



Bendigo Kangan Institute


Annual Report 2025





Acknowledgement of Country

Bendigo Kangan Institute acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of the cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

 Artwork by Phil Bell.

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Alternate formats

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Message from the Board Chair and CEO



2025 marked the beginning of an exciting new chapter for Bendigo Kangan Institute. It's been a year of genuine progress and collective achievement – creating real impact for communities and setting the stage for future success.

A major milestone was the launch of our *2030 Strategic Plan*, with a clear purpose: changing lives through the power of education and skills. Our unique position as an integrated skills provider gives us the breadth, depth and diversity to deliver meaningful outcomes for learners, industry and communities.

This year, we were honoured to win Large Training Provider of the Year at both the Australian and Victorian Training Awards, alongside recognition at the Victorian Multicultural Awards for Excellence, Vic/Tas Auscontact Excellence Awards and more. These achievements reflect the dedication of our people, strong partnerships and deep community connections.

Our financial performance demonstrates sustainability and responsibility. Supported by trusted partners and a strong culture of teamwork, we are well equipped to capitalise on new opportunities that we know have real impact.

Access and equity remain central to our mission. We've made progress on new and upgraded campuses, launched our second *Innovate Reconciliation Action Plan* and expanded pathways for at-risk youth, regional communities, female and gender-diverse learners and First Nations students. We also broadened our Designated Area Migration Agreement (DAMA) skills assessment offering that help regional communities access the skilled workers they need.

Training commenced at new locations including the Health and Community Centre of Excellence in Broadmeadows, Learning Hub in Castlemaine and Beechworth Correctional Centre. We also advanced major projects such as the

Hume Tech School, Sunbury and Melton campuses, and the Bendigo East Urban Renewal Precinct masterplan – all delivered in close collaboration with our communities.

Innovation has been at the forefront. Working with industry leaders, we pioneered hydrogen and electric motorcycle training. We also developed a new Advanced Diploma of Advanced Innovation in a nation-first self-accreditation pilot with the Australian Skills Quality Authority (ASQA). Artificial intelligence was a strong focus this year, with several sector leading pilot projects exploring how AI can improve recognition of prior learning, enrolment processes and the student experience.

By working closely with policymakers and industry, we are strengthening critical workforces, expanding skills assessment pathways and fostering community hubs. We also partnered globally to develop the Automotive Centre of Excellence in Cambodia and launch its first program – highlighting our growing international impact resulting from decades of excellence in automotive training.

Our achievements are only possible thanks to the commitment of every colleague, supported by our Board and Executive team. We also thank our outgoing CEO, Sally Curtain, for her leadership and legacy.

Looking ahead, Bendigo Kangan Institute is ready to embrace new opportunities and address future challenges. Through collaboration, innovation and a shared commitment to impact, we will continue to shape vocational education to deliver real benefits for learners, employers and communities.

Sharan Burrow AC
Board Chair

Laura Macpherson
CEO

24 February 2026

About Bendigo Kangan Institute



Who we are

Bendigo Kangan Institute is an integrated skills provider that brings together education, assessment and learning. We have an impressive 150-year history that helps inform our future.

Bendigo Kangan Institute is made up of Bendigo TAFE, Kangan Institute, VETASSESS and eWorks, connecting people and industries with the transformative power of education and careers. Through this, we change lives, strengthen communities, empower workforces, and support industries to grow and thrive.

We deliver impact through:

- 10 TAFE campuses in Victoria, including two in construction
- More than 200 courses in high priority areas
- Four Centres of Excellence in automotive, health and community, food and fibre
- Two Indigenous Engagement Centres
- Three Skills and Jobs Centres
- Delivering training across Victoria through our workplace delivery model
- Largest vocational education and training provider for Victorian corrections facilities
- Delivering innovative vocational education and VCE programs for senior secondary
- Developing high-quality courseware for the sector
- Largest skills assessment organisation in Australia, assessing and recognising skills for migrants from across the globe
- Delivering training internationally through partnerships with overseas training institutes
- Proud member of the Victorian TAFE network.

 Bendigo Kangan Institute Board



Our brands



Provider of vocational education and training in regional Victoria.



Provider of vocational education and training in metropolitan Melbourne.

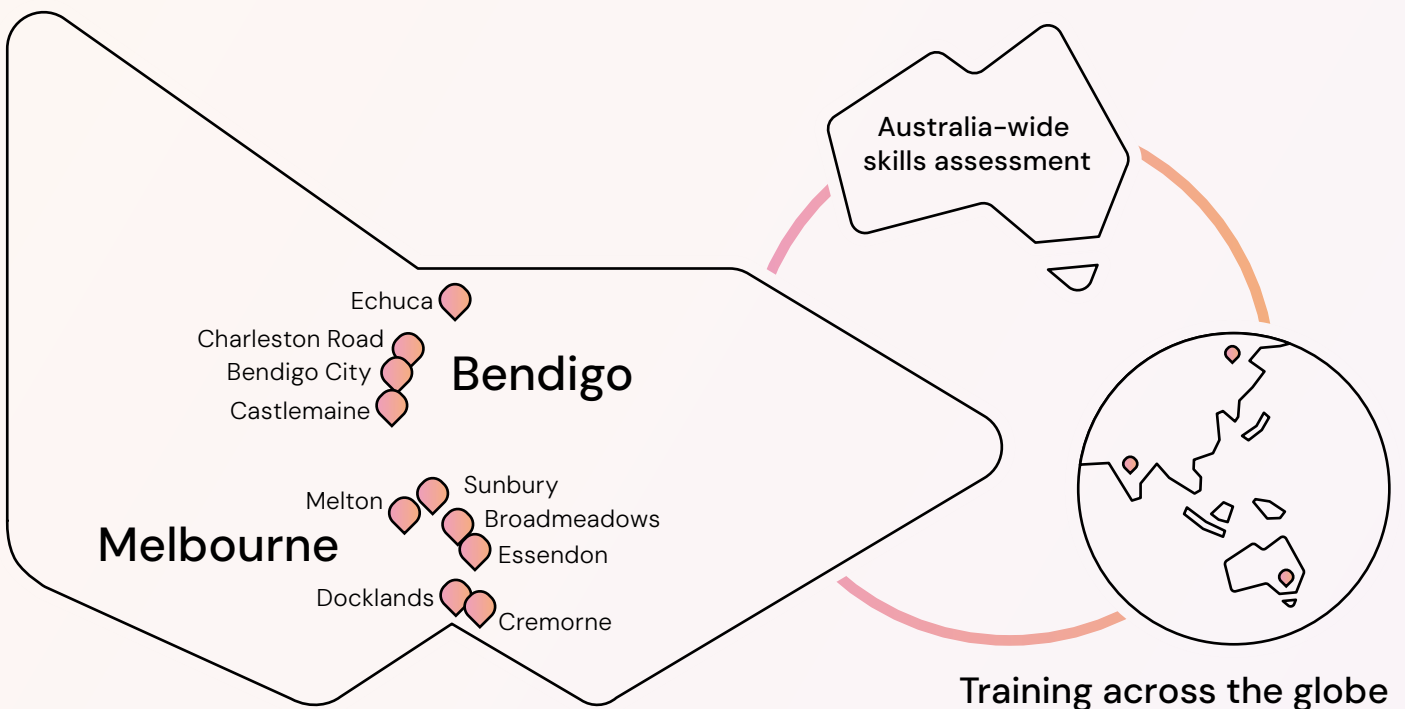


Australia's leading authority in qualifications and skills assessment, providing educational services, consultancy, and assessment services.



Provider of holistic online solutions and e-learning systems for organisations and education providers.

Where we are



2030 Strategic Plan

2025 marked the launch of Bendigo Kangan Institute's new strategic plan. Aligned to the TAFE Network Statement of Priorities, the plan sets a roadmap for the next five years of growth and impact.

Our purpose

Changing lives through the power of education and skills

How we'll get there

Empowering every student and customer with high quality services so they can take their next step

What we'll achieve

- Students are job-ready with the skills they need.
- Applicants feel supported and receive a fair and prompt skills assessment outcome.
- Access to skills is inclusive and fair.
- We deliver the experience that our students and customers want and expect.



Our students and customers

Driving innovative solutions and partnerships that shape industries, education and assessment

What we'll achieve

- We'll contribute to Australia's skilled workforce.
- We're a trusted advisor designing and delivering innovative solutions with industry and government.
- We're a go-to local, national and international skills partner.
- Our offerings are linked to skills priorities.



Skills and solutions

Creating opportunities for our people and communities to thrive

What we'll achieve

- Our organisation has the diverse people, culture and capability to deliver our vision.
- We're known as a great place to work and grow.
- Our campuses are hubs within the community.
- Improved health, safety and wellbeing for our people, students and customers.



Our people and communities

Building a leading and sustainable skills organisation

What we'll achieve

- Our operating model is effective, delivering to the Minister's expectations.
- Our operations are effective and agile, so it's easy for customers and industry to do business with us.
- We're net zero and leading the way in ESG.



Organisational sustainability

Year in review

Delivering on our strategy

Our impact by numbers

Students and customers



80.2%

student satisfaction, above Victorian average



79.5%

students say we have high quality educators, **up 4%**



76.9%

students rate our facilities as high quality



54.3%

improved employment outcomes after training, above Victorian average



72.9%

of employers would recommend us, leading the Victorian TAFE network



Satisfaction with VETASSESS skills assessments:

7.7 out of 10

Skills and solutions



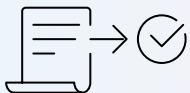
+45,000

enrolments delivering job-ready skills (including corrections)



17,613

new enrolments, **up 21%** from last year (excluding corrections)



Helped more than

55,000

people assess their skills



87.5%

of offerings aligned to Victorian Skills Plan



Largest

apprenticeship provider in Victoria

Our people and communities



88%

of staff find their work meaningful



Staff recommend working here:

+4 net promoter score



Staff endorse our services:

+12 net promoter score

Organisational sustainability



#1

Large Training Provider in Australia



21

awards celebrate our excellence



Largest training provider in Victorian government funded enrolments,

6.5% market share

Spotlight stories:**Students and customers****Our priorities:**

- Integrating education and employment to enhance student outcomes.
- Providing best-in-class wraparound support and services that our students and customers need to succeed.
- Reimagining a consistent, modern and high-quality student and customer experience that meets their expectations.


Supported diversity in construction

Our regional-first female and gender diverse construction course commenced in Castlemaine this year, welcoming two cohorts. The program was predominantly taught by trainers who are also female and gender diverse, creating a safe and inclusive learning environment for participants.

Faster skills assessments

We refined priority processing to speed up skills assessments for skilled migrants. Eligible applicants now receive outcomes within 10 business days, helping them move forward with visa applications and employment sooner.

“ The work we do at VETASSESS contributes directly to building Australia’s skilled workforce.”

 Michael Nuestro, skills assessor

Strengthened customer experience

Customer experience journey maps were introduced to guide service design and deliver a modern, consistent experience.

We implemented new initiatives to improve safety and behaviour support, including launching a safer communities pilot.

We enhanced student experience through a range of investments, including Creative Cloud licenses, additional laptops for loan and new charging infrastructure across several campuses. Other initiatives, such as the new Chat and Craft Club – which creatively repurposes discarded library books – further strengthened students’ connection to community.



Real-world learning

Our students gained hands-on opportunities to build real-world skills through activities such as culinary competitions and cybersecurity appathons, where they faced off against some of Victoria's most promising emerging talents.

They also represented us at major state and national events, from automotive apprentices participating at the Australian Grand Prix Supercars and WorldSkills Australia, to horticulture students exhibiting at the Melbourne International Flower and Garden Show.



“ I am invested in following a career path that leads to cybersecurity.”

