



Annual Report 2020



ACKNOWLEDGEMENT OF CULTURE

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

MELBOURNE POLYTECHNIC

ANNUAL REPORT 2020

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Above: On 27 November 2020, The Hon. Gayle Tierney MP, Sheena Watt MP and Richard Wynne MP announced \$40 million in Victorian Government funding for the redevelopment of the Collingwood campus. The campus will gain a new building and car park, and existing buildings will be refurbished. Work will commence in 2021 and finish in time for the first semester of 2024.

L-R: Sheena Watt MP, Member for Northern Metropolitan Region; Gabriel Solorzano Torres, Melbourne Polytechnic; Frances Coppolillo, Chief Executive, Melbourne Polytechnic; Richard Wynne MP, Member for Richmond; Helen Clarke, Board Chairperson, Melbourne Polytechnic; The Hon. Gail Tierney MP, Minister for Training and Skills and Minister for Higher Education; Howard Kelly, Melbourne Polytechnic; Gavin Balharrie, President and Deputy Chair of the Board, Expression Australia; Nicky Long, Chief Executive Officer, Expression Australia.

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INTRODUCTION

BOARD CHAIRPERSON'S REPORT



I am pleased to present Melbourne Polytechnic's 2020 Annual Report. Prepared for our stakeholders, this report provides a summary of our achievements and financial results for 2020.

As we reflect on an incredible year, I would like to acknowledge the outstanding professionalism and commitment demonstrated by all Melbourne Polytechnic staff throughout 2020. In a year dominated by the emergence of the COVID-19 global pandemic, the team achieved so much despite being faced with a challenging and changing environment.

Throughout 2020, the Board worked closely with the Executive Leadership Committee, the Minister for Training and Skills and Minister for Higher Education, and the Department of Education and Training to ensure that Melbourne Polytechnic was able to continue its critical work in supporting individuals and communities to thrive. Due to the ingenuity and hard work of Melbourne Polytechnic staff, most training continued through the Melbourne lockdowns and the various stages of restrictions we experienced in Victoria. Staff developed new skills and quickly adapted to working and connecting with each other and their students in different ways. Students remained engaged in their studies, adapting and achieving new capabilities that will prove invaluable in their future careers.

Despite the day-to-day challenges, the Institute delivered on the Melbourne Polytechnic Strategic Plan 2019-2023, and achievements included the implementation of the Education Strategy, the endorsement of the Asset Strategy and the Environmental Sustainability Strategy, and the introduction of new governance structures, including three Education Boards and the Curriculum Board. These important, future-focused achievements will carry Melbourne Polytechnic forward into 2021 and beyond and keep us moving towards realising our Vision: Developing the capabilities of students and industry to thrive in a rapidly changing world.

There is much to look forward to in the coming year, with the Victorian Government's announcement of funding for the redevelopment of the Collingwood campus and further investment in Free TAFE, and the Federal Government's

JobTrainer Scheme, which will open up new training opportunities. The final report from the 'Skills for Victoria's Growing Economy Review' (the Macklin Report) emphasised the importance of skills and training to Victoria's post-pandemic recovery and listed 30 recommendations for systemic improvement. The Macklin Report will guide Victorian Government reforms to the TAFE sector, and enable us to continue delivering the crucial skills and training needed by industry, students and communities now and into the future.

On behalf of the Board, I extend thanks to my fellow members of the Melbourne Polytechnic Board, our Chief Executive, Frances Coppolillo, and the Executive Leadership Committee for their invaluable contributions. I would also like to thank outgoing Board members, Professor Lee Astheimer and Dr Richard Tait, for their dedication and service. I acknowledge and thank the Hon. Gayle Tierney MP, the Minister for Training and Skills and Minister for Higher Education, and her staff for their strong support and advocacy during a demanding and challenging year. We are very grateful for the support and guidance provided by officers of the Department of Education and Training.

I would especially like to thank our dedicated staff, who remained committed to our students, our values and our strategic directions throughout the year. The coming year will see further challenges, some perhaps not yet foreseen, however the Board is confident that Melbourne Polytechnic has the capacity and, importantly, the right people to tackle these and succeed.



Helen Clarke
Board Chairperson
Melbourne Polytechnic

Date: 29 March 2021

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



Helen Clarke
Board Chairperson
Melbourne Polytechnic

Date: 29 March 2021

MESSAGE FROM THE CHIEF EXECUTIVE



At this time last year, as I wrote my message for the Annual Report, I could never have imagined what 2020 had in store for us. As I reflect on the past year, I am immensely proud of the can-do attitude and resourcefulness of every member of the Melbourne Polytechnic staff and their commitment to supporting our students and each other.

Adapting with speed, empathy and unity

From the onset of the COVID-19 global pandemic in Australia, Melbourne Polytechnic staff demonstrated remarkable resilience, agility and flexibility to continue serving our students and communities. Most of us transitioned to working remotely almost overnight. We embraced new technologies and successfully delivered most of our courses using flexible approaches, and then worked to prepare our campuses for the safe return of staff and students. During this time, we learnt new skills, managed uncertainty and found different ways to remain connected.

At the beginning of the year, we established a Coronavirus Taskforce and Network Teams to ensure we responded effectively to the impact of the pandemic on our staff, students and the Institute. We adapted to changes in course delivery multiple times throughout the year and often worked at unexpected hours when new restrictions were announced, to ensure students could continue their learning. The expertise of the ICT Services and People and Culture teams helped us transition seamlessly into remote working and learning, which was crucial to maintaining business continuity.

We delivered high-quality education and training and fostered an environment in which people felt engaged and connected. During the months of restrictions and uncertainty, our solidarity shone through and it was our compassion and kindness to one another that helped strengthen our sense of community.

Maintaining connection through technology

One of the positives that emerged in 2020 was how quickly we learnt to use new technologies to stay connected with each other and our students. Zoom and Teams became part of our everyday lives. Supporting our students in new ways of working and learning took an Institute-wide effort and I am proud that most students were able to continue their studies and hundreds graduated from their courses.

Our international student cohort was heavily impacted by the pandemic. Far from home and often without government financial assistance, we supported them with compassion and effective communication. Led by the recipient of the 2020 Chief Executive Excellence Award, Chewy Fang, the International Students Wellbeing Connect project saw members of our Student Services team making phone calls to each international student to ensure they were aware of the support and services available to them. This team also helped students connect with their fellow classmates and hosted over 250 events that ranged from online Zumba and meditation to showcasing the talents of our wonderful music students.

Positioning Melbourne Polytechnic for the future

Despite the need to refocus some of our efforts to respond to the pandemic, we made significant progress towards our longer-term strategic initiatives and performance improvement activities. Among numerous other achievements, we developed a course assessment process to ensure delivery of relevant and viable courses, improved cybersecurity, and launched a marketing campaign 'Never stop learning', which aligns with the current global landscape and celebrates Melbourne Polytechnic's proud heritage.

The Melbourne Polytechnic Vision is to develop the capabilities of students and industry to thrive in our rapidly changing world. During the year, we were all pushed beyond our comfort zones to develop those same capabilities that we endeavour to instil in our students: flexibility, adaptability, resilience and connection. I hope we remember what we learnt about the value of our relationships with others and continue to utilise new technologies in the years to come to stay connected with those we can't be with in person.

I extend my thanks to the Melbourne Polytechnic Board for their ongoing support and commitment and look forward to working together to ensure that Melbourne Polytechnic remains a sustainable, agile and forward-looking Institute.

No doubt, 2021 will bring challenges, but I trust they will be overcome with the continued dedication and commitment of Melbourne Polytechnic staff and our broader community. Based on what we achieved in 2020, and our willingness and capacity to learn and adapt, I am confident we will continue to thrive and respond to changes in the world around us.



