value	178,351	-	5,430	172,921
Heritage buildings	35,399	-	579	34,820
Specialised buildings	152,909	-	1,493	151,416
Total buildings at fair value	188,308	-	2,072	186,236
Plant and equipment	7,794	-	-	7,794
Motor vehicles	62	-	-	62
Leasehold improvements	334	-	-	334
Library collections	246	-	-	246
Right-of-use assets	2,977	-	-	2,977
Total other assets at fair value	11,413	-	-	11,413

Impairment

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

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

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

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

(b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 1031 Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

For the year ending 31 December 2021 Melbourne Polytechnic conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

- ▶ assumptions made about the future
- ▶ source of estimation uncertainty
- ▶ the nature or class of assets impacted; and
- ▶ the carrying amount of the assets subject to the significant uncertainty.

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

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

For Melbourne Polytechnic's majority of heritage and specialised buildings, the depreciated replacement cost method is used. The replacement cost of heritage and specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, heritage and specialised buildings are classified as Level 3 fair value measurements. Where no CSO adjustment has been applied to land, and buildings were valued on a market approach (in particular the residential properties and child care center), the specialised land and buildings would be classified as a Level 2 asset.

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

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

Motor vehicles are valued using the depreciated replacement cost method. 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 experienced fleet managers in Melbourne Polytechnic who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

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

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

Library collections is 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.

There were no changes in valuation techniques throughout the period to 31 December 2021.

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

Reconciliation of level 3 items for the periods ended 31 December 2020 and 31 December 2021

	Specialised land \$'000	Heritage and specialised buildings \$'000	Other assets \$'000
Level 3 Fair value measurements 2020			
As at 1 January 2020	172,921	190,050	12,526
Additions	-	-	1,119
Disposals	-	-	(187)
Impairment	-	-	(6)
Depreciation	-	(3,871)	(5,185)
Write-ups/transfers/(write-offs)	-	57	3,146
Transfers into or out of Level 3	-	-	-
Balance as at 31 December 2020	172,921	186,236	11,413
Level 3 Fair value measurements 2021			
As at 1 January 2021	172,921	186,236	11,413
Additions	-	-	1,092
Disposals	-	-	(14)
Depreciation	-	(3,865)	(4,165)
Revaluation	37,948	-	-
Write-ups/transfers/(write-offs)	-	-	1,144
Transfers into or out of Level 3	-	-	-
Balance as at 31 December 2021	210,869	182,371	9,470

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Heritage and specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value
Other assets (plant and equipment, motor vehicles, leasehold improvements, library collections)	Current replacement cost	Useful life of other assets	A change in the useful life may have an impact on the fair value (higher / lower)

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 Officers in Melbourne Polytechnic were as follows:

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2021 to 31 December 2021
Chief Executive Officer (Accountable Officer)	Frances Coppelillo	1 January 2021 to 31 December 2021
Board Director	Helen Clarke	1 January 2021 to 31 December 2021
Board Director	Jim Pasinis	1 January 2021 to 31 December 2021
Board Director	Tali Bernard	1 January 2021 to 31 December 2021
Board Director	Michael Grogan	1 January 2021 to 31 December 2021
Board Director	Joe Dicks	1 January 2021 to 31 December 2021
Board Director	Ian Munro	1 January 2021 to 31 December 2021
Board Director	Fiona Wahr	1 January 2021 to 31 December 2021
Board Director	Bill Forrest	1 January 2021 to 31 December 2021
Board Director	Karen Janiszewski	1 January 2021 to 31 December 2021
Board Director	Marcia Devlin	1 January 2021 to 31 December 2021
Board Director	Fiona Smith	1 January 2021 to 30 March 2021

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of Melbourne Polytechnic during the reporting period was in the range: \$330,000 - \$339,999 (2020: \$340,000 - \$349,999).

There were no termination benefits included in the 2021 remuneration above.