Connor Cushen, cybersecurity student

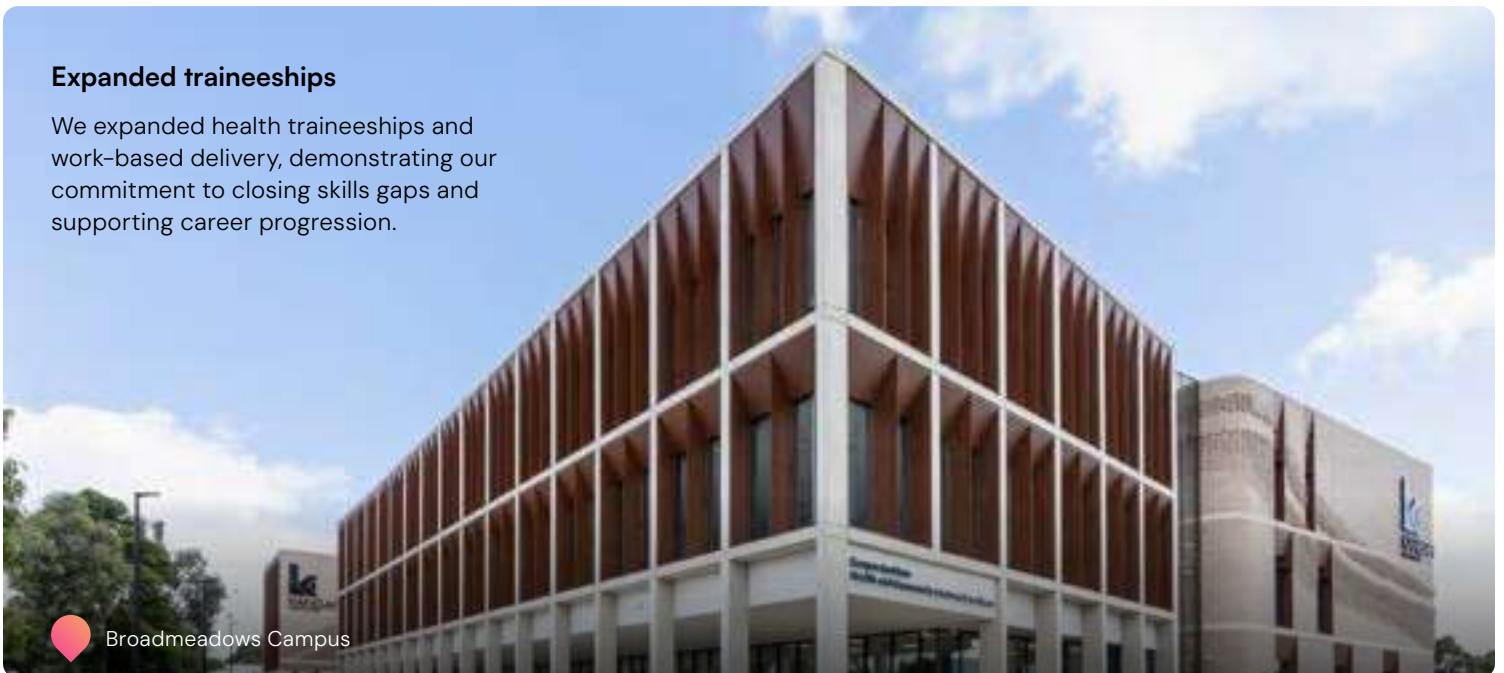
“ My teacher Nicole was very good at supporting me during the competition.”

Matilda Payne, cookery apprentice



Expanded traineeships

We expanded health traineeships and work-based delivery, demonstrating our commitment to closing skills gaps and supporting career progression.



Broadmeadows Campus

Skills and solutions

Our priorities:

- Accelerating future skills in sectors of government and industry priority.
- Innovating our business models to diversify our training, skills and assessment opportunities.
- Growing and building partnerships with employers, industry, secondary and tertiary education providers to fill skills gaps locally and globally.

Empowered health careers

Our \$60 million Health and Community Centre of Excellence opened in Broadmeadows. Developed with the Victorian Government and industry, it trained over 1,600 students in areas such as nursing, aged care, pathology, early childhood, allied health and community services, addressing critical workforce needs. A new partnership with La Trobe University further strengthened TAFE-to-university pathways.

Our \$4 million Learning Hub in Castlemaine also launched as part of a co-located health campus with Dhelkaya Health. This partnership delivers hands-on training in



Training has commenced at the new Health and Community Centre of Excellence.

allied health, aged care, disability support and nursing through modern simulation spaces and real-world application.

New courses – from youth work to alcohol and drugs – were introduced.



“ I wanted to do this course because it was an industry that I was intrigued with.”

Honey-Moana Williams, construction student

New pathways for emerging and regional communities

Interim programs in Melton commenced ahead of our 2028 campus opening. This included a construction taster program with Lendlease for secondary students, particularly those at risk of disengagement.

In Sunbury, we graduated our first training and assessment students through an interim model and partnered with Salesian College to boost community access before the 2028 campus launch.

We introduced in-demand courses in communities that lacked access, including cybersecurity in Bendigo and health programs in Broadmeadows and Castlemaine through new facilities.



We launched hydrogen fuel cell vehicle training at Docklands Campus.

Led clean energy skills

Australia's first hydrogen fuel cell vehicle and electric motorcycle training programs commenced at our Automotive Centre of Excellence. Backed by the Victorian Government and partners including Foton Mobility Distribution, Mining and Automotive Skills Alliance (AUSMASA)

and Savic Motorcycles, these pilots trained technicians and trainers from across the nation.

We also built clean energy labs in Bendigo and Broadmeadows campuses and launched pilot programs.

Expanded trades programs

We launched a new Certificate IV in Landscape Construction Management (AHC42021) – the first for Australian TAFEs. Specialised plumbing skillsets in areas like drainage and roofing were also introduced.

Set the benchmark for digital innovation

We became the first TAFE to accredit the Advanced Diploma of Digital Innovation as part of the Australian Skills Quality Authority's (ASQA) national pilot. Developed in just four months with partners such as the National AI Centre, Coles and Amazon, the program features stackable micro-credentials to meet urgent demand for digitally skilled workers.

Strengthened assessment and recognition pathways

Industry partnerships expanded assessment opportunities and accelerated certification. We partnered with Australian Institute of Health and Safety to support certification for overseas-qualified professionals, while endorsements from the Australian Sports Commission ensure our standards align with industry trends. We also worked with the Manufacturing Industry Skills Alliance to deliver a practical framework for succession planning and mentoring, addressing skill gaps and challenges in talent attraction and staff retention within the manufacturing industry.


We expanded the scope of occupations assessed under Designated Area Migration Agreements (DAMA), with new roles and local partnerships creating stronger pathways for communities and employers in areas like North Queensland, Goulburn Valley and Townsville.



Progressed campus builds


Construction commenced on the Hume Tech School at Broadmeadows Campus – a STEM hub designed to prepare students for advanced industries. Serving over 28,000 students annually across 28 local schools, this initiative reinforces future-focused education and strengthens pathways into high-demand careers.

We advanced the delivery of new campuses in Sunbury and Melton. In Sunbury, Spowers was appointed as architect and designs were released. In Melton, the Cobblebank campus site was confirmed, with Architectus appointed as principal design consultants.

 An impression of the new Sunbury Campus.

Shaped reform in skilled migration

Our largest-to-date Allyship Conference brought together 130 participants from 59 organisations to shape skilled migration policy and practice, ensuring Australia's workforce meets future needs.

 Three years strong, the Allyship conference shapes Australia's skilled migration future.



People and communities

Our priorities:

- Ensuring a compelling employee value proposition that attracts, retains, and nurtures our talent.
- Embedding an organisational culture that increases our impact, empowers employees, drives performance and celebrates diversity.
- Maximising the use of our resources to foster vibrant communities.

Invested in our people

We strengthened our employee value proposition by expanding professional development opportunities and fostering a culture of innovation. Our Educator Passport program was extended to skills assessors for the first time, supporting capability growth across our workforce. The annual all-staff conference saw 1,200 staff come together to align our shared goals as an integrated skills organisation and participate in breakout sessions focused on professional and personal development.



Reconciliation Week events took place at various campuses.

Commitment to Reconciliation

Our second *Innovate Reconciliation Action Plan* was launched, reinforcing our commitment to a culturally safe environment for all First Nations staff, students, and communities.

An interactive cultural map of Aboriginal Countries across Victoria was developed for staff, alongside practical resources to build inclusion. We advanced development of

our First Nations employment and retention roadmap and worked with partners like Killara Foundation and Nalderun Education Aboriginal Corporation to deliver tailored community services and education support programs for supporting First Nations learners.



Creativity meets code with a new mural in our digital classroom.

Created vibrant communities

Our campuses continued to serve as community hubs. Broadmeadows Campus hosted the inaugural Hume Merri-bek School Industry Roundtable and Career Education Collaboration Network, connecting educators, students and industry leaders to strengthen career pathways. At Cremorne, we partnered with the City of Yarra to create a pop-up park and commissioned murals at Cremorne and Essendon to enliven learning spaces.

We worked with community stakeholders to advance initiatives such as the Broadmeadows Revitalisation

Project and Bendigo East Urban Renewal Precinct, improving education and engagement across the regions we serve.

We also celebrated milestones with our communities, marking 50 years of hairdressing training in Bendigo and 10 years of transition and work education film festivals.

New diversity and inclusion initiatives

We advanced diversity and inclusion with a strong focus on women and gender-diverse initiatives. We joined the Building a Respectful Community partnership led by Women's Health in the North and partnered on three projects supported by the Australian Government's Building Women Careers Grant. Annual events such as Wear it Purple Day and Midsumma Pride March celebrated our people, students and customers.



Proudly marching and representing at Midsumma Pride March.

Organisational sustainability

Our priorities:

- Continuously improving our operations to drive superior performance, operational efficiency, and long-term financial sustainability.
- Implementing impactful ESG initiatives across our operations and achieving our emission reduction targets.
- Maturing into a highly agile and resilient organisation that adapts to changing market conditions, customer needs and technological advancements.

Leading the network on artificial intelligence

In collaboration with the Victorian Government and TAFE network, we launched a pilot to explore the use of artificial intelligence (AI) to streamline recognition of prior learning.

We also rolled out several initiatives to improve experience and processes. We introduced Cogniti, a platform designed for educators to create AI agents that can support student learning. A student pilot is planned for 2026. We also introduced an AI apprentice agent pilot to streamline enrolment processes and improve conversion rates, doing so by engaging apprentices and prospective students through outbound calls.

We continued building staff expertise in AI. More than 200 leaders participated in AI focused sessions, exploring practical applications and ethical considerations. We also held 'promptathons', hands-on AI training events for staff delivered in partnership with industry. With Microsoft 365 Copilot licences and our SAFEAI Framework, we are embedding responsible AI practices that uphold data security, integrity and innovation.

Smarter industry connections

We adopted a new sector-wide customer relationship management system – a major step forward in managing partnerships. This system centralises apprenticeship tracking and employer placements, enabling smarter coordination and improved opportunities for students. Rollout will expand to more staff providing a single platform to view and manage interactions.



New solar panels were installed at Echuca Campus.

Shaping a sustainable future

We established a sustainability and ESG (environmental, social and governance) action group to lead initiatives in climate adaptation, cultural awareness, responsible sourcing and embedding circular economy principles into our courses. Our sustainable energy solutions expanded with solar panels and electric vehicle chargers installed at Echuca and Bendigo City campuses, reducing emissions and supporting our long-term environmental targets. Initiatives like IT equipment recycling and participation in the Tertiary Sustainability Network further enabled us to drive progress in sustainability.

Global skills leadership

We helped to develop the Automotive Centre of Excellence Cambodia, with its first program launched in November, reinforcing our commitment to global partnerships and knowledge exchange in advanced automotive technologies. Across our campuses we hosted international delegations, strengthening collaboration and sharing best practice. We also contributed to the ASEAN TVET Council Regional Policy Dialogue, showcasing our leadership in technical and vocational education.



A delegation from Cambodia, led by Minister of Labour and Vocational Training, His Excellency Heng Sour, toured Broadmeadows Campus.

Awards and achievements



Laura Macpherson, CEO, and Janelle Arena, Chief Industry and Education Officer



Tarmi A'Vard, justice and community services teacher

2025 Australian Training Awards

Large Training Provider of the Year
Gold: Bendigo TAFE and Kangan Institute

Teacher of the Year (Runner-up)
Tarmi A'Vard, Bendigo TAFE

2025 Victorian Training Awards

Large Training Provider of the Year
Bendigo TAFE and Kangan Institute

Teacher of the Year
Tarmi A'Vard, Bendigo TAFE

2025 Victorian Multicultural Awards for Excellence

**Victorian Public Sector Diversity and Inclusion
Enhancement – Highly Commended**
VETASSESS

2025 Empowered Women in Trades (EWIT) Gala

Ally Award
Su Hauck, Bendigo TAFE

EWIT Champion
Melissa Tinetti, Kangan Institute

2025 WorldSkills Australia Championships

Automotive Mechanics (Bronze medal)
Michael Mercer, Kangan Institute

2025 Auscontact Excellence Awards (Vic/Tas)

Customer Contact Professional Award
Karen Sutton, VETASSESS

Operational Support Professional Award
Ruth Money, VETASSESS

“ Vocational education has the power to transform lives and strengthen communities, and I am proud to play a small part in that journey.”

Tarmi A'Vard

“(This award) highlights how vital operational support is in helping the team succeed.”