Frances Coppolillo
Chief Executive
Melbourne Polytechnic

Date: 29 March 2021

RESPONSE TO THE COVID-19 GLOBAL PANDEMIC

The COVID-19 global pandemic developed rapidly in 2020, and local and global measures taken to contain the virus significantly affected almost every facet of life. It disrupted economies, industries and businesses, including travel, trade and education, and with almost 90 million cases reported by the end of 2020, it had an immense impact on global human health.

Since its emergence, Melbourne Polytechnic has monitored the pandemic and its economic, health and social impacts. While following advice from government, we responded rapidly across the Institute, established a Coronavirus Taskforce to focus on monitoring and communicating information and government directives, and adopted a Network Team approach, which enabled us to maintain continuity across most courses while meeting all health and safety requirements.

Eleven Network Teams, each led by a member of the Institute's Executive Leadership Committee and comprising a multidisciplinary mix of staff, met regularly to discuss focus areas including cleaning, workforce wellbeing, student capability, finance, risk assessment and communications. A Command Centre, coordinated by an Executive Director, managed the Network Teams as they gathered information, developed and implemented solutions, and adapted our approaches as more information emerged about the crisis and/or restrictions changed.

More than 80 staff members worked in our Network Teams to:

- ▶ Successfully transition the delivery of more than 145 courses (9,220 students) to remote and flexible learning. Prior to March, only four courses were delivered remotely.
- ▶ Transition most Melbourne Polytechnic staff to working remotely.
- ▶ Develop online resources, capacity-building tools, and supports to help students and staff manage remote learning.
- ▶ Implement additional cleaning across all campuses.
- ▶ Develop a Communications Strategy and establish a Coronavirus Hotline.
- ▶ Adapt classrooms, cafeterias, lifts and other congregation spaces to meet social distancing guidelines.

The varying levels of restrictions implemented from March 2020 accelerated Melbourne Polytechnic's development of blended and remote delivery modes. We quickly implemented new processes and systems to enable remote engagement, learning, working and interacting across all sectors of the Melbourne Polytechnic community. We saw a 910 per cent increase in the number of participants in Moodle, Zoom, Kaltura and Blended Learning training, which enabled our teaching staff to use new technologies to provide innovative and engaging learning experiences for our students.

A spectrum of ICT initiatives supported our transition from face-to-face course delivery to remote and flexible learning. Among them were the implementation of a remote enrolment system, and the launch of an online Remote Learning HQ to support students and help them adjust to the changed learning landscape. Instead of face-to-face classes and hands-on practical workshops, students studied remotely, with video classes, instructional clips and online quizzes. Students were provided with critical information about what to expect, how to set up remote learning environments, the systems they were engaging with, and the assistance that was available for them, including a support line to call if they needed to talk to someone. We were particularly conscious of our international students and frequently reached out to ensure that even though they were far from home they were never without support.

At the outset of the COVID-19 global pandemic, our guiding principles were to prioritise staff and student wellbeing, maintain continuous delivery of high-quality education and training, support the continuous employment of Melbourne Polytechnic staff, and protect the viability of the Institute. We embraced different ways of working, increased our capability in new technologies, and welcomed our workforce's capacity to adapt. As the COVID-19 global pandemic extends into 2021, we will continue to monitor and assess the immediate and potential impacts on operations, use the skills we learnt in 2020 to position Melbourne Polytechnic for recovery, and step into our role as a member of the Public Sector TAFE Network to support an industry-wide, consistent and coordinated response.

OVERVIEW OF THE MELBOURNE POLYTECHNIC STRATEGIC PLAN 2019-2023

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

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

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

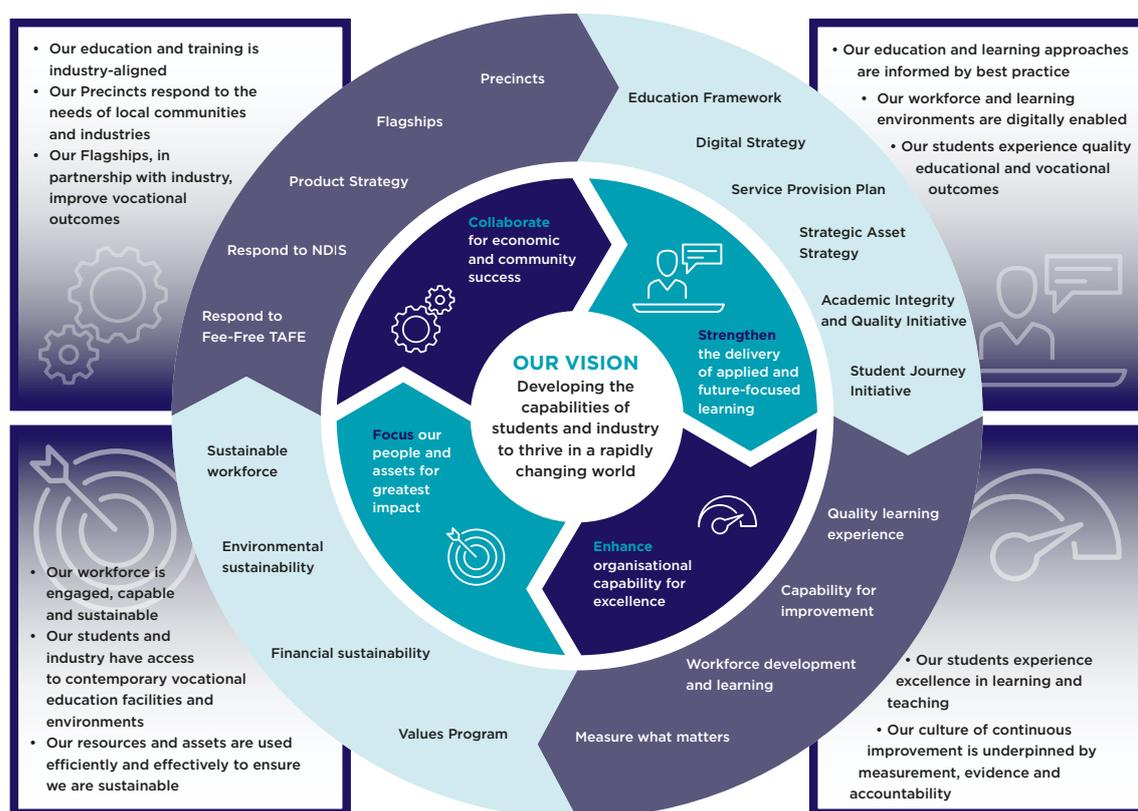
By ensuring our activities and efforts are aligned with the Strategic Plan, Melbourne Polytechnic will remain an agile, forward-looking Institute that continues to deliver positive training and employment outcomes and success for our students, local industries and communities.

Despite the challenges of 2020, we recorded significant progress towards achieving the Strategic Objectives outlined in the Strategic Plan. Key achievements include:

- ▶ Nine new partners joined the Collingwood Campus Redevelopment and \$40m in Victorian Government funding was announced.
- ▶ New partnerships and courses were launched in Health Services and Education, including an MOU with Health Careers International for the establishment of a Health and Human Services Innovation Hub.
- ▶ The Melbourne Polytechnic Education Strategy 2019-2023 was approved and implementation commenced.
- ▶ An International Student Association was created to facilitate programs, events and activities to enrich the learning experience of international students.
- ▶ The Melbourne Polytechnic Environmental Sustainability Strategy 2020-2025 was developed and adopted.
- ▶ The Melbourne Polytechnic website was redeveloped in line with Web Content Accessibility Guidelines to improve accessibility for the Melbourne Polytechnic community.

LOOKING AHEAD

We are monitoring the changes, challenges and opportunities brought by COVID-19, and our operating environment generally, and their potential impacts on the implementation of our Strategic Plan. We will ensure continued investment in course design and redesign to respond to dynamic industry and workforce needs and changed delivery environments.