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

Income range	2021	2020
Less than \$10,000	1	-
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	2	2
\$40,000 - \$49,999	7	6
\$50,000 - \$59,999	-	-
\$60,000 - \$69,999	-	-
\$70,000 - \$79,999	1	1
Total number	11	11
Total remuneration (\$'000)	439	432

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

8.2 REMUNERATION OF EXECUTIVES

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

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

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

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

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

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

	2021	2020
Remuneration	\$'000	\$'000
Short-term employee benefits	2,867	3,293
Post-employment benefits	265	293
Other long-term benefits	82	94
Total remuneration	3,214	3,680
Total number of executives	16	22
Total annualised employee equivalents (AEE) ⁽ⁱ⁾	14	16

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

8.3 RELATED PARTIES

Related parties of 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); 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 do not include the members of the Melbourne Polytechnic Board, the Chief Executive, the Chief Finance Officer, and the members of the Executive Committee.

Compensation of key management personnel

	2021	2020
Remuneration	\$'000	\$'000
Short-term employee benefits	1,958	2,154
Post-employment benefits	169	168
Other long-term benefits	45	46
Termination benefits	-	-
Total remuneration	2,172	2,368

Transactions and balances with key management personnel and other related parties

Melbourne Polytechnic had no related party transactions for the period ending 31 December 2021.

8.4 REMUNERATION OF AUDITORS

	2021 \$'000	2020 \$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	69	62
Total remuneration of the Victorian Auditor-General's Office	69	62
Remuneration of other auditors		
Internal audit services	194	120
Total remuneration of other auditors	194	120
Total	263	182

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

NOTE 9. Other disclosures

9.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2021 \$'000	2020 \$'000
(a) Net gain/(loss) on financial instruments		
Foreign currency exchange gain/(loss)	(10)	-
Impairment of loans and receivables	(147)	(184)
Total net gain/(loss) on financial instruments	(157)	(184)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	864	(474)
Total other gains/(losses) from other economic flows	864	(474)
Total other economic flows included in net result	707	(658)

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:

- ▶ gains and losses from disposals of non-financial assets (refer to Note 4.1);
- ▶ revaluations and impairments of non-financial physical and intangible assets (refer to Note 4.1 and Note 4.2);
- ▶ remeasurement arising from employee benefits (refer to Note 3.1); and
- ▶ fair value changes of financial instruments (refer to Note 7.3).

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

9.2 OTHER EQUITY RESERVES

	2021 \$'000	2020 \$'000
Physical asset revaluation surplus		
Balance at 1 January	288,869	288,869
Revaluation increment/(decrement) on non-current assets	39,182	-
Balance at 31 December	328,051	288,869

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

9.3 EX GRATIA EXPENSES

Melbourne Polytechnic had no ex gratia expenses for the period ending 31 December 2021.

9.4 EVENTS AFTER REPORTING DATE

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

Melbourne Polytechnic is continuing to monitor the impact of COVID-19 on the Institute in 2022. At the time of reporting, there was no significant change to government policy or operations.

9.5 APPLICATION OF STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Melbourne Polytechnic of their applicability and early adoption where applicable.

AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of liabilities as current or non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non current - Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The amendment is not expected to impact Melbourne Polytechnic and Melbourne Polytechnic will not early adopt the standard.

9.6 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

9.6.1 Conceptual Framework for Financial Reporting (Conceptual Framework)

Melbourne Polytechnic has adopted the revised Conceptual Framework from 1 January 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

9.6.2 IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)

Melbourne Polytechnic has adopted the IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets) from 1 January 2021. The Agenda Decision clarifies how a customer accounts for costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement. The Agenda Decision requires management to capitalise elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure either by applying AASB 138 or applying another accounting standard.

Effectively, if a SaaS arrangement does not contain a lease and there is no intangible asset controlled by Melbourne Polytechnic, then expenditure will be expensed. The pattern of expenditure will depend on whether the configuration or customisation services are distinct. Services which are not distinct are recognised as an expense on the same pattern as the SaaS arrangement. Services which are distinct however, are recognised as the services are delivered.