Ruth Money

2025 LearnX Awards

Online Learning (Industry Specific)
eWorks

eLearning Project (Industry Specific)
eWorks

2025 7News Young Achiever Awards Victoria

Inspirational TAFE Student Award
Maryam Safdari, Kangan Institute

2025 Australian Baking Industry National Scholarship Awards

Arthur E Denison Trophy
Ruwan Colombage, Kangan Institute

2025 AUS TAFE State Culinary Competition

Silver medal
Matilda Payne, Bendigo TAFE

2025 Master Builders Victoria (MBV) Apprentice of the Year Awards

Trainer of the Year
Torin Coakley, Bendigo TAFE

AIB Florence M. Taylor Award
Kirra Tranter, Bendigo TAFE

Developing Leader of the Year
Alexandra Thwaites, Bendigo TAFE

2025 Design Matters National Kick-off

Outstanding Student of the Year
Taylor Mann, Bendigo TAFE

2025 Melbourne International Flower and Garden Show

Challenger Achievable Gardens (Bronze)
Jakeb Sheahan, Bryn Wedgeford, Chantal Lund, Laura Hitchman, Shelley Sharp, Shelley Delaland, Katarina Powell, Kate Keating, Jacqueline Monks, Bendigo TAFE

2025 Re:act Regional Road Safety Campaign

Campaign winner
Samantha Mudford, Bendigo TAFE



Maryam Safdari, vocational English alumnus



Torin Coakley, carpentry teacher



Ruth Money, skills recognition administrator, and Karen Sutton, customer service centre case manager

Financial performance

	2025	2024	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Total income from transactions	287,648	279,725	239,782	192,911	191,374
Total expenses from transactions	-275,908	-250,003	-224,358	-206,741	-196,117
Total other economic flows	-1,395	-676	2,084	-868	-150
Net results	10,345	29,045	17,508	-14,698	-4,893
Changes to asset revaluation reserve	-	-	-	63,751	13,846
Comprehensive results	10,345	29,045	17,508	49,053	8,953
Total assets	625,851	607,958	593,508	576,427	496,600
Total liabilities	70,134	72,535	87,131	87,556	56,783
Net assets	555,717	535,423	506,377	488,871	439,817

In 2025, Bendigo Kangan Institute reported a positive EBITDA* result of \$18.9 million (excluding capital contributions), compared to a positive EBITDA result of \$7.1 million (excluding capital contributions) in 2024. The increase in EBITDA is primarily attributable to the recognition of service funding received from DJSIR in 2025 relating to 2026 as well as the sale of land at 31 The Avenue, Coburg, which generated proceeds of \$9.86 million during the year. Based on affordability, surplus funds at the end of the year will be reinvested back into the business to fund future operations and support the delivery of the institute's strategic plan.

The reduction in net result reflects a return to expected underlying operational performance in 2025, following the significant recognition of capital grant funding as income for the development of the Broadmeadows Health and Community Centre of Excellence, which was occupied in October 2024. In addition, capital funding received from DJSIR in 2025 has been accounted for as contributed capital in accordance with Financial Reporting Direction (FRD) 119, rather than being recognised as income as the asset is built.

Training revenues totalled \$210 million in 2025, representing an increase of \$9 million compared to 2024. This increase in income was partially offset by higher employment costs associated with servicing the growth, increased student services costs as well as investments in facilities (occupancy costs), technology and people to continually enhance the operations and delivery of education at Bendigo Kangan Institute.

As of 31 December 2025, Bendigo Kangan Institute's net assets were \$555.7 million, compared to \$535.4 million in 2024. The net assets position at 31 December 2025 includes a \$14.1 million loan payable to the Office of TAFE Coordination and Delivery. The increase of \$20.3 million in net assets reflects ongoing investment in our campuses and teaching equipment.

*EBITDA refers to earnings before interest, tax, depreciation and amortisation and excludes other economic flows (OEF).

Workforce profile

Bendigo Kangan Institute is committed to the recruitment, selection, support and retention of high-quality employees who will strengthen its capability to achieve strategic and organisational goals. Recruitment and selection for employment is based on merit and guided by principles which promote fair and equitable practice and enhance the organisation's ability to attract the best possible candidates.

Workforce disclosures

	December 2025						December 2024							
	All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender														
Women executives	7	7	0	0	0	7	7	5	5	1	0	1	4	4
Women (total staff)	865	711	494	298	651	73	59	835	699	491	238	627	106	73
Men executives	0	0	0	0	0	0	0	1	1	0	0	0	1	1
Men (total staff)	644	558	463	128	514	53	44	625	546	449	111	506	65	40
Self-described executives	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self-described (total staff)	8	5	3	3	5	2	0	4	3	1	3	3	0	0
Age														
15-24	14	10	6	2	7	6	3	10	8	7	2	7	1	1
25-34	183	154	123	47	144	13	11	189	165	135	32	148	22	17
35-44	412	356	274	94	318	44	38	369	319	254	62	283	53	36
45-54	409	351	276	100	325	33	26	386	341	256	82	308	47	33
55-64	372	313	230	115	290	27	23	373	319	233	102	297	38	22
Over 64	127	89	51	71	87	5	3	138	97	56	72	92	10	4
Total employees	1,517	1,274	960	429	1,170	128	104	1,465	1,249	941	352	1,135	171	113

Workforce disclosures (continued)

Note:

- Employees have been correctly classified in the workforce data collections.
- Members of TAFE Institute Boards are not included in these workforce data figures.
- Total staff by gender figures include executives (by gender) as required.
- All figures reflect employment levels for the final full pay period of 2025, in accordance with the general reporting requirements detailed in FRD22.

Performance and accountability framework FTE — for years ending 31 December 2025 and 2024

	Year ending 31 December 2025							Year ending 31 December 2024						
	Full Time		Part Time		Casual		Total	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT staff	601	88	96	27	0	2	814	540	85	91	11	0	2	729
Executive	0	7	0	0	0	0	7	0	6	0	0	0	0	6
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Teacher	330	4	132	8	29	1	504	298	3	127	3	21	0	452
Total	931	99	228	35	29	3	1,325	838	94	218	14	21	2	1,187

Governance




Functions, powers and duties

Bendigo Kangan Institute's functions, powers and duties are detailed in the *Education and Training Reform Act 2006* and the Constitution of Bendigo Kangan Institute.

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

- Ministerial Directions for TAFE Institutes
- Commercial Guidelines – TAFE Institutes
- TAFE Institute Strategic Planning Guidelines
- Standing Directions under the *Financial Management Act 1994*
- ASQA 2025 Outcome Standards for NVR Registered Training Organisations
- VRQA Guidelines for Non-School Providers Standards
- *Occupational Health and Safety Act 2004*
- *Public Administration Act 2004*
- *Privacy and Data Protection Act 2014*
- *Public Records Act 1973*
- *Gender Equality Act 2020*
- *Disability Act 2006*
- *Equal Opportunity Act 2010*
- *Carers Recognition Act 2012*
- *Modern Slavery Act 2018*
- *Child Wellbeing and Safety Act 2005*
- *Infringements Act 2006*
- Guidelines for Skilled Migration Assessing Authorities, Department of Employment and Workplace Relations
- Deed of Standing Offer, Trades Recognition Australia, Department of Education and Training.



 Cremorne Campus.

Organisational chart as at 31 December 2025

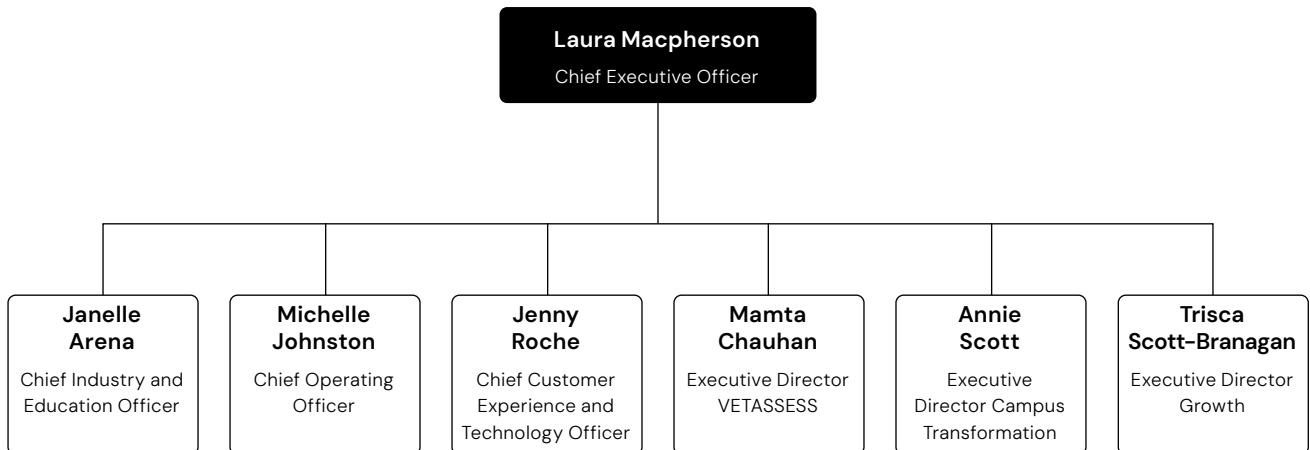
Board of Directors

- **Sharan Burrow AC (Chair)**
- **Professor Hal Swerissen (Deputy Chair)**
- **Anne Brosnan**
- **Elizabeth Joldeski**
- **Katrina Lai**
- **Cheryl Woollard**
- **Jamie Driscoll**
- **Craig Niemann**
- **Laura Macpherson**
- **Rudi Pavani**

Committees

- **Finance risk and audit**
- **Governance and culture**
- **Skills and growth**

Executive structure



Bendigo Kangan Institute Board

The Bendigo Kangan Institute Board was established under the Education and Training Reform Act 2006. The Board reports to the Hon Gayle Tierney MP, Minister for Skills and TAFE. It sets the strategic direction and oversees the operations of Bendigo Kangan Institute. While not responsible for executive management, Board committees engage constructively and professionally with management to discharge their advisory responsibilities and formulate advice to the Board.

Board of Directors

- **Sharan Burrow AC**
Board Chair
- **Professor Hal Swerissen**
Deputy Board Chair
- **Anne Brosnan**
- **Jamie Driscoll**
- **Elizabeth Joldeski**
- **Katrina Lai**
- **Cheryl Woollard**
- **Craig Niemann**
- **Rudi Pavani**
Staff Elected Director
- **Laura Macpherson**
Chief Executive Officer (From 20 October 2025)
- **Sally Curtain**
Chief Executive Officer (Until 29 August 2025)
- **Janelle Arena**
Interim Chief Executive Officer (1 September 2025 to 30 September 2025)
- **Michelle Johnston**
Interim Chief Executive Officer (1 October 2025 to 17 October 2025)

Governance and culture committee

- **Cheryl Woollard**
Chair
- **Anne Brosnan**
Deputy Chair
- **Sharan Burrow AC**
- **Elizabeth Joldeski**
- **Sally Curtain**
(Until 29 August 2025)
- **Laura Macpherson**
(From 20 October 2025)
- **Executive sponsor: Michelle Johnston**

Finance risk and audit committee

- **Katrina Lai**
Chair
- **Jamie Driscoll**
Deputy Chair
- **Sharan Burrow AC**
- **Craig Niemann**
- **Professor Hal Swerissen**
- **Cheryl Woollard**
- **Sally Curtain**
Standing attendee (Until 29 August 2025)
- **Laura Macpherson**
Standing attendee (from 20 October 2025)
- **Executive sponsor: Michelle Johnston**

Skills and growth committee

- **Professor Hal Swerissen**
Chair
- **Elizabeth Joldeski**
Deputy Chair
- **Anne Brosnan**
- **Sharan Burrow AC**
- **Katrina Lai**
- **Craig Niemann**
- **Rudi Pavani**
- **Sally Curtain**
(Until 29 August 2025)
- **Laura Macpherson**
(From 20 October 2025)
- **Executive sponsor: Janelle Arena**

Compliance



Freedom of Information Act 1982

Bendigo Kangan Institute complies with the Freedom of Information Act 1982 (FOI Act), which provides a statutory right of access – subject to exemptions and exceptions – to documents held by the Institute.

In accordance with Part II of the FOI Act, the Institute facilitates access to information wherever possible without requiring formal FOI requests, while ensuring compliance with privacy and confidentiality obligations.

The Institute publishes material relating to governance, organisational structure, learning and teaching, and community engagement functions. These publications are

available upon request, subject to the provisions of the FOI Act.

During the reporting period, Bendigo Kangan Institute prepared and submitted its FOI activity report for the period 1 July 2024 to 30 June 2025 to the Office of the Victorian Information Commissioner (OVIC) for inclusion in OVIC's Annual Report. During this period the Institute received one request for information under the FOI Act and 69 requests for personal information under the Privacy Act.

Information available on request

Subject to the provisions of the FOI Act, information that shall be retained by the accountable officer shall include:

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

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed above have been retained by Bendigo Kangan Institute and are available on request, subject to the provisions of the FOI Act.

All FOI enquiries should be directed to:

The Freedom of Information Officer
Bendigo Kangan Institute
Private Bag 299, Somerton
VIC 3062

or emailed to:

information@kangan.edu.au

Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* (VIC) encourages and supports individuals to report suspected improper conduct by public officers and public bodies. The Act provides protections for those who make disclosures in accordance with its provisions and establishes a framework for investigating such matters.