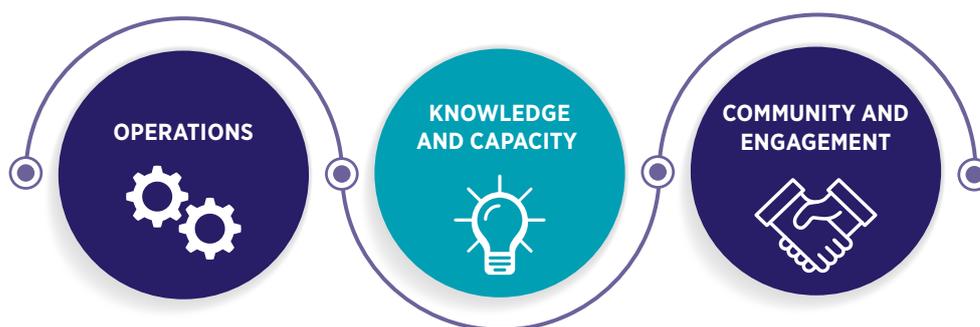


MELBOURNE POLYTECHNIC ENVIRONMENTAL SUSTAINABILITY STRATEGY 2020-2025

As a global citizen, and employer and educator of a significant network of people, we are aiming to reduce our impact on the environment and prepare our students to thrive in a rapidly changing world, where industries are transforming in response to climate change. Consultation with our stakeholders indicates that there is an appetite for Melbourne Polytechnic to provide leadership in this space and to contribute to delivering positive environmental sustainability outcomes.

The Melbourne Polytechnic Environmental Sustainability Strategy 2020-2025 (the ESS) was approved by the Melbourne Polytechnic Board in October 2020. With a focus on Operations, Knowledge and Capacity, and Community and Engagement, it looks at our current performance and performance goals, and outlines pathways to achieving our targets.

THE ENVIRONMENTAL SUSTAINABILITY STRATEGY IS FRAMED AROUND THREE FOCUS AREAS:



The targets outlined in the ESS were informed by various global, national and state objectives. Our emissions targets meet the requirements of the Paris Agreement, which is a global response to climate change that aims to keep this century's global temperature rise to less than 2 degrees Celsius above pre-industrial levels, and to actively pursue efforts to limit the rise to 1.5 degrees Celsius.

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

4 QUALITY EDUCATION	6 CLEAN WATER & SANITATION	7 AFFORDABLE & CLEAN ENERGY	8 DECENT WORK & ECONOMIC GROWTH
9 INDUSTRY, INNOVATION & INFRASTRUCTURE	11 SUSTAINABLE CITIES & COMMUNITIES	12 RESPONSIBLE CONSUMPTION & PRODUCTION	13 CLIMATE ACTION

THE ESS VISION

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

This vision is intrinsically linked to Melbourne Polytechnic's overarching vision, values and ways of working, and the ESS policy framework aligns with Melbourne Polytechnic's strategic objectives.

The ESS will consider the work we do to 2025 and, in some areas, what our performance may look like in 2050. We will measure these targets against baseline data and seek to deliver continuous improvement on our performance.

REPORT OF OPERATIONS

2020: THE YEAR IN REVIEW

STAFF EXCELLENCE AWARDS

In 2020, we made history by convening our annual Melbourne Polytechnic Staff Excellence Awards in a live video format so we could continue the tradition of recognising the outstanding achievements of our staff. Their commitment to ensuring the continued delivery of high-quality education to Melbourne Polytechnic students across Australia and internationally was crucial to our organisation in 2020.

EXCELLENCE IN TEACHING - FOUNDATION

Winner - EAL Curriculum Development Team

Highly Commended - Tanya Tchirkova

EXCELLENCE IN TEACHING - HIGHER EDUCATION

Winner - Kiran Fahd

Highly Commended - Carlos Lechtman

EXCELLENCE IN TEACHING - VOCATIONAL EDUCATION AND TRAINING

Winner - Kiriaki Hamilton

Highly Commended - Horticulture, Parks and Gardens and Floristry

EXCELLENCE IN THE DELIVERY OF APPLIED AND FUTURE-FOCUSED LEARNING

Winner - Banyule Nillumbik and Whittlesea Tech School Team

Highly Commended - TAE for Auslan Users

EXCELLENCE IN ENHANCING ORGANISATIONAL CAPABILITY

Winner - Pathways Guidance Service

Highly Commended - Chewy Fang

EXCELLENCE IN FOCUSING OUR PEOPLE AND ASSETS FOR GREATEST IMPACT

Winner - Volunteer Tutor Scheme

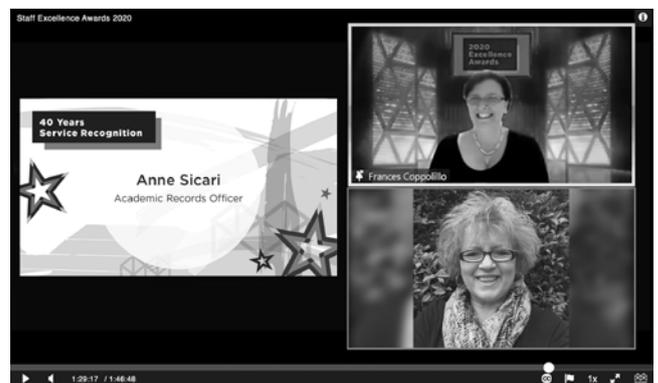
Highly Commended - Robert Hails

CHIEF EXECUTIVE'S AWARD

Winner - Chewy Fang



Above: Frances Coppolillo, Chief Executive, Melbourne Polytechnic, with Chief Executive's Award winner Chewy Fang.



Above: Frances Coppolillo, Chief Executive, Melbourne Polytechnic, with Anne Sicari. Recognition of 40 years' service.

2020 REVIEW OF FUNCTIONAL GROUPS

ACADEMIC OPERATIONS

The Academic Operations group includes Melbourne Polytechnic's International Academic Operations, Vocational Education and Training (VET), Higher Education, and Foundation and Preparatory Studies.

VOCATIONAL EDUCATION AND TRAINING (VET)

Our creativity and innovation came to the fore in 2020 as our teachers quickly adapted to a variety of methodologies and learning technologies in response to the global pandemic and the Melbourne lockdown. We used Moodle as a Learning Management System, Microsoft Teams, Google Rooms, and webinars to connect with students and deliver content. This combination of delivery modes supported and maintained classes throughout the year. On-campus teaching was allowed for permitted industries and for essential delivery and assessments. Only 15 per cent of our VET courses were paused and the remaining 85 per cent continued either remotely or on campus.

We met a key milestone with the implementation of the Melbourne Polytechnic VET Education Strategy 2019-2023. The Strategy was developed after consultation with VET and other Melbourne Polytechnic staff and endorsed by the Executive Leadership Committee on 23 June 2020. The Strategy aligns with Melbourne Polytechnic's Education Strategy 2019-2023 and will inform the projects, priorities and initiatives of the VET Directorate until 2023.

FOUNDATION AND PREPARATORY STUDIES

During the year, we used every means possible to move English language students to entirely remote delivery to keep this vulnerable cohort engaged. At the same time, other crucial work continued with the establishment of the Australia-wide Community of Practice in Volunteering to support the Volunteer Tutor Scheme and acknowledge the role that volunteering plays in helping new migrants into further education and work. Youth Community of Practice was implemented across 20 Melbourne providers, and the industry engagement model, the Wrap Committee, brought together all community groups working with migrants, providing integrated services and enabling better utilisation of government funds.

Melbourne Polytechnic's Auslan delivery team collaborated with Expression Australia and our VET and Higher Education departments to explore ways to integrate Auslan into courses to better service the Deaf or hard of hearing.