The Agenda Decision did not have any impact on Melbourne Polytechnic's financial statements as all expenditure incurred in relation to Cloud Computing Arrangements were appropriately capitalised or expensed in accordance with the requirements of AASB 138.

Performance

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 2021• declaration by Board Chair, Chief Executive and Chief Finance and Accounting Officer <p>In my opinion, the performance statement of Melbourne Polytechnic in respect of the year ended 31 December 2021 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 APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board 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>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

AUDIT REPORT ON PERFORMANCE STATEMENT CONT.

Auditor's responsibilities for the audit of the performance statement (continued)

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

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

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

MELBOURNE
1 April 2022



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Performance Statement for the year ended 31 December 2021

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

In our opinion, the accompanying Statement of Performance of Melbourne Polytechnic, in respect of the year ended 31 December 2021, is presented fairly.

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

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



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 28 March 2022



Frances Coppelillo
Chief Executive
Melbourne Polytechnic
Date: 28 March 2022



Joseph Santiago
Chief Finance and Accounting Officer
Melbourne Polytechnic
Date: 28 March 2022

Key Performance Indicators

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

Indicator title	Description and methodology	Measure	2021 Target	2021 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by: <ul style="list-style-type: none"> ▶ Government Funded (GF) ▶ Fee for Service (FFS) ▶ Student Fees and Charges (SFC). 	%	VTG - 47.0% FFS - 40.8% SFC - 12.2%	VTG - 34.8% FFS - 56.5% SFC - 8.7%	Total training was 31% above target mainly due to a material increase in AMEP delivery hours. This has resulted in the training revenue diversity mix being weighted towards FFS.	VTG - 36.8% FFS - 55.7% SFC - 7.5%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue <i>(Employment costs - Workforce reduction expenses + 3rd party training delivery costs)/Training revenue</i>	%	113.5%	104.8%	Higher training revenue than target and a number of vacancies throughout the year resulted in lower employment cost as proportion of training revenue	93.6%
Training revenue per teaching FTE	Training revenue (excl. revenue delivered by third parties) per Teaching FTE <i>Training revenue (excl. revenue delivered by 3rd parties)/Teaching FTEs</i>	\$	177k	199k	Increased training revenue versus target has resulted in higher training revenue per teacher	206k
Operating margin percentage	Operating margin % <i>EBIT (excl. capital contributions)/Total revenue (excl. capital contributions)</i>	%	-26.7%	-6.5%	Increased Fee for Service revenue due to increased AMEP delivery hours, additional government assistance and expense management resulted in operating margin favourable to target.	2.4%

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.

A photograph of a workshop or classroom setting. In the foreground, a black leather bag with three buckles and a strap is placed on a wooden workbench. To the right, a red container holds various tools like pliers and screwdrivers. A white coffee cup is also visible. The background shows a window and some equipment. A dark blue banner with the text "Disclosure Index" is overlaid on the left side of the image, with an orange bar extending from the banner to the left edge.