At Bendigo Kangan Institute, we actively review and monitor our integrity program, which includes our Speak Up service, ongoing fraud and corruption risk assessments, and regular reviews and communications on all integrity-related policies to ensure alignment with best practice.

Our integrity policies encourage staff, students, contractors, and members of the public to speak up about suspected improper conduct and clearly explain how protections apply. As Bendigo Kangan Institute cannot receive a public interest disclosure directly, our Public Interest Disclosure Coordinator and Integrity and Corruption Officer confidentially assist individuals in understanding the process and how to lodge a complaint with the Independent Broad-based Anti-Corruption Commission (IBAC). We also provide welfare support for those seeking to speak up.

Carers Recognition Act 2012

Bendigo Kangan Institute ensures that the rights and interests outlined in the *Carers Recognition Act 2012* are considered when delivering services to clients in a care relationship. We have taken all practical measures to comply with our obligations under the Act.

Bendigo Kangan Institute remains committed to the principles of the *Carers Recognition Act 2012*, ensuring these are considered in policy development and review processes.

Victorian Public Service Travel Policy

All overseas and domestic travel by employees of Bendigo Kangan Institute in 2025 was compliant with the Victorian Public Service Travel Policy updated on 28 February 2025 (published on Buying for Victoria).

National Competition Policy

Bendigo Kangan Institute operates in a contestable education and training market. We, along with our trading businesses, apply a pricing model and policy designed to maintain commercial competitiveness, consistent with the competitive neutrality principles outlined in Victoria's Competitive Neutrality Policy.

Our pricing policy and procedure set out how we comply with legislative requirements and government guidelines when determining prices for our programs, products, and services. We regularly review our activities to identify those subject to competitive neutrality obligations.

Staff involved in commercial decision-making receive training to understand and apply competitive neutrality principles in their work.

Building and maintenance

Bendigo Kangan Institute ensures all works requiring building approval are approved and certified by an independent and qualified building surveyor.

We require all building practitioners engaged to carry out major works provide current registration and insurance before commencing works. All buildings are maintained to a level of prescribed performance as specified in the essential safety measures maintenance manual.

Mandatory periodical checks and tests are undertaken to ensure compliance with the *Building Act 1993*, ensuring adherence to the latest versions of the *Building Regulations 2018* and the *National Construction Code (NCC) 2024* which references energy efficiency and resilience against climate-related risks.

Overseas operations

	TAFE student numbers	Revenue
International onshore	149	\$742,304
International offshore	47	\$9,700

We deepened existing global partnerships and expanded transnational education delivery in China, India and Cambodia. In China, we renewed our partnership with Jiaxing Nanyang Polytechnic Institute and committed to expanding the breadth of our offerings, currently focused on marine engineering. Our longstanding partnership with the International Automobile Centre of Excellence is widely recognised as a model for successful knowledge exchange, built on Australian delivery, assessment and industry engagement practices.

We marked a significant milestone by commencing operations at the Automotive Centre of Excellence – Cambodia (ACE-C) in Phnom Penh, a partnership with Cambodia’s Ministry of Labour and Vocational Training and RMA Cambodia PLC. Early achievements include establishing a state-of-the-art training facility, training teachers, and hosting a major Technical and Vocational Education and Training (TVET) Industry Partnerships event with over 600 attendees from government and industry. The formal opening of ACE-C is scheduled for March 2026.

We participated in key international policy discussions including the bilateral Australia–India Education and Skills Council meeting in India, jointly chaired by education and skills ministers from both countries – the second consecutive year of our involvement, which underscores our leadership in transnational vocational education and training (VET).

We also contributed to the ASEAN TVET Council 4th Regional Policy Dialogue in Malaysia, where we shared Australia’s innovative approaches to delivering VET in regional and rural areas.

Our centres of excellence in automotive, health and community services hosted high-profile international delegations from China, Vietnam, United States and Cambodia. These centres illustrate how cutting-edge technology, teaching innovation and industry engagement come together to deliver the industry-aligned skills needed in a rapidly changing global workforce.

VETASSESS maintained its strong presence in key skills assessment markets through offshore offices in Shanghai and New Delhi. Our in-country presence ensures efficiency and trust in our services by providing in-country pre-assessment support to applicants and undertaking local integrity checking. The international offices delivered key migration agent workshops in Beijing, Shanghai, New Delhi and Mumbai, in addition to supporting our wider initiatives.

We allocate resource and effort based on market opportunity and risk assessment. We work closely with Victorian and Australian government offshore representatives, align our activities with policy objectives and aim to increase Australia’s reputation and influence as a global leader in VET and apprenticeship models.

Risks associated with international operations include legal and regulatory, financial, intellectual property protection and operational. The Board approves projects based on a business case that includes risk assessment, legal compliance and financial due diligence. Agreements protect our interests while allowing for termination, cost recovery and dispute resolution.

Financial management compliance attestation statement

I, Sharan Burrow AC, on behalf of the Responsible Body, certify that for the period 1 January 2025 to 31 December 2025, the Bendigo Kangan Institute has no material compliance deficiency with respect to the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.



Sharan Burrow AC
Bendigo Kangan Institute Board Chair

24 February 2026



 Bendigo City Campus.

Consultancies expenditure

Consultancy contracts are engaged when specialist skills are required to provide professional, independent and expert advice to assist in making decisions. The total consultancy cost (excl. GST) incurred during 2025 was \$1.76 million. This expenditure comprised 0.64% of total expenditure across Bendigo Kangan Institute. Consultancy expenditure in 2025 increased from last year's consultancy expenditure (2024: \$1.07 million) as we accessed specialised expertise and capacity needed to support key strategic projects across IT system upgrades and workforce planning to support the delivery of key organisational priorities. Further details of these consultancy costs (excl. GST):

	Individually valued at \$10,000 or greater	Individually valued at less than \$10,000
Total number of consultants	23	3
Total expenditure	\$1,739,055.30	\$17,500.00

Details about these consultancies are publicly available on the [Bendigo TAFE](#) and [Kangan Institute](#) websites.

Advertising expenditure

Bendigo Kangan Institute services two TAFE brands – Kangan Institute and Bendigo TAFE – across metropolitan and regional Victoria. The tables below outline advertising expenditure for both brands and do not include other marketing-related expenses. In 2025 advertising expenditure was 0.74% of total expenditure across Bendigo Kangan Institute.

Kangan Institute							
Campaign name	Campaign summary	Start/end	Advertising and media	Creative development	Research	Print and collateral	Other campaign
Semester 1, 2025	Acquisition	Jan – Apr 2025	\$925,953.74	–	–	–	–
Semester 2, 2025	Acquisition	May – June 2025	\$140,134.09	–	–	–	–
	Acquisition	July – Sept 2025	\$34,863.05	–	–	–	–
Semester 1, 2026	Acquisition	Oct – Dec 2025	\$309,106.71	–	–	–	–
Bendigo TAFE							
Campaign name	Campaign summary	Start/end	Advertising and media	Creative development	Research	Print and collateral	Other campaign
Semester 1, 2025	Acquisition	Jan – Apr 2025	\$309,861.56	–	–	–	–
Semester 2, 2025	Acquisition	May – June 2025	\$94,320.11	–	–	–	–
	Acquisition	July – Sept 2025	\$74,533.97	–	–	–	–
Semester 1, 2026	Acquisition	Oct – Dec 2025	\$144,383.97	–	–	–	–

Information Communications Technology (ICT) expenditure

In 2025 Bendigo Kangan Institute continued to enhance digital platforms and improve ICT equipment and infrastructure across TAFE, eWorks and VETASSESS. We invested as planned in refreshing our ICT equipment and enhancing our asset management and accounts payable systems.

Business as usual ICT expenditure	Non-business as usual ICT expenditure	
	Operational	Capital
\$13,763,977.85	\$279,806.25	\$3,164,397.00

Compulsory non-academic fees, subscriptions and charges


Bendigo Kangan Institute has continued to waive its non-academic student services fees. Engagement and support services were provided to students in 2025 with some activities funded by government grant programs, including but not limited to on-campus and virtual events for students, counselling and welfare services, disability support services and student employment centre.

Major commercial activities

As part of the 2023 Victorian Budget, funding was announced for a \$55 million construction of Melton Campus. Construction is anticipated to commence in 2026 and the building is anticipated to open in mid-2028, supporting the delivery of skills and training in construction, associated trades and digital technologies.

The other major construction is Sunbury Campus. The project is backed by \$25 million in Victorian Government funding. Scheduled to open in mid-2028, the campus will support Sunbury's rapidly growing population and is being developed through extensive consultation with community, schools, industry and Traditional Owner representatives to ensure it reflects local needs and aspirations.



 Artist impression of the upcoming Sunbury Campus.

Health safety and wellbeing

Bendigo Kangan Institute is committed to the delivery of a positive health, safety and wellbeing culture, workplace and learning environment supported by our legal and social responsibilities.

In 2025 health, safety and wellbeing initiatives included:

- Developed and implemented a new incident and hazard reporting system, Safety Factors, to align with the new HRIS system for the organisation
- Undertook gap analysis of our health safety and wellbeing management system, People First Safety First, from ISO 45001 and 45003 perspectives
- Commenced the rebuild of the management system, including policy, procedure and guidelines
- Completed task analysis for education delivery teams to understand the job demands of each role, both cognitive and physical
- Provided support to employees to achieve recovery following workplace illness or injury as well as personal injury and illness, with a focus of early intervention
- Continued to support consultation on health, safety and wellbeing within the organisation via health safety committees and the Mental Health First Aid Community of Practice.

A key focus for 2025 was the review and development of our incident and hazard reporting system and its alignment to our human resources information system (HRIS). In addition to ensuring we meet the ISO standards, we undertook a detailed gap analysis of our management system, followed by commencing a review of the documentation. 2026 will see the implementation of the new People First Safety First system.

In 2025 there were 222 reported incidents causing injury or illness (including personal illness). Of these, 65 incidents were related to staff and 157 were related to students. Additionally, there were 436 reported hazards or near miss incidents, a 21 per cent increase compared to 2024. In total there were 658 incidents and hazards relating to staff and students. There were 18 lost time incidents reported during 2025, resulting in a final Lost Time Injury Frequency Rate (LTIFR) of 8.46 in 2025, a decrease from a reported LTIFR of 11.03 in 2024.

Category	2023	2024	2025	Commentary for material variances
Hazards/incidents (per 100 FTE)	29.3	46	51.01	We have seen a significant increase in reporting of incidents/hazards as 2025 saw the implementation of a new incident reporting system.
Lost time standard claims hazards/incidents (per 100 FTE)	0.69	1.6	2.11	In 2025 there was increase in lost time standard claims hazards/incidents.
Average cost per claim	\$84,350	\$90,553	\$143,910	There was an increase in cost of claims in 2025 due to the past long-term claims costs impacting. We continue to see a reduction in mental injury claims.

WorkCover claims

There were 36 active WorkCover claims (equivalent to 1.88 claims per 100 FTE staff) managed in 2025, including 25 claims which incurred cost. 4 of the 25 claims were of a psychological nature and 10 were of physical injury claims. In addition, 11 claims were closed in 2025.