HIGHER EDUCATION (HE)

The way HE students overcame challenges and HE staff operated as a cohesive unit to deliver online teaching was a true achievement of 2020. A COVID-19 Operation Plan (the Plan) was developed to support students. Strategically aligned to the HE Education Plan, it evolved in conjunction with updated Government restrictions (six phases). The primary objectives of the Plan were to:

- ▶ Plan and implement the transition from face-to-face to a blended delivery format (phases 1, 2 and 5).
- ▶ Support students (phases 1-5, including student welfare and digital examination invigilation procedures).
- ▶ Ensure quality using evidence-based assessment criteria (phases 3-4).
- ▶ Incorporate educational and operational governance oversight (HE Course Committees, HE Academic Board and Executive Senior Leadership, phases 2 and 5).

The HE Directorate staff working-from-home environment, along with Melbourne Polytechnic's operational structure, enabled successful implementation of the Plan under crisis conditions.

STUDENT PROFILE - KARL RUSSELL

2020 OUTSTANDING APPRENTICE/TRAINEE OF THE YEAR

Karl was thrilled to be named 2020's Outstanding Apprentice of the Year. "I think it's a reflection of the work I put in, I always tried to do a good job, do the best I could, so it's very nice to be recognised for that effort," he says.

Before relocating from Newcastle to Melbourne, Karl played in bands and had ambitions of being a rock star. "Suffice to say that didn't end up being the path I wanted to take, which was when furniture making and creating physical pieces of work appeared to me and I thought I'd explore that for a little bit."

After arriving in Melbourne, Karl drifted through a few jobs before a position in a furniture workshop reminded him how much he enjoyed building and creating with timber. "It sparked a passion for wood that maybe I'd forgotten about," he says. "I always enjoyed building stuff, then I moved on to music and then I realised again later that I still enjoy making stuff."

Karl completed his Certificate III in Cabinet Making (Furniture Making Apprenticeship) and now works full-time creating bespoke joinery pieces. "I love going into work every day, it's always a new challenge and seeing the final products, especially once they're installed and everything's polished up, I love it, it's a fantastic feeling!"

Karl enjoyed the study experience at the Heidelberg campus and says, "I would absolutely recommend Melbourne Polytechnic to anyone looking to explore a new avenue in terms of career. The career development, or the practical physical skill development that I've had through my studies has helped sculpt or mould the person I've become. Some of the people I've met through Melbourne Polytechnic are going to be recurring throughout my time in the industry, if not the rest of my life."



CURRICULUM INNOVATION AND TEACHING EXCELLENCE

The Curriculum Innovation and Teaching Excellence group includes the Curriculum Unit, the Tech Schools, Professional Teaching Practice, and Work Integrated Learning/Placements.

EMERGENCY PROFESSIONAL DEVELOPMENT

The Learning Environments team led a series of online workshops to upskill our teachers in remote delivery. Between April and June, we conducted 75 workshops for 1,598 attendees. We also used our expertise to craft industry-specific Moodle sites designed for purely online delivery. In addition to industry-specific content, each site included a combination of pre-recorded webinars, online materials and self-check quizzes.

TECH SCHOOLS

The Banyule Nillumbik Tech School and the Whittlesea Tech School are based at Melbourne Polytechnic's Greensborough and Epping campuses. They focus on Science, Technology, Engineering and Maths (STEM) and are partnered with 34 secondary schools across Melbourne's north.

With the onset of the pandemic, much of the planning and preparation that went into our year's offerings was met with uncertainty and challenge. In this climate, the DNA of the Tech Schools proved our greatest strength, and our ability to innovate and change opened up new possibilities and opportunities. Both Tech Schools found new ways to work and continued to design and deliver cutting-edge, innovative programs for the young people of Melbourne's outer north. Those programs included:

- ▶ Koorie STEM camps that were developed and conducted in partnership with the Koorie Academy of Excellence.
- ▶ Our Introduction to Entrepreneurship program, which was launched through the Department of Education and Training (DET) High Abilities program, and in partnership with the Melbourne Innovation Centre.
- ▶ A STEM Arcade Game Design Challenge.

We also developed excellent future offerings such as:

- ▶ The Food Innovation Program in partnership with Costa Foods.
- ▶ The Autocrops design challenge with local entrepreneurs, Farmwall.
- ▶ Our Future of Work Inquiry with North East Link and Telstra.
- ▶ The Fibre program, designing impact and abrasion-resistant rider gear with Moto Femmes and Deakin University's Institute for Frontier Materials.

Thank you to all of our partners, including the schools who showed tremendous resilience and creativity to ensure continuity of learning for our students, and our industry partners, who kept the importance of connecting young people to their futures on their agendas. We also thank the committee members of our Tech Schools and the Department of Education and Training Tech Schools Team for their tremendous support. Extra-special acknowledgement goes to the Tech School staff. Our team expanded in 2020 and became an incredibly agile and forward-thinking group that views challenges as opportunities and continually strives to achieve excellence



Above: Our onsite STEM Arcade Game Design Challenge exhibition, featuring industry partner and globally recognised game producer Lisy Kane, highlighted the power of learning through gaming, and connections to STEM, and encouraged women to work in the gaming industry. Inspired by the interactive gallery space, students programmed custom games, designed unique controllers and built cabinets to create an engaging experience for primary school students.

CURRICULUM UNIT

In 2020, we implemented the Course Design and Development VET Policy for a significant number of course builds and rebuilds, including eight successful scope applications, eight Higher Education re-accreditation projects, nine government projects, three offshore projects and eight short courses/ Institute-accredited courses. Along with designing a fully online course for infection control in multiple industries, we ran a Locksmithing project, which resulted in a high-quality design and the development of a blended model of delivery and associated learning and assessment resources. This was shared with TAFE Providers in three other states and received excellent feedback.

PROFESSIONAL TEACHING PRACTICE

Melbourne Polytechnic's unique approach to blended learning was formalised with the development of a definition, Blended Learning Approaches and Blended Learning Standards. More than 200 educators engaged in the 10-week Blended Learning the Melbourne Polytechnic Way program, which covered topics including planning for blended learning, teaching strategies, digital tools, engagement and feedback for learning. These strategies and tools helped us continue to provide high-quality education in the face of the year's challenges.

Our annual '1 Great Day - Festival of Learning' was a virtual event attended by approximately 160 educators from across the VET, HE and Foundation sectors. Attendees participated in workshops and forums and were invited to share practice and connect with colleagues.

Community of Support is a 10-month program of support for teachers in their first two years of teaching at Melbourne Polytechnic. During the year, 37 teachers engaged in professional learning and received 1:1 coaching.

MELBOURNE POLYTECHNIC EDUCATION STRATEGY 2019-2023

In 2020, we made good progress against the Goals and Actions identified in Melbourne Polytechnic's Education Strategy 2019-2023. We completed seven of the 50 Initiatives outlined in the Strategy, 34 are in progress and nine have not yet been started. This progress reflects a whole-of-organisation commitment to successfully implementing the Strategy.

STUDENT AND STAFF REMOTE LEARNING SURVEYS

Throughout the year, we conducted two student surveys and one staff survey to determine the satisfaction of staff and students in the remote learning environment. The feedback from staff was used to identify and monitor the support staff required while working and/or teaching remotely. The student feedback indicated that most students found the remote learning environment easy to access and use, and that remote learning course resources were appropriate, helpful and of high quality.



Above: Melbourne Polytechnic Cattle Handlers Show, Certificate III in Agriculture AHC30116.

PEOPLE, CULTURE AND CORPORATE SERVICES

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

ICT SERVICES

In 2020, ICT Services was tasked with the challenge of rapidly facilitating the shift from working on campus to learning and working from home. This move required careful planning and implementation to optimise regular services, architecture and information security for predominantly offsite services. We continued to provide essential support to students learning from home, notwithstanding a 45 per cent surge in support needs.