Disclosure Index



DISCLOSURE INDEX

Item No.	Source	Summary Of Reporting Requirement	Page No.
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1.	FRD 22I	Manner of establishment and the relevant Minister	31
2.	FRD 22I	Purpose, functions, powers and duties	34
3.	FRD 22I	Key initiatives and projects	2, 8-11, 14-16, 18-20, 22, 24-26
4.	FRD 22I	Nature and range of services provided	8-11, 14-23
MANAGEMENT AND STRUCTURE			
5.	FRD 22I	Organisational structure	31-33
FINANCIAL AND OTHER INFORMATION			
6.	FRD 10A	Disclosure Index	104-105
7.	FRD 22I	Employment and conduct principles	37
8.	FRD 22I	Workforce data disclosures	35-36
9.	FRD 22I	Occupational health and safety policy	38
10.	FRD 22I	Summary of the financial results for the year	30
11.	FRD 22I	Significant changes in financial position during the year	30, 59
12.	FRD 22I	Summary of operational and budgetary objectives	8-11, 14-16, 18, 20, 22, 24-26, 101
13.	FRD 22I	Major changes or factors affecting performance	100-101
14.	FRD 22I	Subsequent events	97
15.	FRD 22I	Application and operation of the <i>Freedom of Information Act 1982</i>	39
16.	FRD 22I	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	40
17.	FRD 22I	Statement on National Competition Policy	40
18.	FRD 22I	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	39
19.	FRD 22I	Application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act)	39
20.	FRD 22I	Details of consultancies over \$10,000	43
21.	FRD 22I	Details of consultancies under \$10,000	43
22.	FRD 22I	Disclosure of government advertising expenditure	44
23.	FRD 22I	Disclosure of ICT expenditure	44
24.	FRD 22I	Asset Management Accountability Framework (AMAF) maturity assessment	45-46
25.	FRD 22I	Summary of Environmental Performance	24-28
26.	FRD 22I	Statement of availability of other information	48
27.	FRD 25D	Local Jobs First	40
28.	SD 5.2	Specific requirements under Standing Direction 5.2	8, 53
29.	CG 10 Clause 27	Summary of Major Commercial Activities	46
30.	CG 12 Clause 33	TAFE Institute Controlled Entities	N/A

DISCLOSURE INDEX continued

Item No.	Source	Summary Of Reporting Requirement	Page No.
COMPLIANCE ATTESTATION AND DECLARATION			
31.	SD 5.1.4	Financial Management Compliance Attestation Statement	49
32.	SD 5.2.3	Declaration in report of operations	8
FINANCIAL STATEMENTS			
DECLARATION			
33.	SD 5.2.2	Declaration in financial statements	53
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2			
34.	SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	53, 63, 111
35.	SD 5.2.1(a)	Compliance with Standing Directions	41-42, 49, 53, 111
OTHER DISCLOSURES AS REQUIRED BY FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
36.	FRD 11A	Disclosure of ex-gratia expenses	97
37.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	94
38.	FRD 103I	Non-financial physical assets	59, 61, 64, 73, 74, 75, 78, 82, 91, 92
39.	FRD 110A	Cash flow statements	61
40.	FRD 112D	Defined benefit superannuation obligations	N/A
<p>Note: References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.</p>			
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
41.	Legislation	Compliance statement	41-42
42.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2021	47
43.	Policy	Statement of compliance with the Victorian Public Service Travel Policy	39
44.	KPIs	Key Performance Indicators: <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 	101
45.	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	Overseas operations: <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 	22

STUDENT AND STAFF AWARDS AND ACHIEVEMENTS

The 2021 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

2020 VCAL ACHIEVEMENT AWARDS

Sabrina Bondy Foundation Outstanding Achievement

2021 ANNUAL HAIRDRESSING AND BARBERING SHOWCASE

Liberty Sanderson First Prize - Certificate III in Hairdressing
Kyut Yin (Zac) Chan Second Prize - Certificate III in Hairdressing
Peter Olsen First Prize - Certificate III in Barbering
Fadi Albotros Second Prize - Certificate III in Barbering

2021 ARTZ BLITZ COMPETITION

Sharleen Cu \$1,000 Prize

ADORN

David Weston Koodak Award for Excellence (\$150 Koodak Gift Voucher)
Alex Simmons Studio Ingot Award for Industry Aptitude
Isabella Cane Melbourne Polytechnic Encouragement Award

ALTERED STATES

David Cevallos Salgado John Lazos Award for Commitment
Anthony Auld Koodak Award for Dedication (\$150 Koodak Gift Voucher)
Tina Sammassimo Ingot Award for Excellence

ARCHITECTURE END OF YEAR EXHIBITION

Huynh Thien Phu (Max) Tran 12C Architects Student Design Prize 2021
Brett Bektash Arthur Andronas Conservation Architects Best Student Essay Prize