Local Jobs First — Victorian Industry Participation Policy

Local content, employment and engagement											
	Castlemaine Learning Hub main works	Hume Tech School legal advisor	Hume Tech School architectural services	Castlemaine Learning Hub architect	Hume Tech School probity advisor	Castlemaine Learning Hub project manager	Security services	Hume Tech School head contractor	Melton Campus building surveyor	Melton Campus quantity surveyor	Melton Campus principal design consultant
Applied Local Jobs First Policy (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Strategic/standard projects	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard
Date registered with Industry Capability Network (ICN)	8.7.2024	18.3.2025	13.10.2023	13.10.2023	22.04.2024	15.07.2024	03.03.2025	14.04.2025	07.07.2025	30.06.2025	30.06.2025
Local jobs weighting applied	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Major Project Skills Guarantee (MPSG) applicable (Y/N)	Y	N	N	N	N	N	N	N	N	N	N
MPSG total number of hours	2.22	-	-	18.31	-	-	-	6.82	-	-	-
Local content committed (%)	91.8730%	97%	97%	97%	97%	97%	97%	94.73%	97%	97%	97%
Local content achieved (%)	96.09%	100%	100%	100%	0%	0%	99.99%	100%	0%	0%	0%
No. of small to medium enterprises (SMEs) in supply chain	51	0	12	0	0	0	5	547	0	0	0
Local jobs to be created – Standard Employees (hours)	2400	0	967	10	0	390	11856	9	0	115	1003
Local jobs to be retained – Standard Employees (hours)	12000	40	8705	2605	61	165	95865	17	263	1040	15062
Local jobs Commitment retained Achieved – Standard Employees (hours)	0	0	1434.25	40	18.35	15	8831.22	1213.04	0	0	0
Apprenticeships to be created	800	0	0	0	0	0	0	1	0	0	0

Local Jobs First — Victorian Industry Participation Policy (continued)

Local content, employment and engagement											
	Castlemaine Learning Hub main works	Hume Tech School legal advisor	Hume Tech School architectural services	Castlemaine Learning Hub architect	Hume Tech School probity advisor	Castlemaine Learning Hub project manager	Security services	Hume Tech School head contractor	Melton Campus building surveyor	Melton Campus quantity surveyor	Melton Campus principal design consultant
Apprenticeships to be retained	3200	0	0	0	0	0	0	1	0	0	0
Apprenticeships achieved commitment retained	320	0	0	0	0	0	0	0	0	0	0
Traineeships to be created	800	0	0	0	0	0	0	0	0	0	0
Traineeships to be retained	800	0	0	0	0	0	0	1	0	0	0
Traineeships achieved commitment retained	0.0000	0	0	0	0	0	0	0	0	0	0
Cadets to be created	0.0000	0	0	225	0	0	0	2	0	0	160
Cadets to be retained	0.0000	0	980	0	0	0	0	1	53	15	1284
Cadets achieved commitment retained	0.0000	0	0	252.50	0	0	0	0	0	0	0

All projects						
	Number of projects	Value	Average local content	Jobs created (hours)	Jobs retained (hours)	
Metro – Strategic	0	-	-	-	-	-
Regional – Strategic	0	-	-	-	-	-
Metro – Standard	8	\$22,255,000	97%	13950	121053	
Regional – Standard	3	\$3,275,000	97%	2800	14770	
Total	11	\$25,530,000	97%	16750	135,823	

Social procurement

Social procurement framework objective	Outcome	Metric	Unit of measure	2025 (Actual)
Number of social benefit suppliers engaged	Purchasing from social benefit suppliers	Number of social benefit suppliers engaged	Number	25
		Total expenditure with social benefit suppliers (excl. GST)	\$ (GST exclusive)	\$2,066,005.42
Opportunities for Victorian Aboriginal people	Purchasing from Aboriginal businesses	Number of Victorian Aboriginal business engaged	Number	15
		Total expenditure with Victorian Aboriginal businesses (excl. GST)	\$ (GST exclusive)	\$1,966,322.31
Opportunities for Victorian with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises	Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged	Number	2
		Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises (excl. GST)	\$ (GST exclusive)	\$35,046.36
Opportunities for Victorian priority jobseekers	Purchasing from Victorian social enterprises led by a mission for job readiness and employment of Victorian priority jobseekers	Number of Victorian social enterprises (led by a social mission for job readiness and employment of Victorian priority jobseekers engaged	Number	0
		Total expenditure with Victorian social enterprises led by a mission for job readiness and employment of Victorian priority jobseekers (excl. GST)	\$ (GST exclusive)	\$0.00
Sustainable Victorian social enterprises and Aboriginal businesses	Purchasing from Victorian social enterprises and First National businesses	Number of Victorian social enterprises engaged	Number	11
		Total expenditure with Victorian social enterprises (excl. GST)	\$ (GST exclusive)	\$112,411.21
		Number of Victorian Aboriginal businesses engaged	Number	15
		Total expenditure with Victorian Aboriginal businesses (excl GST)	\$ (GST exclusive)	\$1,966,322.31

Environmental performance

Bendigo Kangan Institute received Board approval for its first Environmental, Social and Governance (ESG) plan in 2025. The purpose of the plan is to ensure that we operate in a sustainable and responsible manner, considering not only financial performance but also the impact of our activities on the environment.

The plan provides a pathway to achieve the targets and will guide our investment decisions going forward. While much can be achieved through incremental upgrades of existing infrastructure and development of more aligned processes, achievement of all targets will be dependent on having the necessary funds and capabilities to fully implement this plan.

Energy use

In 2025 the Victorian Government State Purchasing Contract for Electricity, of which we are a member, moved to a 100% renewable energy supply from Red Energy. This contract provides electricity to sites using over 40MWh per year.

	Gas		
	Megajoules	CO ₂ tonne	Per building GFA m ²
Bendigo City	2,893,987	162.06	181.69
Broadmeadows	6,372,900	356.90	231.35
Bendigo Technical Education College (BTEC)	77,823	4.35	58.51
Castlemaine	N/A	N/A	N/A
Charleston Road	1,934,588	108.34	94.02
Cremorne	1,540,484	86.27	130.02
Docklands	5,702,590	319.35	298.53
Echuca	438,715	24.57	146.24
Essendon	N/A	N/A	N/A

Water

We invested in a new domestic water line at Broadmeadows Campus, to be installed in 2026.

Campus	Water consumption (kl)
Bendigo City	5,234
Broadmeadows	15,717
Bendigo Technical Education College (BTEC)	2,205
Castlemaine	52
Charleston Road	2,775
Cremorne	1,543
Docklands	2,271
Echuca	880
Essendon	580
Total water consumption	31,257
Total water consumption per FTE	23.59

Transport

We continued to move to a more environmentally friendly fleet. All new purchases are either electric vehicles or hybrids. This will eventually remove all standard petrol cars from our fleet.


The uptake in usage of the new vehicles has initially caused an emissions increase however we have also seen a reduction in private vehicle use.

Transport type	Status	Vehicle quantity	Distance travelled	Co ₂ emissions (Tonnes)
Light vehicles (ICE)	Owned	1	7,694	1.58
Light commercial (ICE)	Owned	9	104,250	19.86
Heavy commercial (ICE)	Owned	3	57,034	15.4
Electric vehicle	Leased	10	100,000	0.1
Light vehicle (HEV)	Leased	43	476,625	43.37
Light commercial (ICE)	Leased	18	413,935	81.13
Total		84	N/A	204.97

Travel

Travel Type	CO ₂ emission (Tonnes)
Air travel - domestic	160.55
Air travel - international	229.77
Accommodation	99.37
Car rental	92.08



 Echuca Campus.

Waste

This table reflects total waste (kg) per stream per month at all campuses.

Total waste summary (Kg)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025 total
General waste	10,818	26,995	20,356	19,974	25,764	50,141	16,630	23,966	14,261	32,809	15,884	27,650	285,248
Paper and cardboard	1,225	2,226	1,490	1,335	1,890	1,555	1,425	1,515	1,695	1,905	1,305	1,020	18,586
E-Waste recycle	0	0	65	50	60	55	70	0	0	125	60	50	535
Comingle recycle	355	715	975	785	720	685	1230	725	530	790	365	245	8,120
Recycle %	12.74	9.82	11.05	9.80	9.39	4.38	14.08	8.55	13.50	7.91	9.82	4.54	8.72

This table reflects total annual general waste (kg) per campus.

Campus	Total general waste (kg)
Broadmeadows	169,120
Bendigo - City Campus	18,681
Bendigo - Charleston Rd	27,654
Castlemaine	1,175
Cremorne	10,619
Echuca	4,344
Essendon	10,550
Docklands	43,105
Metro total	233,394
Regional total	51,854
All campuses total	285,248


Financial statements



Independent Auditor's report

Independent Auditor's Report

To the Board of Bendigo Kangan Institute



Victorian Auditor-General's Office

Opinion	<p>I have audited the financial report of Bendigo Kangan Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2025 • 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 material accounting policy information • declaration by Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presents fairly the financial position of the institute as at 31 December 2025 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</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 – Simplified Disclosures, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</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>

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

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 and business activities within the institute to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the institute. I remain solely responsible for my audit opinion.

Auditor’s responsibilities for the audit of the financial report (continued)

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

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



Kevin Chan
as delegate for the Auditor-General of Victoria

MELBOURNE
6 March 2026

Declaration

BENDIGO KANGAN INSTITUTE
FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

**DECLARATION BY BOARD CHAIR
CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER**

The attached financial statements for the Bendigo Kangan Institute have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2025 and financial position of the TAFE as at 31 December 2025.

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.

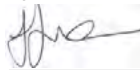
The Board Chair, Chief Executive Officer, and Chief Financial Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of Bendigo Kangan Institute.



Ms. Sharan Burrow, Board Chair

Date: 24 February 2026

Melbourne



Ms. Laura Macpherson, Chief Executive Officer

Date: 24 February 2026

Melbourne



Mr. Peter Healey, Chief Financial Officer

Date: 24 February 2026

Melbourne

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Bendigo Kangan Institute has presented its audited General-Purpose Financial Statements – Simplified Disclosures for the financial year ended 31 December 2025 in the following structure to provide users with the information about the TAFE's stewardship of resources entrusted to it.

BENDIGO KANGAN INSTITUTE

Comprehensive Operating Statement

For the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
<u>Revenue and income from transactions</u>			
Government grants			
Operating grants - revenue	2.1.1	87,812	79,377
Operating grants - income	2.1.1	51,408	35,623
Capital grants - income ¹	2.1.2	11,005	36,879
Revenue from fees, charges and sales	2.2	122,884	122,330
Other revenue	2.3	11,449	1,821
Other income	2.3	3,090	3,693
Total revenue and income from transactions		287,648	279,723
<u>Expenses from transactions</u>			
Employee benefits	3.1.1	195,603	173,934
Depreciation and amortisation		22,066	17,555
Supplies and services	3.3	43,493	41,588
Other operating expenses	3.4	14,746	16,925
Total expenses from transactions		275,908	250,002
Net result from transactions		11,740	29,721
<u>Other economic flows included in net result</u>			
Net gain/(loss) on financial instruments	9.1a	(1,451)	(892)
Net gain/(loss) on non-financial assets	9.1b	55	216
Total other economic flows included in net result		(1,395)	(676)
Net result		10,345	29,045
<u>Other economic flows - other comprehensive income</u>			
		-	-
Comprehensive result		10,345	29,045

The accompanying notes form part of these financial statements.

¹ Capital grants - income - refer to policy changes in note 1.1

BENDIGO KANGAN INSTITUTE

Balance Sheet

As at 31 December 2025

	Note	2025 \$'000	2024 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	6.1	66,657	46,065
Receivables	5.1	23,724	24,893
Investments and other financial assets	4.4	500	500
Total financial assets		90,881	71,458
Non-financial assets			
Property, plant and equipment	4.1	525,221	525,829
Intangible assets	4.2	2,681	3,667
Other non-financial assets	5.2	7,068	7,003
Total non-financial assets		534,970	536,500
Total assets		625,851	607,958
LIABILITIES			
Payables	5.3	8,693	7,540
Contract liabilities	5.4	11,767	20,370
Employee provisions	5.5	35,574	30,535
Borrowings	6.2	14,100	14,090
Total liabilities		70,134	72,535
Net assets		555,717	535,422
EQUITY			
Accumulated surplus / (deficit)	9.2	89,094	78,749
Contributed capital ¹	6.3	256,712	246,762
Reserves	9.2	209,911	209,911
Net worth		555,717	535,422

The accompanying notes form part of these financial statements.

¹ Contributed capital - refer to policy changes in note 1.1

BENDIGO KANGAN INSTITUTE

Statement of Changes in Equity

For the year ended 31 December 2025

	Reserves \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
As at 1 January 2024	209,911	49,704	246,762	506,378
Net result for the year		29,045		29,045
Total comprehensive income		29,045		29,045
Year ended 31 December 2024	209,911	78,749	246,762	535,422
Net result for the year		10,345		10,345
Total comprehensive income		10,345		10,345
Contribution by owners ¹			9,950	9,950
Year ended 31 December 2025	209,911	89,094	256,712	555,717

The accompanying notes form part of these financial statements.

¹ Contribution by owners- refer to policy changes in note 1.1

BENDIGO KANGAN INSTITUTE

Cash Flow Statement

For the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government contributions ¹		149,628	139,257
Receipts from customers - fees, charges and sales		117,572	124,360
Net Goods and services tax recovered from the ATO		(391)	352
Interest received		2,501	3,253
Other receipts		11,645	1,696
Total receipts from operating activities		280,955	268,918
Payments			
Payments to employees		(186,654)	(164,838)
Payments to suppliers		(64,635)	(69,066)
Net Goods and services tax paid to the ATO		997	211
Total payments from operating activities		(250,292)	(233,692)
Net cash flows from / (used in) operating activities		30,662	35,226
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemptions of investments		-	(500)
Payments for investments		-	(45,386)
Payments for property, plant and equipment		(19,749)	-
Payments for intangible assets		(271)	-
Net cash flows from / (used in) investing activities		(20,020)	(45,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions ²		9,950	-
Net cash flows from / (used in) financing activities		9,950	-
Net increase / (decrease) in cash and cash equivalents		20,592	(10,660)
Cash and cash equivalents at beginning of year		46,065	56,724
Effect of foreign currency transactions			
Cash and cash equivalents at end of year	6.1	66,657	46,065

The accompanying notes form part of these financial statements.