Melbourne Polytechnic's information systems were strengthened through the implementation of several security initiatives to respond to the challenges of the rapid shift to a hybrid learning environment.

These initiatives were identified through both internal and external assurance activities, underpinned by risk management and included additional controls to restrict access to information assets, enhancement of detection and reporting of suspected security incidents, as well as providing training to all staff on information security best practices.

The remaining legacy NMIT domain and infrastructure was decommissioned, which improved ICT services and security, and the deployment of internet redundancy and failover substantially increased the availability and reliability of internet service.

Business As Usual (BAU) ICT Expenditure	Operational and Capital	\$10,233,754
Non-Business as Usual (non-BAU) ICT Expenditure	Operational	-
	Capital	\$466,562

FACILITIES AND ASSETS

The Facilities and Assets team is responsible for all facilities and related services, including buildings, utilities, grounds, timetabling, infrastructure and the management of security, cleaning, waste, vehicle fleet and sustainability. The team also manages the Institute's agricultural training centres located at Yan Yean, Eden Park and Ararat.

In 2020, paid student parking was introduced at Preston, Heidelberg, Greensborough and Fairfield campuses, which supported the upgrade of parking facilities, security and lighting. It will also support ongoing upkeep, security and improvements to parking facilities.

The Melbourne Polytechnic Environmental Sustainability Strategy 2020-2025 (the ESS) was approved by the Board in October.

Upgrades and refurbishments completed throughout the year included:

- ▶ Installation of additional CCTV in all campus car parks.
- ▶ Repurposing 450 classrooms, lecture theatres and computer rooms to meet physical distancing requirements.
- ▶ Improvements to fire and evacuation systems at Preston campus.
- ▶ Restoration of the heritage-listed chimney at Fairfield campus.
- ▶ Renegotiation and renewal of 12 licenses for tenancies at Greensborough, Prahran and Preston campuses.
- ▶ Negotiation of a three-year contract for provision of fire services and cleaning at all campuses.
- ▶ The Australian Centre for Glass Design, which incorporated the refurbishment of Buildings E and J at Prahran campus.
- ▶ Repurposing parts of Building D of the Epping campus to increase Melbourne Polytechnic's capacity to deliver carpentry programs.
- ▶ Establishment of Whittlesea Community Connection, including a community garden, in Building D of the Epping campus.

Our response to COVID-19:

- ▶ Reviewed the capacity of all areas, including classrooms, computer labs, practical delivery areas, workshops and common areas.
- ▶ Reviewed signage across campuses.
- ▶ Added sanitiser stations and self-cleaning kits to all areas.
- ▶ Increased cleaning frequency and standards.

COLLINGWOOD CAMPUS REDEVELOPMENT PROJECT

On 27 November, the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, was joined by the Member for Richmond, Richard Wynne MP, and the Member for the Northern Metropolitan Region, Sheena Watt MP, to announce that \$40 million in funding for the Collingwood Campus Redevelopment Project was approved in the Victorian Budget 2020/21. The appointment of an architect is expected early in 2021. Significant planning and stakeholder consultation will be undertaken to maximise the opportunities to be created in the refurbished campus.

OCCUPATIONAL HEALTH AND SAFETY

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

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

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

Number of staff	Training
9	First Aid for Health and Safety Representative
14	Cardiopulmonary Resuscitation (CPR)
20	Dangerous Goods and Hazardous Substance (DGHS)

Statistics for reported hazards and incidents are below.

	2020	2019	2018
Total number employed as at the last pay in December	1,121	1,630	2,051
Total full-time equivalent as at the last pay in December	942.9	996.8	1,093.0
Number of hazards/incidents reported	37	49	56
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	3.9	4.9	5.1
Time lost (hours)	9,513	7,656	3,466
Number of claims accepted	14	15	12
Number of 'lost time' standard claims for the year per 100 full-time equivalent staff members	1.2	0.9	0.5

Melbourne Polytechnic's WorkCover premium for 2020/21 was \$1,039,101.51, inclusive of GST. Our performance rating of 1.2224 is 22.24 per cent below the industry average.

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

Claims	2020	2019	2018
Average cost per claim for the year	\$52,926	\$79,389	\$43,094
Payments to date	\$83,537	\$411,268	\$63,435
Estimate of outstanding claim costs	\$339,822	\$1,661,532	454,583

Summary of 2020 claim figures:

- ▶ Claims are from the date that our Agent (EML) received the claim (not the date of injury).
- ▶ Minor claims were excluded as they do not incur costs and serve as notifications only.
- ▶ All data was extracted as at 4 January 2021 and reflects costs on all claims up to 31 December 2020.

STRATEGY, PERFORMANCE AND GOVERNANCE

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

- ▶ Corporate Governance, Risk and Compliance
- ▶ Education Quality and Accreditation
- ▶ Performance and Improvement
- ▶ Enterprise Analytics and Data Science
- ▶ Enterprise Strategy and Capability
- ▶ Strategic Partnerships and Projects
- ▶ Information Management and Security

Melbourne Polytechnic recognises the importance of good governance practices, and in 2020 established a dedicated Governance Department to:

- ▶ drive a high-performance culture;
- ▶ improve decision-making processes;
- ▶ strengthen transparency and accountability; and
- ▶ increase confidence that the organisation is running effectively and efficiently.

During the year, the new department delivered 70 events, including 11 Board meetings and two strategy days.

A course assessment process was rolled out to manage Melbourne Polytechnic's education and training products, including decisions about course development, continuation and retirement. This ensures that our courses meet industry and community needs.

The Inclusion, Respect and Equality Taskforce progressed a range of initiatives focused on increasing disability awareness among staff and students, building teacher capability for inclusion, child safety, campus safety, and all-abilities action planning. The Taskforce also worked to embed gender equality across our Institute and contribute to the prevention of family violence and violence against women. We partnered with Our Watch, a national leader in the field, to ensure that our leadership, strategy and practices align with the Workplace Equity and Respect Standards and the *Gender Equity Act 2020*.

An Information Management and Security Department was formed in 2020 to align the functions of information security, freedom of information, privacy, information management and copyright. Housing these enterprise-wide assurance systems that manage risk, compliance and governance in the group will enable improved practices and awareness around information management.

2020 saw significant growth in partnerships and collaborations with priority industries. New projects included:

- ▶ Establishing a Health Innovation and Education Hub with Health Careers International Pty Ltd to bring together innovators and thought leaders from education, healthcare, industry and technology to solve some of the most pressing problems and needs of the healthcare sector and other workforces.
- ▶ A collaboration with Emerging Minds, National Workforce Centre for Child Mental Health, to support the social and emotional wellbeing of children via online resources that will contribute to workforce development and student learning.
- ▶ Creating the Centre for Environment and Sustainable Agricultural Practices, based at Bundoora Secondary School, to provide industry and career awareness for metropolitan students and promote vocational pathways into the food and fibre industries.
- ▶ Establishing the Whittlesea Community Farm at Yarra Valley Water's Aurora water treatment plant to grow food, use recycled water, demonstrate regenerative farming and circular economy systems, and provide volunteer, training and employment opportunities in agriculture, horticulture and conservation management.
- ▶ The Food Distribution Centre and Food Garden at the Epping Campus was supported by the Whittlesea Food Collective to provide food to community members experiencing hardship. This initiative gave food to more than 8,000 people between April and August 2020 and provided volunteer opportunities and learning experiences for Melbourne Polytechnic students. It will act as an integrated access point for community support services when it opens fully (post-COVID-19).