AUS-TAFE CULINARY COMPETITION

Sarina Galiti Overall Winner
Gold - Third-year apprentice

DAVID PROVAN & SONS ANNUAL CARPENTRY, JOINERY AND CABINET MAKING AWARDS

Jordan McKenzie Winner - Carpentry Scholarship
Rhian Williams Winner - Joinery Scholarship
Jack Bramall Apprenticeship Completion Award: \$500 and a \$500 Timber and Hardware Voucher



DEAKIN SOROPTIMIST INTERNATIONAL, IVANHOE BRANCH SCHOLARSHIP

Jane Trotta \$500 Tools for Trade Scholarship

FACT OR FICTION EXHIBITION

James Lynch	First Prize - IA Membership
Ewelina Madry	Second Prize - NAVA Membership (John Puli) Award
Susan Williams	Third Prize - Eckersley's Gift Voucher
Paul Pritchard	Fourth Prize - Art Supplies (Visual Arts)
Ruth Wein	Fifth Prize - Art Book (John Puli)
Chazaley Shekarabi Ahari	Photography Prize - A3 Inkjet Printing Paper (Photoimaging)
Sharleen Cu	People's Choice Award - Gift Voucher (SLAM)

GLASS EVOLUTION EXHIBITION

Daniel Bowran	Overall Excellence Sharing Knowledge and Support Award, sponsored by Axxess Glass
Rebecca Boehme	Overall Excellence Glass Painting, sponsored by Axxess Glass
Matilda Mahney	Overall Excellence and Innovative Design Award, sponsored by Axxess Glass
Marie-Claire Petrowski	Overall Excellence and Innovative Design and Techniques Award
Limor Ben Ahron	Encouragement Award
Anastasia Charalambidis	Encouragement Award
Lucie Drapier-Cresp	Encouragement Award
Jemma Hamaty	Encouragement Award
Talia Jacobson	Encouragement Award
Eloise McCullough	Encouragement Award

HEPATITIS VICTORIA - STREET ART COMPETITION

Taylah Collier Street Shots Prize

ILLUSTRE EXHIBITION

Stephanie (Chia Fang) Lee	Children's Book Illustration, sponsored by Hardie-Grant Egmont
	Best Individual Work on Show, sponsored by Jacky Winter Group
Aaliyah Wyatt	Best Traditional Media 1, sponsored by Books Illustrated
Eleasha Monique	Best Traditional Media 2, sponsored by Eckersley's
Cem Guclu	Best Digital Work 1, sponsored by Wacom
Olivia Salinger	Best Digital Work 2, sponsored by Image Science
Camille Ham	Cutting Edge Illustration, sponsored by Deans Art
	The Packing Room Prize, sponsored by Visual Arts Department
Ewelina Madry	Best Body of Work on Show, sponsored by Illustrators Australia
Marta Bravo San Andres	Most Improved

INAUGURAL CIRCUS ARTS INCUBATOR PROGRAM - CIRCUS OZ

Jarred Dewey \$40,000 Fellowship

STUDENT AND STAFF AWARDS AND ACHIEVEMENTS (continued)

INAUGURAL WAMA ART PRIZE - WORKS ON PAPER

Megan Tampaline Finalist

MASTER BUILDERS APPRENTICE OF THE YEAR AWARDS

Marc Colarusso Winner - Apprentice of the Year
Andrew Ghatas Certificate of Merit
Stephen Corcoran Certificate of Merit

MASTER PAINTERS ASSOCIATION APPRENTICE OF THE YEAR

Stacey Minife Winner - Apprentice of the Year

NECA TRAINEESHIP AWARDS

Jackson Britt NECA Trainee of the Year

ROTARY PRESTON

Jessica Gammin Pride of Workmanship Award 2021 (Construction) \$250
Taylah Spinello Pride of Workmanship Award 2021 (Construction) \$250
Gabriele Cavazza Pride of Workmanship Award 2021 (Food, Fibre and Animal Industries)