¹ Government Contributions - refer to policy changes in note 1.1

² Capital Contributions- refer to policy changes in note 1.1

1. ABOUT THIS REPORT

Bendigo Kangan 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).

Bendigo Kangan Institute is a Technical and Further Education (TAFE) provider, based in metropolitan Melbourne and the Bendigo region of Victoria.

Its registered office and principal address is:

Bendigo Kangan Institute
62-104 Charleston Road
Bendigo, VIC 3550
Australia

1.1 Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and Financial Reporting Direction 101 Application of Tiers of Australian Accounting Standards (FRD 101).

Bendigo Kangan Institute is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. Bendigo Kangan Institute's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As Bendigo Kangan Institute is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 January 2025.

These financial statements are presented in Australian dollars, the functional and presentation currency of Bendigo Kangan Institute (the "TAFE"). 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.

1. ABOUT THIS REPORT

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

Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

Effective 1 January 2025, the Department of Jobs, Skills, Industry and Regions (DJSIR), the TAFE's portfolio department, designates capital grants to TAFEs as Additions to the Net Assets Base (ATNAB) and, in accordance with FRD 119 *Transfers through contributed capital*, is required to transfer this funding to its portfolio agencies via contributed capital. This is a change as the TAFE's previous portfolio department designated capital grants to TAFE as capital grant expense through the comprehensive operating statement, which TAFE recognised as grant income. The TAFE continues to record capital grants received from any other Victorian Government Departments, Commonwealth Government, and Other States and Territories and Local Governments as capital grant income, which is recognised in the comprehensive operating statement.

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

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

- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring TAFE'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);
- 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.

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

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

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

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.

These financial statements cover the TAFE as an individual reporting entity. Bendigo Kangan Institute had no controlled entities for the period ended 31 December 2025.

1. ABOUT THIS REPORT

Funding risk

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

The TAFE has substantial economic dependency on Government Operating and Capital Contributions in particular, the Department of Jobs, Skills, Industry and Regions.

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

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

1.2 Compliance information

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

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

Accounting policies selected and applied in these financial statements ensure 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.

2. HOW WE EARNED OUR FUNDS

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

Operating grants

The TAFE receives numerous operating grants from the Department of Jobs, Skills, Industry and Regions (DJSIR) to assist with its operations. Grants such as TAFE Services Fund and other grants assist the TAFE with operational costs for Maintenance and Asset Management and in better servicing special community needs.

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

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

Capital grants

During the current year, the TAFE received \$16,138,000 government contributions upon successful completion of milestones of different projects like Hume Tech School, Sunbury Campus, Melton Campus and Dhelkaya community and Health. Of this amount, \$9,950,000 was received from DJSIR for the Sunbury Campus, Melton Campus and Dhelkaya projects, have been recognised as contributed capital. Refer to policy changes in note 1.1

In 2023, the TAFE was allocated a \$55,000,000 capital works grant to be paid between 2025 and 2027 for the construction of Melton Campus, focusing on delivering skills and training in areas such as construction, associated trades and digital technologies. During the year, the TAFE received \$6,250,000 towards the Melton Campus constructions. Additionally, in 2024, the TAFE was allocated a \$25,000,000 capital works grant for the construction of Sunbury Campus. During the year, the TAFE received \$3,200,000 for the construction of this project. The Sunbury campus is set to delivering course program with the focus on digital technologies, early childhood education, community services, pre-apprenticeships and industry-specific short courses. Both projects are funded by DJSIR, have been recognised as contributed capital.

The TAFE received \$1,200,000 for the construction of Sunbury Campus in 2024. Of this amount, \$547,423 has been recognised as Income as the Campus is built in 2025. This is consistent with capital grants that were received and recorded prior to 1 January 2025. Refer to policy changes in note 1.1.

2. HOW WE EARNED OUR FUNDS

2.1 Government grants

2.1.1 Revenue and income from government grants

	2025 \$'000	2024 \$'000
Grants and other transfers		
Government grants – operating revenue		
Government – contestable		
DJSIR	87,812	79,248
Other Vic. Government Departments	-	-
Other States, Territories, Local Govt.	-	-
Commonwealth government – contestable		
Commonwealth	-	129
Total government grants - operating revenue	87,812	79,377
Government grants – operating income		
Government – other grants		
DJSIR	49,005	35,623
Other Vic. Government Departments	2,404	-
Other States, Territories, Local Govt.	-	-
Commonwealth government - other grants		
Commonwealth	-	-
Total government grants - operating income	51,408	35,623
Total government grants – operating	139,220	115,000

Revenue and income from government grants

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

In December 2025, \$11,427,647 was received in relation to the Victorian Common Funding Agreement for the 2026 TAFE Services Fund which covers the delivery of Asset maintenance, Student Services, Workforce Funding, Governance and Priority Access Course Funding for the period from January 2026 to March 2027. In accordance with AASB 1058 Income of Not-for-Profit Entities, the funding was recognised as income upon receipt and has been recorded in 2025.

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

2. HOW WE EARNED OUR FUNDS

Revenue from government grants

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

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

Income from government grants

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

- contributions by owners, in accordance with AASB 1004
- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137

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

2. HOW WE EARNED OUR FUNDS

Source of Funding	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to Victorian state government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers.	The funding agreement for these grants outlines the performance obligations to provide education services to eligible students. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB15.	Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.
State government – other grants	Refers to funding that is not recognised as contestable and includes specific purpose grants.	In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The TAFE recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract.	
		Where performance obligations are sufficiently specific in accordance with AASB15.	Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.

Note: the above accounting policies shall be reassessed by the TAFEs at the end of each reporting period to determine whether they remain appropriate and amended as needed. The list of examples above are also not exhaustive.

2. HOW WE EARNED OUR FUNDS

2.1.2 Capital grants

	2025 \$'000	2024 \$'000
Government grants - capital		
DJSIR State government - Capital (i)	4,223	35,817
Other State government – capital	6,782	1,062
Commonwealth government grants	-	-
Total government grants – capital	11,005	36,879
Total government grants	150,226	151,880

(i) Refer to Note 1.1 for recording of capital grants received from DJSIR the Portfolio Department.

Income Type	Nature	Performance obligation	Timing of satisfaction
State government – capital	Where the TAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the TAFE.	Whilst the TAFE has an obligation acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB interpretation 1038 Contributions by Owners made to Wholly-owned public sector entities. Capital grants from DJSIR that were received prior to 1 January 2025 will continue to be recorded as Income as the Asset is built.	When the capital contributions are made from DJSIR to the TAFE.

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales

	2025 \$'000	2024 \$'000
Student fees and charges	18,737	11,597
Fee for service – government	32,542	30,964
Fee for service – international operations – onshore	742	475
Fee for service – international operations – offshore	8,149	9,685
Fee for service – other	62,283	69,144
Other non-course fees and charges		
Sale of Goods	430	465
Total revenue from fees, charges and sales	122,884	122,330

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

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

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

The TAFE uses a variety of metrics to recognise revenue over time in line with AASB 15. This is because of the varying degrees and methods of delivery of performance obligations. For example, the TAFE recognises Student Fees and Charges based on actual student contact hours, but Fee For Service activities are recognised based on delivery of service.

2. HOW WE EARNED OUR FUNDS

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	<p>The TAFE provides educational services to eligible domestic students.</p> <p>Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.</p>	Provision of education services	<p>Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.</p> <p>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.</p>
Fee for service – government	Relates to course fees funded by State government departments (excluding revenue/income recognised in note 2.1.1).	Provision of services	<p>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.</p> <p>Where fee for service revenue 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.</p>
Fee for service – International onshore/offshore	Relates to international student course fees and other revenue for onshore and offshore training operations.		
Fee for service – other	Relates to revenue from training programs to domestic students (who are not eligible for a government funded subsidy) and private organisations (industry)		
Revenue from sale of goods		Delivery of goods	<p>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.</p>

2. HOW WE EARNED OUR FUNDS

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);
- federal government assistance (VET Student Loan); and/or
- invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 21 days).

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

2.3 Other Revenue and Income

	2025 \$'000	2024 \$'000
Landsale - 31 The Avenue, Coburg	9,860	-
Other revenue	1,589	1,821
Total other revenue	11,449	1,821
Interest income	2,501	3,254
Scholarships		
Rental income	557	425
Donations, bequests and grants	31	15
Overhead recovery		
Income from sub-leasing right-of-use assets	-	-
Other income	-	-
Revenue related to service concession arrangements		
Total other income	3,090	3,693
Total revenue and other income	14,539	5,514

In December 2025, the TAFE completed the settlement of the sale of land located at 31 The Avenue, Coburg, generating net proceeds of \$9.86 million. The land was controlled by the portfolio department (DJSIR) and was recognised as an asset held for sale in the department's financial statements. Approval was provided for the Institute to retain the sale proceeds to repay the loan facility with the department.

The TAFE has entered into an agreement with the Department of Education and Training, now administered under the Department of Jobs, Skills, Industry and Regions (DJSIR), for a loan facility with a term of five years from the date of commencement, 13 January 2023. The loan is repayable on 30 June 2028 or within six calendar months after the date of settlement of the property that is controlled by the portfolio department (DJSIR). The loan amount must be used by the TAFE to meet its financial obligations and to maintain sufficient liquidity to meet working capital requirements. Refer to note 6.2 for advances from government.

2. HOW WE EARNED OUR FUNDS

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Interest	Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets
Rental income from operating leases	The TAFE receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. The TAFE also receives rental income from long term lease arrangements with third parties. Refer to Note 2.3.1 for The TAFE's lessor accounting policy.	None	Rental income is recognised on a time proportional basis and is brought to account when The TAFE'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 the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.

2. HOW WE EARNED OUR FUNDS

2.3.1 Leases receivable

	2025 \$'000	2024 \$'000
Receivable:		
Within one year	738	241
Later than one year but not later than five years	1,182	413
Later than five years	174	167
Total leases receivable	2,094	821
GST payable on the above	209	82
Net operating leases receivable	1,885	739

When the TAFE is a lessor, a lease is classified as an operating lease when it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. Indicators such as whether the lease is for the major part of the economic life of the asset are considered as part of this assessment. Payments received under operating leases are recognised as income on a straight-line basis over the lease term and are included under the line item - rental income.

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

	2025 \$'000	2024 \$'000
Salaries, wages, annual leave and long service leave	162,076	142,103
Superannuation	17,146	14,545
Termination benefits	852	3,099
Other employee-related expenses (payroll tax, workers compensation, mental health levy)	15,529	14,187
Total employee benefits	195,603	173,934

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

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

3. HOW WE EXPENDED OUR FUNDS

3.2 Superannuation

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

The TAFE 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 the TAFE are as follows:

	2,025 \$'000	2024 \$'000
State Superannuation Fund – revised and new	76	97
Total accumulation contribution plans	17,070	14,448
Total paid contribution for the year	17,146	14,545

Accumulation contribution plans

Contributions are expensed when they become payable.

The basis for contributions are determined by the various schemes.

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

3. HOW WE EXPENDED OUR FUNDS

3.3 Supplies and services

	2025 \$'000	2024 \$'000
Building repairs and maintenance	2,583	2,110
General consultancy	8,376	12,526
Contractors	22,518	17,674
Communication expenses	1,952	1,551
Cost of goods sold / distributed (ancillary trading)	-	-
Legal expenses	1,140	508
Purchase of supplies and consumables	6,923	7,219
Total supplies and services	43,493	41,588

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 Other expenditure commitments

Commitments for future maintenance, repairs and ICT Licences in existence at reporting date but not recognised as liabilities are as follows:

	2025 \$'000	2024 \$'000
Within one year	8,535	3,656
Later than one year but not later than five years	11,373	2,431
Later than five years		
Total other expenditure commitments	19,908	6,087
GST payable on the above	1,810	542
Net other expenditure commitments	18,098	5,545

3. HOW WE EXPENDED OUR FUNDS

3.4 Other operating expenses

	2025 \$'000	2024 \$'000
Audit fees and services	470	393
Insurance	1,249	967
Marketing and promotional expenses	2,160	4,516
Staff development	1,670	2,209
Travel and motor vehicle expenses	2,217	2,469
Utilities	2,556	2,152
Expenses relating to short-term leases	461	1,017
Expenses relating to low-value leases	24	24
Bad debt expense	4	87
Other	3,935	3,091
Total other operating expenses	14,746	16,925

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.

Marketing and promotional expenses include all items for all four trading brands including student and other events, production, print and advertising.

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

In accordance with government purpose classifications (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), the TAFE'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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Land	149,503	149,503			149,503	149,503
Buildings	362,883	306,066	(32,078)	(19,714)	330,805	286,352
Construction in progress	15,100	57,138			15,100	57,138
Plant and equipment	91,430	86,670	(64,409)	(56,742)	27,021	29,928
Motor vehicles	1,310	2,221	(1,213)	(2,090)	97	131
Leasehold improvements	0	506	(0)	(483)	0	23
Cultural assets	4,836	4,836	(2,141)	(2,082)	2,695	2,754
Total carrying amount	625,062	606,941	(99,841)	(81,111)	525,221	525,829

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.