STUDENT ENGAGEMENT, INTERNATIONAL AND COMMUNITY PARTNERSHIPS

The Student Engagement, International and Community Partnerships group includes:

- ▶ Future Students and Community Engagement (including Student Acquisition)
- ▶ Student Services
- ▶ Student Hub and Enrolment
- ▶ Library and Learning Skills
- ▶ Academic Registry
- ▶ deafConnectEd
- ▶ International Partnerships

STUDENT ACQUISITION

In 2020, 1,457 clients (including members of the public, employers, prospective students and enrolled learners) accessed services including job readiness assistance and course information through the Skills and Job Centre. Clients also had access to credentialed Careers Counsellors and Advisors. During the Melbourne lockdown, services were delivered via phone or online. Despite the year's challenges, 79 Career Readiness Workshops were delivered to more than 325 attendees.

STUDENT SERVICES

Student Services launched a new initiative focused on international student wellbeing and mental health. The Wellbeing Connect program reaches out to international students via phone and/or email to check in on their mental health. It also informs them of government support they may be eligible for and offers financial assistance to those most at risk. Twenty-five international students completed Mental Health First Aid training in 2020, and five are employed to assist the delivery of this program.

LIBRARY AND LEARNING SKILLS

Throughout the year, Library staff phoned 1,000 students to ask if they needed learning skills and library support. The contact was greatly appreciated, with one student responding, "Thank you for caring about me and asking whether I needed extra support, 2020 has been so hard for my family." The year also saw more than 350,000 visits to digital and physical 'learning resources' destinations, a 200 per cent increase in 'Ask a Librarian' digital chat engagement, and a 100 per cent increase in e-book usage.

deafConnectEd

During the year, Melbourne Polytechnic designed and delivered a program to meet an important need for a sector of our community with limited access to education and employment opportunities. The Certificate IV in Training and Assessment (TAE) for Auslan Users is highly adaptive to the needs of learners and the delivery plan was amended to accommodate a sizeable group of learners already enrolled in other courses. With the onset of COVID-19, the course moved online and we worked to adjust delivery and assessment and maintain learner engagement. This included scheduling catch-up opportunities for individuals, including one learner who was accessing the course from the USA. This unique program raised Melbourne Polytechnic's profile interstate and has received interest from participants in WA, SA and NSW.

INTERNATIONAL PARTNERSHIPS

Melbourne Polytechnic has a number of long-term international programs with more than 15 partner institutions in China (including Hong Kong (SAR)), Korea and Indonesia, and seeks new partnerships in the region. Our international programs operate in line with Victorian and Australian Government strategic initiatives and strategies for regional engagement. They align with our organisational strategy and focus on the student experience, workforce development and priority industries.

In 2020, international student recruitment was impacted heavily by COVID-19, although Melbourne Polytechnic responded swiftly with a range of measures to build recovery towards the end of 2021.

In spite of border closures, international partnerships showed remarkable resilience and were supported with a move to blended delivery accompanied by additional academic and pastoral support. We welcomed 25 pathway students from the Fuzhou Melbourne Polytechnic campus who commenced their Higher Education studies remotely due to border closures. Another 35 students are expected to commence their studies remotely at the start of 2021, with the intention of coming to Melbourne to complete their degrees.

We are pleased to report that student enrolments at the Fuzhou Melbourne Polytechnic campus again increased significantly, from 1,400 (2019) to more than 1,800 (2020). Meanwhile, a number of new partnerships were established for commencement in 2021 and they will be the main source of growth for international education, the reputation of TAFE, and the Global Victoria brand.

The focus on quality international student outcomes and international engagement will support Melbourne Polytechnic's leadership as a TAFE provider that is inclusive, progressive and building opportunities for Australian students to succeed in a global world.

Highlights

- ▶ Melbourne Polytechnic won a commendation for Excellence in International Education – TAFE Award at the 2020 Victorian International Education Awards.
- ▶ 730 new students enrolled at Fuzhou Melbourne Polytechnic, China.
- ▶ The Beijing Government Vocational Teacher Professional Development Program expanded to include hospitality and events management.
- ▶ We began a capacity-building teacher training program for the United Nations Development Program Myanmar, which will continue in 2021.
- ▶ Melbourne Polytechnic delivered International Skills Training (IST) courses to clients in Myanmar, Malaysia, China, Zambia and Kenya, as well as a DFAT IST course for the Korean Government.

International Students

- ▶ Two new scholarship categories were reserved exclusively for international students to support student engagement and success.
- ▶ International students were supported to complete their studies via remote learning while Melbourne was in lockdown.
- ▶ Foundation, VET and Higher Education international students who could not travel to Australia due to border closures started their courses remotely.
- ▶ New approaches to English evidence provision were introduced for international students unable to take IELTS tests due to COVID-19.
- ▶ International student enrolments remained strong in 2020, with 1,525 international students from 72 different countries undertaking ELICOS, VET and Higher Education programs with Melbourne Polytechnic.
- ▶ The number of guaranteed industry placements for international students in Higher Education increased to more than 100 in 2020.

Looking Ahead

- ▶ International programs are expected to grow in 2021 despite the impacts of COVID-19 on international travel and regional economies.
- ▶ We anticipate the number of students enrolled at the Fuzhou Melbourne Polytechnic campus to grow to more than 2,000 in 2021.
- ▶ Towards the end of 2021, we expect to see international student numbers beginning to recover.

RISK MANAGEMENT

Melbourne Polytechnic implements a number of measures to ensure effective risk management to achieve strategic objectives and meet contractual obligations in line with domestic and international laws and regulations. International Development and Academic Operations staff are conscious of the inherent risks associated with offshore projects and these are continuously reviewed and mitigated in line with the Institute's Risk Management Policy.

On top of existing decision-making frameworks for international projects, the COVID-19 global pandemic created new opportunities for risk mitigation such as:

- ▶ The establishment of an International Network Team of key stakeholders from all relevant areas of the Institute. This team was responsible for streamlining decision-making and ensuring a coordinated response to local and international disruptions.
- ▶ The establishment of a committee to ensure quality development of new courses, both in response to Training Package changes as well as Institute-accredited courses designed for offshore delivery.
- ▶ Increased consultation with key industry networks and government stakeholders.
- ▶ Increased use of technology, along with in-country representative networks, to support new international project development.
- ▶ A move to recruit offshore program teachers in-country via Melbourne Polytechnic representative offices.

PERFORMANCE MEASURES AND TARGETS

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



Left: International student Max Taishi Kiyuna, Certificate IV in Marketing and Communication

STUDENT PROFILE - ZAINAB AL SAABARY

2020 OUTSTANDING STUDENT OF THE YEAR FOR VET ENGLISH AS AN ADDITIONAL LANGUAGE

It was while living in Iraq and helping her children with their English studies at an international school that Zainab was inspired to work on her own language skills.

"While I was teaching my son, I found out I understand English, but my problem was speaking with other people. I can read and write it very well, but when I come to speak, I find some difficulties," Zainab says.

Zainab describes her journey from growing up in Iraq to life in Melbourne as a "very long story" involving losing family members and moving countries several times. "The situation in Iraq was very bad so our relatives in Syria told us to just flee out from Iraq, that's it, we can't just stay there," she says. "In Syria, I got married and after that I came to Australia."

In Melbourne, she enrolled in the Certificate IV in English as an Additional Language (Further Study) and discovered a great group of people in her class at the Epping campus. "It was a fantastic class last year, nice teacher, it was a very multicultural group," she says.

During the course, students worked on writing, speaking English, learning computer research skills, debating, job seeking and résumé writing. At the end of the year, Zainab was stunned to learn she was named Outstanding Student. "I didn't expect that, so it surprised me, but at the same time I feel some kind of pride with myself," she says.

After being unsure of which course to study next, Zainab's connection with nature led her to the Certificate III in Horticulture at Epping campus. Zainab finds elements of the course challenging as it involves science, chemistry, physics and learning the botanical names for plants but Zainab says, "I love plants, it's my passion. I love dealing with plants, they make me relax, make me comfortable. I'm the kind of person who sees the news and thinks about global warming and that's why I encourage people to plant, to not cut trees."