SCHOLARSHIPS

Taylah Skene Bendigo Bank Support and Access Scholarship \$1,000
Sabrina Bondy Bendigo Bank Support and Access Scholarship \$1,000
Cullen Green Melbourne Market Greengrocery Partial Scholarship \$725
Billal Mehrez Hume Council Multiversity Scholarship \$2,500

SOL GRADUATE EXHIBITION

Arieta Fox Winner - Design Award, sponsored by O'Neill's Affiliated Gemstones & Koodak Jewellers' Supplies
Kirsty Fraser Winner - Creativity Award, sponsored by Aspecs Casting
Georgina Wong Winner - Innovation of a Traditional Technique Award, sponsored by Australian Jewellers Suppliers and John Lazos & Associates
Camila Soto Aguayo Winner - Object Award, sponsored by NMH Metalworks
Vanessa Pearl Winner - Industry Award, sponsored by e.g.etal
Vanessa Pearl Winner - Arbor Mentorship Award, sponsored by Arbor Gallery

STUDENT EXPERIENCE NETWORK - NATIONAL CAMPUS MUSIC COMPETITION

Hana O'Brien Winner - Campus Music Competition, recording package to the value of \$3,500.

UNFOLD EXHIBITION

Ruth Wein	Outstanding Achievement Award Best Illustration
Susan Williams	Outstanding Achievement Award Best Painting
Shaymaa Fouad	Achievement Award
Amy Wickham	Achievement Award
Kimberley Turner	Achievement Award
James LYNCH	Achievement Award
Tara Kustrin	Highly Commended
Sahar Mardani	Highly Commended
Julia Mackie	Highly Commended
Rachel Gahye Hong	The Packing Room Prize

VICTORIAN WINE SHOW PRESENTATION AWARDS CEREMONY

Dominic Kearton	Bachelor of Agriculture Support Scholarship \$3,000
-----------------	---

VISUAL ARTS DEPARTMENT 8 X 10 SHOW

Shaymaa Fouad	Outstanding Entry
James Lynch	Outstanding Entry
Nil Kustrin	Outstanding Entry

WILLIAM AND WINIFRED BOWNESS PHOTOGRAPHY PRIZE

Charlie Barker	Finalist
----------------	----------

STAFF AWARDS

SHOOT 4 EARTH GLOBAL FILM COMPETITION

Martin Koszolko, Arts
Best Music Award

GLOBAL SHORT FILM AWARDS - CANNES

Martin Koszolko, Arts
Best Music Award

2020 VCAL ACHIEVEMENT AWARDS

Christina Paizes, Bridging and Preparatory Studies
VCAL Teacher Achievement Award - Integrated Program

2020 VCAL ACHIEVEMENT AWARDS

Ben Smith, Bridging and Preparatory Studies
VCAL Teacher Achievement Award - Integrated Program

2021 LYN MCCREA MEMORIAL PRIZE

Seán Payne, Arts
Finalist with his work 'Boneland viii'

2021 DOUG MORAN NATIONAL PORTRAIT PRIZE

Warren Crossett, Arts
Finalist

SALON DES REFUSÉS

Warren Crossett, Arts
Finalist



ABOUT THIS REPORT

The Melbourne Polytechnic Annual Report 2021 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 2021, 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, the Department of Education and Training, and the Victorian Government. This report is based on the model Annual Report issued with those 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.

MELBOURNE POLYTECHNIC

CAMPUSES, TRAINING CENTRES, SKILLS AND JOBS 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

TRAINING CENTRES

Ararat

Grano Street
Ararat VIC 3377

Northern Lodge, Eden Park

Glen Robin Court
Eden Park VIC 3757

Northern Lodge, Yan Yean

2005 Plenty Road
Yan Yean VIC 3755

SKILLS AND JOBS CENTRE

Preston Campus - Building C
77 St Georges Road
Preston VIC 3072

Information correct at March 2022 © MELBOURNE POLYTECHNIC



National Provider No. 3075 | CRICOS Provider 00724G | 4185(COO)300322