Under AASB 116 Property, Plant and Equipment, each significant part of an asset must be identified and depreciated on its own. Components with similar useful lives and depreciation methods are grouped together. The TAFE has applied this componentisation approach in accordance with AASB 116, ensuring its asset depreciation practices are consistent with accounting standards and reflect an accurate useful life of an asset consumption.

4. THE ASSETS WE INVESTED IN

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 it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

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

For the majority of the TAFE's specialised buildings, current replacement cost is used to value the asset. Current replacement cost is adjusted for the associated depreciation

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2022. For the year ended 31 December 2025, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment.

Revaluations of non-financial physical assets

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

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

4. THE ASSETS WE INVESTED IN

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	Cultural assets \$'000	Total \$'000
2025								
Opening net book amount	149,503	286,352	57,138	29,928	131	23	2,754	525,829
Additions		56,817	14,779	5,041				76,637
Revaluations								-
Disposals	-	-	-	-	-	(12)	-	(12)
Transfers			(56,817)					(56,817)
Depreciation		(12,364)		(7,948)	(34)	(11)	(59)	(20,415)
Net carrying amount	149,503	330,805	15,100	27,021	97	0	2,695	525,221

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Cultural assets \$'000	Total \$'000
2024								
Opening net book amount	149,503	292,195	26,908	24,498	86	48	2,813	496,052
Additions	-	4,028	31,442	10,085	72	-	-	45,626
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	(1,213)	1,213	-	-	-	-
Depreciation	-	(9,870)	-	(5,867)	(27)	(25)	(59)	(15,848)
Net carrying amount	149,503	286,352	57,138	29,928	131	23	2,754	525,829

4. THE ASSETS WE INVESTED IN

4.1.2 Capital commitments

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

	2025 \$'000	2024 \$'000
Payable		
Within one year	30,644	29,378
Later than one year but not later than five years	46,658	6,920
Later than five years		
Total capital expenditure commitments	77,302	36,298
GST payable on the above	7,027	3,300
Net capital expenditure commitments	70,274	32,998

The increase in capital commitment is for the capital project for the Hume Tech School, as well as construction works at the Melton and Sunbury campuses.

4.2 Intangible assets

The TAFE has capitalised expenditure for the Development of Online Learning Modules. Additions for 2025 relate to the TAFE's student management system and content creation.

	2025 \$'000	2024 \$'000
Gross carrying amount		
Opening balance	30,166	29,656
Additions	664	510
Closing balance	30,829	30,166
Accumulated amortisation and impairment		
Opening balance	(26,498)	(24,765)
Amortisation charge	(1,650)	(1,733)
Closing balance	(28,148)	(26,498)
Net carrying amount at end of the year	2,681	3,667

4. THE ASSETS WE INVESTED IN

Initial recognition

Internally generated intangible assets

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

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

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

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

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

Judgement is required in determining whether:

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

Subsequent measurement

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

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. THE ASSETS WE INVESTED IN

4.3 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment, freehold buildings, right-of-use assets and service concession 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 the TAFE 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	5 – 60 years (2024: 5 – 60 years)	Straight Line
Plant and equipment	2 – 13 years (2024: 3 – 10 years)	Straight Line
Motor vehicles	5 – 10 years (2024: 6.6 years)	Straight Line
Leasehold improvements	3 – 6 years (2024: 5 – 6 years)	Straight Line
Land improvements	10 – 40 years (2024: 15 – 40 years)	Straight Line
Right of use assets	Lease term (2024: lease term)	Straight Line
Software	3 – 4 years (2024: 3 – 4 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.

Buildings are depreciated using the useful life of each component of the building on a straight line basis with a range between 5 and 60 years.

4.4 Investments and other financial assets

	2025 \$'000	2024 \$'000
Current investments and other financial assets		
Equity investment	500	500
Managed investments	-	-
Non-current investments and other financial assets		
Total investments and other financial assets	500	500

The TAFE has an equity investment in Cremorne Digital Hub (CDH) which is held at cost. The shares held in CDH are non-interest bearing equity investment

Initial recognition

Immediately upon acquisition, financial assets are measured initially at cost and subsequently revalued at fair value. Where a financial asset is received for no or nominal consideration, the cost is the financial asset's fair value at the date of acquisition.

Subsequent measurement

Where there is an indication that the value of a financial asset has changed, these assets are subsequently measured at fair value. Fair value is determined with regard to the financial asset's market price and is summarised by asset category.

5. BALANCES FROM OPERATIONS

5.1 Receivables

	2025 \$'000	2024 \$'000
Current - at amortised cost		
Trade receivables	13,555	13,572
Loss allowance on trade receivables	(6,361)	(5,049)
Other receivables	45	383
Accrued income	15,159	15,052
Total receivables from contracts with customers	22,398	23,958
Statutory		
GST input tax credit recoverable	1,326	935
FBT input tax credit recoverable	-	-
Total current receivables	23,724	24,893

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. The TAFE 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.

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

5. BALANCES FROM OPERATIONS

Impairment

The TAFE 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.

5.2 Other non-financial assets

	2025 \$'000	2024 \$'000
Current		
Prepayments	7,068	7,003
Total current other non-financial assets	7,068	7,003
Non-current		
Prepayments	-	-
Total non-current other non-financial assets	-	-
Total other non-financial assets	7,068	7,003

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.

5.3 Payables

	2025 \$'000	2024 \$'000
Current		
Contractual - at amortised cost		
Supplies and services	6,791	6,658
Total contractual payables	6,791	6,658
Statutory		
GST payable	1,855	858
FBT payable	47	24
Other taxes payable	-	-
Total statutory payables	1,902	882
Total current payables	8,693	7,540

Payables consist of:

- contractual payables, such as accounts payable and refund liabilities. Accounts payable represent liabilities for goods and services provided to the TAFE prior to the end of the financial year that are unpaid, and arise when the TAFE 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.

5. BALANCES FROM OPERATIONS

5.4 Contract and other liabilities

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

	2025 \$'000	2024 \$'000
Contract liabilities		
Student fees	9,295	13,187
Fee for service	871	915
Total contract liabilities	10,166	14,102

Contract liabilities

Any fees received by the TAFE during the current reporting period in respect of performance obligations that have not been satisfied are classified as a liability and recognised as a contract liability.

	2025 \$'000	2024 \$'000
Other liabilities		
Deferred capital grants (i)	1,601	6,268
Total other liabilities	1,601	6,268

Deferred capital grants

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

Refer to Note 1.1 for recording of capital grants received from DJSIR the Portfolio Department.

	2025 \$'000	2024 \$'000
Contractual		
Deferred capital grants at beginning of the year	6,268	21,635
Grant consideration for capital works received during the year	6,188	27,418
Grant consideration recognised as income under AASB 1058	(10,855)	(42,784)
Closing balance of deferred capital grants	1,601	6,268

5.5 Employee benefits in the balance sheet

	2025 \$'000	2024 \$'000
Current Provisions		
Employee benefits		
Annual leave	12,198	10,423
Annual leave - on cost	1,161	918
Long service leave	15,406	12,434
Long service leave - on cost	1,451	2,643
Total current provisions	30,216	26,418
Non-Current Provisions		
Long service leave	4,683	3,396
Long service leave - on cost	674	721
Total non-current provisions	5,357	4,117
Total employee provisions	35,573	30,535

5. BALANCES FROM OPERATIONS

The leave obligations cover the TAFE'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 \$30,216,000 (2024: \$26,418,000) is presented as current, since the TAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the TAFE does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

5.6 Other provisions

	2025 \$'000	2024 \$'000
Make good provision	-	-
Total other provisions	-	-

Provisions

Provisions are recognised when the TAFE 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.

Make good provision

The TAFE recognises a provision for make good obligations in respect of leased premises where it has a present obligation to restore the premises to their original condition at the end of the lease term. The corresponding cost is capitalised as part of the right of use asset and depreciated over the lease term.

Reconciliation of other provisions

	2025 \$'000	2024 \$'000
Opening balance	-	-
Adjustments resulting from re-measurement or settlement without cost	-	-
Closing balance	-	-

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank and on hand	66,657	46,065
Total cash and deposits	66,657	46,065

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

6.2 Borrowings

	2025 \$'000	2024 \$'000
Current		
Advances from Government	14,100	14,100
Non-current		
Advances from Government	-	(10)
Total borrowings	14,100	14,090

Advances from Government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, and where applicable, adjusted for transaction costs. The TAFE received \$14.1 million from the Department of Education and Training (now under DJSIR) on 13 January 2023. This facility is for a period of 5 years from date of commencement, with a repayment date on 30 June 2028 or within six calendar months after the date of settlement of property. The loan amount must be used by the TAFE to meet its financial obligations and maintain liquidity to meet its working capital requirements. In 2025, the TAFE completed the settlement of the land sale at 31 The Avenue, Coburg. The transaction delivered net proceeds of \$9.86 million. Refer note 2.3 for revenue from the land sale.

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

For advances at amortised cost, any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

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

6.3 Contributed capital

	2025 \$'000	2024 \$'000
Balance at 1 January	246,762	246,762
DJSIR Capital Grant Contribution	9,950	-
Balance at 31 December	256,712	246,762

Funding that is in the nature of contributions by the Department of Jobs, Skills, Industry and Regions are treated as contributed capital in accordance with the requirements of AASB 1004 *Contributions*. Capital funds provided by the Commonwealth Government are treated as income.

6.4 Leases

Policy

At inception of a contract, the TAFE 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

The TAFE 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

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

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

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

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

- when there is a change in future lease payments arising from a change in an index or rate;
- if there is a change in the TAFE's estimate of the amount expected to be payable under a residual value guarantee; or
- if the TAFE 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

Peppercorn Leases

The TAFE 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.

Following are the peppercorn leases held by the TAFE at significantly-below market terms conditions, there is economic dependence on these leases to support the TAFE's business operations. There are no restrictions on the use of underlying assets specific to the entity.

	Term valid until (incl options)	Lease payment
Land: Docklands Centre of Excellence - Stage 1	Year 2087	\$1
Land: Docklands Centre of Excellence - Stage 2	Year 2104	\$1
Basketball Stadium, Dimboola Road, Broadmeadows	Year 2034	\$Nil
Sunbury TAFE	Year 2125	\$1
Melton TAFE	Year 2125	\$1

For details of leasing arrangements where the TAFE is the lessor, refer to Note 2.3.1.

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

	2025 \$'000	2024 \$'000
Contractual financial assets		
Financial assets measured at		
Cash and cash equivalents	66,657	46,065
Trade receivables	7,194	23,575
Other receivables	15,204	383
Term deposits		
Total contractual financial assets	89,055	70,023
Contractual financial liabilities		
Loans and payables		
Supplies and services	6,791	6,658
At amortised cost		
Borrowings (Advances from Government)	14,100	14,090
Total contractual financial liabilities	20,891	20,748

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

Categories of financial instruments

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

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

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

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

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

7.1.1 Financial risk management objectives and policies

The TAFE 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.

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1.2 Credit risk

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

The trade receivables balances at 31 December 2025 and 31 December 2024 largely relate to student debtors, sponsor debtors, other debtors who engage the TAFE to provide training services or short courses as well as government agencies. These balances do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the TAFE'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) \$'000	Government agencies (AAA-rating) \$'000	Other counterparty \$'000	Total \$'000
2025				
Cash and cash equivalents	66,657	-	-	66,657
Receivables	-	22,398	-	22,398
Total contractual financial assets	66,657	22,398	-	89,055
2024				
Cash and deposits	46,065	-	-	46,065
Receivables	-	23,958	-	23,958
Total contractual financial assets	46,065	23,958	-	70,023

7. MANAGING RISKS AND UNCERTAINTIES

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 basis:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date;
- 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 for sales over the past 60 months before 31 December 2025 and the past 48 months before 31 December 2024, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The TAFE has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2025:

	Estimated gross carrying amount \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired (yes / no)
31-Dec-25				
Current (not past due)	2,933	21.0%	616	Yes
31 – 60 days past due	1,838	13.0%	239	Yes
61 – 90 days past due	335	2.0%	7	Yes
More than 90 days past due	8,810	62.4%	5,500	Yes
	13,915		6,361	
31-Dec-24				
Current (not past due)	2,842	0.0%	-	No
31 – 60 days past due	915	0.0%	-	No
61 – 90 days past due	2,741	0.0%	-	No
More than 90 days past due	7,457	25.7%	5,049	Yes
	13,955		5,049	

7. MANAGING RISKS AND UNCERTAINTIES

Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the TAFE'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 the TAFE, and a failure to make contractual payments for a period of greater than 120 days past due.