Zainab is looking towards the future and is contemplating opening or working in a nursery, or working with Bunnings, but she is also keen to continue studying and move on to the Certificate IV. "If I do this one, I think I can do the next one, the next step."



ENVIRONMENTAL PERFORMANCE

We strive to deliver positive environmental outcomes as part of our operational activities, and a project critical to helping us achieve that goal was delivered in 2020. The Melbourne Polytechnic Environmental Sustainability Strategy 2020-2025 (the ESS) supports our vision for Melbourne Polytechnic to be known as an Institute that practises environmental sustainability and empowers students and staff to change the way they think. Read more about the ESS and how it fits into Melbourne Polytechnic's Strategic Plan 2019-2023 on page 8.

Energy and Carbon Management, Waste and Recycling, and Water were areas of focus in 2020.

ENERGY AND CARBON MANAGEMENT

- ▶ Completed a solar feasibility study for the Epping, Preston, Greensborough, Heidelberg and Fairfield campuses.
- ▶ Undertook a scope of works for large-scale solar for the Heidelberg campus.
- ▶ Replaced Halogen lights with LED in the carparks of all campuses.
- ▶ Installed sub-metered gas and electricity at the Fairfield campus. A dashboard provides real-time data.
- ▶ Upgraded the skylights at Heidelberg campus to maximise natural light in the Trades area.
- ▶ Installed daylight sensors at Epping and Heidelberg campuses to ensure internal lights switch off when daylight lux levels meet lighting requirements.

WASTE AND RECYCLING

- ▶ Developed a food composting program for the Hospitality and Conference Centre kitchens at Preston campus. The program will commence in January 2021.
- ▶ Provided resources to support an onsite garden composting facility at Fairfield campus. The facility accepts green waste and suitable food waste.
- ▶ Implemented a concrete recycling program at Fairfield campus.

WATER

- ▶ Installed water-saving sensor taps in high-traffic areas at Preston campus.
- ▶ Replaced 138 showerheads at the Yarra House residential facility. The new showerheads were supplied by Yarra Valley Water.
- ▶ Installed water sub-meters at Fairfield, Preston and Epping campuses.

WASTE AND RECYCLING

		2020	2019	2018
Total units of waste (kg per year)	General waste	339,370	825,000	750,000
	Recycling*	85,525	150,932	119,302
Total units of waste per FTE (kg per FTE)	General waste	359	827	708
	Recycling*	90	151	109
Recycling rate (% of total waste by weight)		20%	18%	15%
Greenhouse gas emissions associated with waste disposal (tonnes of CO ₂ e)		442	907	830
Coffee cups recycled (number of cups)		834	4,620	1,875

* includes commingled, paper, cardboard and polystyrene.

Carbon Dioxide Equivalent (CO₂e) measures emissions from various greenhouse gases and indicates the amount of CO₂ that would have the equivalent global warming impact.

TRANSPORT

	2020			2019			2018		
	Petrol	Diesel	LPG	Petrol	Diesel	LPG	Petrol	Diesel	LPG
Energy consumption (megajoules)	627,042	946,654	0	1,241,277	1,381,647	0	1,733,494	1,278,627	66,000
Vehicle travel (km)	225,691	108,529	0	304,245	210,423	0	377,602	262,103	62,301
Greenhouse gas emissions associated with fleet vehicles (tonnes CO ₂ e)	36	64	0	88	104	0	122	96	5
Distance travelled by air (km)	N/A			1,420,602			N/A		
Percentage of employees who used sustainable transport to and from work (%)	N/A			N/A			N/A		

Melbourne Polytechnic maintained a fleet of 49 executive and operational vehicles including heavy commercial, large 4WD, large passenger, light commercial, medium 4WD, medium passenger, small 4WD, small commercial, small passenger and vans. Vehicles were used for teaching and non-teaching purposes, e.g. heavy commercial on farms, light commercial in trade areas, and passenger vehicles for department and pool car use.

Data was obtained from vehicle fuel card reports.

Fuel consumption decreased in 2020 due to the impacts of the COVID-19 global pandemic.

WATER CONSUMPTION

	2020	2019	2018
Total water consumption (kilolitres)	68,028	79,914	76,555
Total water consumption per FTE (kilolitres)	72	80	70
Units of metered water consumed in offices per unit of office space (kilolitres per m ²)	0.41	0.47	0.46
Recycled water (kilolitres)	77,067	66,617	N/A

PAPER USE

	2020			2019			2018		
	0-49%	50-75%	76-100%	0-49%	50-75%	76-100%	0-49%	50-75%	76-100%
Total units of A4 equivalent copy paper (reams)	3,419			10,402			12,876		
A4 equivalent copy paper used per FTE (reams per FTE)	3			10			11		
Percentage of recycled content copy paper purchased (reams)	3,014	0	405	9,677	0	725	12,371	0	505

ENERGY USE

	2020	2019	2018
Total energy use (megajoules)	58,273,253	66,755,764	65,465,486
Greenhouse gas emissions associated with energy use (tonnes CO ₂ e)	8,886	9,942	13,554
Percentage of electricity purchased as green power	0%	0%	0%
Energy used per FTE (megajoules)	61,802	66,970	59,877
Energy used per unit of office area (megajoules per m ²)	174	399	392
Renewable energy generation installed (kW)	42	42	42
Renewable energy generated (megajoules)	168,573	0	0

GREENHOUSE GAS EMISSIONS

	2020	2019	2018
Total greenhouse gas emissions associated with energy use (tonnes CO ₂ e)	8,886	9,942	13,544
Total greenhouse gas emissions associated with fleet vehicle (tonnes CO ₂ e)	99	192	222
Total greenhouse gas emissions associated with air travel (tonnes CO ₂ e)	0	292	0
Total greenhouse gas emissions associated with waste production (tonnes CO ₂ e)	442	907	830
Greenhouse gas emissions offsets purchased (tonnes CO ₂ e)	0	0	0

SUMMARY OF OPERATING RESULTS AND FINANCIAL POSITION

Melbourne Polytechnic recorded a Net Surplus from transactions of \$4.1 million, compared to a 2019 Net Deficit from transactions of \$10.8 million.

The Institute's 2020 revenue of \$185.3 million is consistent with the 2019 revenue position of \$183.7 million. In 2020, Melbourne Polytechnic was supported through the \$163 million Victorian Government support package for the TAFE sector. Expenditure decreased from \$193.2 million in 2019 to \$180.5 million in 2020. This was primarily driven by savings resulting from lower campus activity due to students and staff being remote for large parts of 2020.

The Institute's closing cash position is \$23.9 million.

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

SUMMARY OF FINANCIAL RESULTS

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Total income from transactions	185,341	183,714	203,163	165,965	133,071
Total expenses from transactions	180,462	193,167	192,393	163,798	135,740
Net result from transactions (Net operating balance)	4,879	(9,453)	10,770	2,167	(2,669)
Other economic flows included in net result	(769)	(1,379)	66	(2,013)	220
Net result	4,110	(10,832)	10,836	154	(2,449)
Other economic flows - other comprehensive income	-	-	(119)	76,148	-
Comprehensive result	4,110	(10,832)	10,717	76,302	(2,449)

SUMMARY OF FINANCIAL POSITION

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Total assets	425,001	426,520	436,727	421,659	338,470
Total liabilities	61,165	66,794	64,728	60,377	53,490
Net assets	363,836	359,726	371,999	361,282	284,980

ACKNOWLEDGEMENT OF COMMON FUNDING AGREEMENTS

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

GOVERNANCE

BOARD AND COMMITTEES

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

In 2020, the Hon. Gayle Tierney MP was the Minister for Training and Skills and Minister for Higher Education.