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

Of the above impairment losses, \$6,360,776 (2024: \$5,040,000) relate to receivables arising from contracts with customers

7.2 Contingent assets and contingent liabilities

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

	2025 \$'000	2024 \$'000
Quantifiable contingent assets		
Funding arrangements	1,601	26,707

The TAFE has entered into funding agreements with the DJSIR for the revitalisation of the Broadmeadows Campus, Castlemaine Health Learning Hub, Sunbury Campus and Melton Campus.

The release of these funds is contingent on the TAFE demonstrating that the agreed milestones have been achieved.

	2025 \$'000	2024 \$'000
Quantifiable contingent liabilities		
Bank guarantees	240	240

The amount disclosed comprises bank guarantees for the purposes of securing supply of rental premises from third parties on normal terms and conditions, and for the performance of civil works on the favourees property.

There were no unquantifiable contingent assets or contingent liabilities as at 31 December 2025 (31 December 2024: nil) that may have a material effect on the financial operations of the TAFE.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

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

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

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

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

The TAFE, 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 GROUP NAME'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 value leases, were measured at cost in accordance with FRD 104 Leases.

7. MANAGING RISKS AND UNCERTAINTIES

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
2025				
Non-specialised land	-	-	-	-
Specialised land	149,503	-	-	149,503
Total land at fair value	149,503	-	-	149,503
Non-specialised buildings	-	-	-	-
Specialised buildings	330,805	-	-	330,805
Total buildings at fair value	330,805	-	-	330,805
Plant and equipment	27,021	-	-	27,021
Vehicles	97	-	-	97
Leasehold improvements	0	-	-	0
Land improvements	-	-	-	-
Right of use assets	-	-	-	-
Total other assets at fair value	27,117	-	-	27,117
2024				
Non-specialised land	-	-	-	-
Specialised land	149,503	-	-	149,503
Total land at fair value	149,503	-	-	149,503
Non-specialised buildings	-	-	-	-
Specialised buildings	286,352	-	-	286,352
Total buildings at fair value	286,352	-	-	286,352
Plant and equipment	29,928	-	-	29,928
Vehicles	131	-	-	131
Leasehold improvements	23	-	-	23
Land improvements	-	-	-	-
Right of use assets	-	-	-	-
Total other assets at fair value	30,081	-	-	30,081

7. MANAGING RISKS AND UNCERTAINTIES

Impairment

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

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

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

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

(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) 103 Non-financial Physical Assets issued by the Minister of Finance. 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 2022.

For the year ended 31 December 2025, the TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

- (a) assumptions made about the future
- (b) source of estimation uncertainty
- (c) the nature or class of assets impacted
- (d) the carrying amount of the assets subject to the significant uncertainty
- (e) sensitivity of the carrying amounts to methods, assumptions and estimates including the reasons for their sensitivity; and
- (f) expected resolution of the uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts.

7. MANAGING RISKS AND UNCERTAINTIES

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

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

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

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

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

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

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

An independent valuation of the TAFE's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2022.

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

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

There were no changes in valuation techniques throughout the period to 31 December 2025.

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

Description of significant assumptions applied to fair value measurement

2025 and 2024	Valuation technique	Significant assumptions	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value
Motor vehicles	Current replacement cost	Useful life of vehicles	A change in the useful life may have an impact on the fair value (higher / lower)
Plant and equipment	Current replacement cost	Useful life of plant and equipment	A change in the useful life may have an impact on the fair value (higher / lower)
Leasehold improvements	Current replacement cost	Useful life of lease	A change in the useful life may have an impact on the fair value (higher / lower)

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

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

Position	Name	Relevant Period
Minister for Skills and TAFE	The Hon. Gayle Tierney MLC	1 January 2025 to 31 December 2025
Minister for Water	The Hon. Gayle Tierney MLC	1 January 2025 to 31 December 2025
Director and Chief Executive Officer (Accountable Officer)	Ms Sally Curtain	1 January 2025 to 29 August 2025
Director and Chief Executive Officer (Accountable Officer)	Ms Laura Macpherson	20 October 2025 to 31 December 2025
Board Member	Ms Anne Brosnan	1 January 2025 to 31 December 2025
Board Member	Ms Sharan Burrow	1 January 2025 to 31 December 2025
Board Member	Mr Jamie Driscoll	1 January 2025 to 31 December 2025
Board Member	Ms Elizabeth Joldeski	1 January 2025 to 31 December 2025
Board Member	Ms Katrina Lai	1 January 2025 to 31 December 2025
Board Member	Mr Craig Niemann	1 January 2025 to 31 December 2025
Board Member	Mr Rudi Pavani	1 January 2025 to 31 December 2025
Board Member	Ms Cheryl Woollard	1 January 2025 to 31 December 2025
Board Member	Prof. Hal Swerissen	1 January 2025 to 31 December 2025

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the TAFE during the reporting period was in the range: \$400,000 – \$449,999 (2024: \$400,000 – \$449,999).

Termination benefits include the payment of an employee termination payment in lieu of notice.

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

Income range	2025	2024
Less than \$10,000	-	1
\$10,000 – \$19,999	-	-
\$20,000 – \$29,999	-	-
\$30,000 – \$39,999	6	5
\$40,000 – \$49,999	1	3
\$50,000 – \$59,999	-	-
\$60,000 – \$69,999	-	-
\$70,000 – \$79,999	1	-
\$80,000 – \$149,999	1	1
\$150,000 - \$159,999	1	-
\$360,000 - \$369,999	-	-
\$400,000 - \$449,999	1	1
Total number	11	11
Total remuneration (\$'000)	1,039	928

8. GOVERNANCE DISCLOSURES

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

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.

	2025	2024
	\$'000	\$'000
Short-term employee benefits	3,336	2,670
Post-employment benefits	414	322
Other long-term benefits	74	46
Termination benefits	100	-
Total remuneration (i)	3,924	3,038
Total number of executives	14	12
Total annualised employee equivalents (ii)	12	12

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.3).

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

8.3 Related parties

Bendigo Kangan Institute is a wholly owned and controlled entity of the State of Victoria.

Related parties of Bendigo Kangan Institute include:

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

8. GOVERNANCE DISCLOSURES

Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Related party transactions				
Melbourne Polytechnic	9,015	7,194	595	-
Bendigo Health	1	2	-	-
Total	9,016	7,196	595	-

Key management personnel of the TAFE include the members of the Bendigo Kangan Institute Board, the Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer and other executives.

Compensation of key management personnel

	2025 \$'000	2024 \$'000
Short-term employee benefits	4,193	3,503
Post-employment benefits	521	414
Other long-term benefits	149	46
Termination benefits	100	-
Total remuneration (i)	4,963	3,963

(i) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.2)

Transactions and balances with key management personnel and other related parties

The TAFE had no related party transactions for the period ending 31 December 2025

8.4 Remuneration of auditors

	2025 \$'000	2024 \$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	76	73
Total remuneration of the Victorian Auditor-General's Office	76	73
Remuneration of other auditors		
Internal audit services	394	320
Total remuneration of other auditors	394	320
Total	470	393

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

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

	2025 \$'000	2024 \$'000
(a) Net gain/(loss) on financial instruments		
Foreign currency exchange gain/(loss)		
Net gain/(loss) on disposal of financial assets	-	-
Greener Government loan discount		
Impairment of loans and receivables - at amortised cost	(1,451)	(892)
Net gain/(loss) on revaluation of financial assets		
Total net gain/(loss) on financial instruments	(1,451)	(892)
(b) Net gain/(loss) on non-financial assets		
Revaluation of investment properties	-	-
Net gain/(loss) on disposal of assets	55	216
Total net gain/(loss) on non-financial assets	55	216
(c) Other gains/(losses) from other economic flows		
Total other gains/(losses) from other economic flows	-	-
Total other economic flows included in net result	(1,395)	(676)

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 9.1(b));
- revaluations and impairments of non-financial physical and intangible assets (refer to Note 4.1, Note 4.2 and Note 4.3);
- remeasurement arising from employee benefits (refer to Note 3.1); and
- fair value changes of financial instruments. (refer to Note 7.3)

9. OTHER DISCLOSURES

9.2 Equity reserves

	2025 \$'000	2024 \$'000
Accumulated surplus/(deficit)		
Balance at 1 January	78,748	49,704
Trf to & from reserves	-	-
Net operating result for the year	10,345	29,046
Balance at 31 December	89,093	78,748
Physical asset revaluation surplus		
Balance at 1 January	209,911	209,911
Balance at 31 December	209,911	209,911

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

9.3 Ex gratia expenses

	2025 \$'000	2024 \$'000
Compensation for economic loss	-	-
Total ex gratia payments	-	-

9.4 Events after reporting date

No other matters or circumstances have arisen since the end of the financial year that significantly affected or may affect the operations of the TAFE, the results of the operations or the state of affairs of the TAFE in future financial years.

Performance statements



Independent Auditor's report



Independent Auditor's Report

To the Board of Bendigo Kangan Institute

Opinion

I have audited the accompanying performance statement of Bendigo Kangan Institute (the institute) which comprises the:

- performance statement for the year ended 31 December 2025
- declaration by Board Chair, Chief Executive Officer and Chief Financial Officer.

In my opinion, the performance statement of Bendigo Kangan Institute in respect of the year ended 31 December 2025 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.

Basis for Opinion

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

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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

Board's responsibilities for the performance statement

The Board are responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, 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.

**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.



Kevin Chan

as delegate for the Auditor-General of Victoria

MELBOURNE
6 March 2026

Declaration

BENDIGO KANGAN INSTITUTE
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

DECLARATION BY BOARD CHAIR
CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER

In our opinion, the accompanying Statement of Performance of Bendigo Kangan Institute, in respect of the year ended 31 December 2025, 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.



Ms. Sharan Burrow, Board Chair

Date: 24 February 2026

Melbourne



Ms. Laura Macpherson, Chief Executive Officer

Date: 24 February 2026

Melbourne



Mr. Peter Healey, Chief Financial Officer

Date: 24 February 2026

Melbourne

Performance statement - Key performance indicators

Indicator title	Description and methodology	Metric	2025 Target	2025 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by:					
	Government Funded (GF)		38.4%	41.8%	Government-funded revenue is a higher proportion of total training revenue than anticipated, driven by lower Fee-for-Service (FFS) activity, particularly within VETASSESS.	39.4%
	Fee for Service (FFS)	%	53.6%	49.6%	Fee-for-Service revenue is lower than target, reflecting reduced assessment volumes in VETASSESS.	54.8%
	Student Fees & Charges (SF&C)		8.0%	8.6%	Student Fees and Charges (SF&C) are slightly above target due to increased recognition of withdrawal revenue following the development and implementation of the updated revenue recognition model.	5.8%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue (VTG and FFS) (Employment Costs - Workforce reduction exp - Mental health levy + 3rd Party Training Providers Cost) / Training Revenue	%	88.2%	91.6%	Employment costs as a proportion of training revenue have risen in 2025, largely due to higher employment-related expenses under the new teaching agreement, while government-funded subsidy rates have not increased to offset these additional costs.	83.9%
Training revenue per teaching FTE*	Training Revenue (excl. revenue delivered by third parties) per Teaching FTE* Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*	\$	\$436,594	\$416,112	Training revenue per teaching FTE decreased relative to the target, primarily due to reduced VETASSESS training revenue. Assessors are excluded from the teaching FTE count, which magnifies the impact of this revenue decline on the metric.	\$445,818
Operating margin percentage	Operating margin % EBIT excluding Capital Contributions) / Total Revenue (excl Capital Contributions)	%	-5.0%	-1.1%	The operating margin for 2025 was higher than budgeted. This is primarily attributable to the recognition of service funding received from DJSIR in 2025 relating to 2026, as well as the sale of land at 31 The Avenue, Coburg, which generated proceeds of \$9.86 million during the year.	-4.3%

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

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41.	Legislation	<p>! The Annual Report must contain a statement of compliance with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <i>Education and Training Reform Act 2006</i> (ETRA) • TAFE Institute Constitution • Directions of the Minister for Skills and TAFE (or predecessors) • TAFE Institute Commercial Guidelines • TAFE Institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Public Interest Disclosure Act 2012</i> • <i>Carers Recognition Act 2012</i> • <i>Local Jobs First Act 2003</i> • <i>Gender Equality Act 2020</i> • <i>Disability Act 2006</i> <p>! Institutes that are enforcement agencies which issue infringements must also include the following legislation in the statement of compliance:</p> <ul style="list-style-type: none"> • <i>Infringements Act 2006</i> • <i>Public Records Act 1973</i> 	22
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 VETASSESS office at Cremorne Campus.



Contact Us

PO Box 299, Somerton, VIC 3062
Call 13 TAFE (8233)

ABN 74 802 942 886

T/A Bendigo TAFE and T/A Kangan Institute
RTO identifier 3077

Visit

bendigotafe.edu.au
kangan.edu.au
vetassess.com.au
eworks.edu.au

CRICOS provider no. 01218G

T/A VETASSESS
RTO identifier 21097

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