The Melbourne Polytechnic Board is responsible to the Victorian Government for the overall strategy, governance and performance of Melbourne Polytechnic's functions. Four committees help facilitate the functioning and responsibilities of the Board, they are the:

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

FINANCE, AUDIT AND RISK COMMITTEE

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

2020 BOARD DIRECTORS

Helen Clarke	Minister Appointed Director (Chairperson)
Tali Bernard	Minister Appointed Director
Bill Forrest	Minister Appointed Director
Karen Janiszewski	Minister Appointed Director
Jim Pasinis	Minister Appointed Director
Fiona Smith AM	Minister Appointed Director
Joe Dicks	Board Appointed Director
Michael Grogan	Board Appointed Director (commenced 1 September 2020)
Ian Bruce Munro PSM	Board Appointed Director
Dr Fiona Wahr	Staff Elected Director
Frances Coppelillo	Chief Executive
Professor Lee Astheimer	Board Appointed Director (ceased 31 August 2020)
Dr Richard Tait	Board Appointed Director (ceased 30 June 2020)

Helen Clarke

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

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

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

Tali Bernard

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

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

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

Bill Forrest

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

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

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

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

Karen Janiszewski

Karen Janiszewski has over 15 years' experience working on a number of boards and is an experienced Committee Chair. She has extensive business, commercial, general management, property and construction skills developed in a range of line management and consulting roles across many industry sectors.

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

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

Jim Pasinis

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

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

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

Mr Pasinis holds a Diploma of Accounting and a Graduate Diploma of Health Administration.

Fiona Smith AM

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

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

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

Joe Dicks

Joe Dicks has over 31 years' experience as a Chartered Accountant and 17 years as a Non-Executive Director. He has advised Victorian TAFEs on performance reporting, strategic planning and budgetary matters during his time as a consultant.

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

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

Dr Richard Tait

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

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

Michael Grogan

Michael Grogan has been State Director Victoria and Tasmania, and National Director Skills and Training at the Advanced Manufacturing Growth Centre (AMGC) since May 2016. In this role, he oversees manufacturing opportunities in Australia's southern region and drives collaboration between industry and research institutions for positive commercial outcomes.

Mr Grogan joined AMGC having led Sutton Tools for almost two decades as CEO. He managed manufacturing facilities and operational outlets in New Zealand, Singapore and Europe, launched successful joint ventures in India and the Netherlands, and extended the company's sales reach in international markets including South East Asia and China.

Mr Grogan has a national focus for lifting Australia's manufacturing skillset. As a strong advocate for technical skills, apprenticeships and tertiary qualifications, he is committed to ensuring training packages and links with universities remain at the top of the education agenda.

Mr Grogan is a Board member of Defence Materials Technology Centre (DMTC), sits on two Australian Government Industry Reference Committees (IRCs), is heavily involved in Vocational Education and Training in Schools (VETiS), sits on the Board of the Adult Community and Further Education (ACFE) Victorian Government Statutory Authority, and is Chair of the William Ruthven School Council.

Ian Bruce Munro PSM

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

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

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

Dr Fiona Wahr

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

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

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

Frances Coppelillo

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

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

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

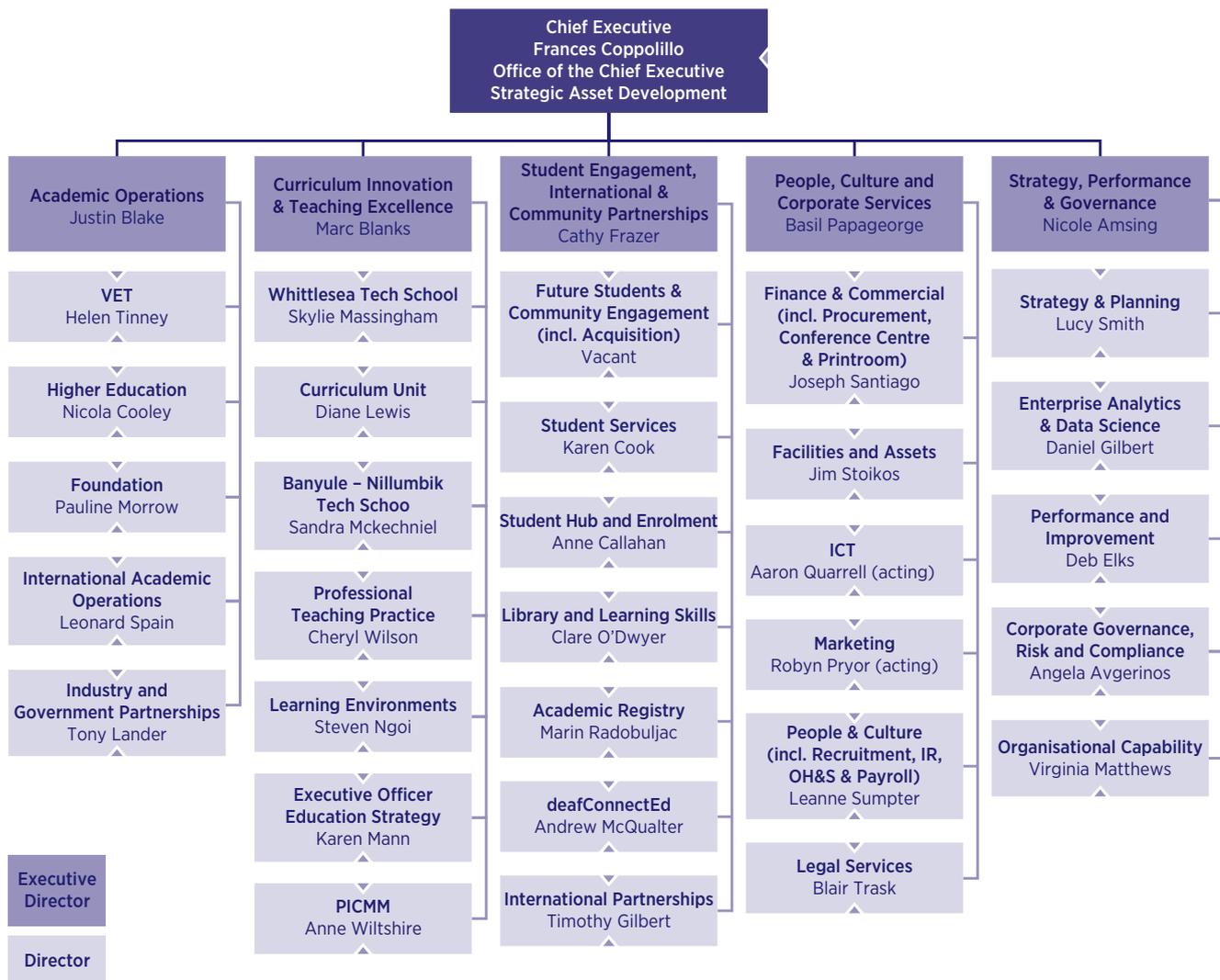
Her qualifications include Bachelor of Education and Master of Social Sciences (Policy and Management). Ms Coppelillo is the first female Chief Executive of Melbourne Polytechnic (formerly NMIT).

BOARD COMMITTEES CHART AND MEMBERSHIP

In 2020, the Board had four committees.

Melbourne Polytechnic Board			
Finance, Audit and Risk Committee	Strategic Infrastructure Investment Committee	Governance and Culture Committee	Education Quality Committee
Joe Dicks (Committee Chair) Helen Clarke (Board Chairperson) Tali Bernard Karen Janiszewski (from 24 February 2020) Bill Forrest (until 24 February 2020) Dr Richard Tait (until 30 June 2020)	Ian Munro PSM (Committee Chair) Joe Dicks Bill Forrest Jim Pasinis Fiona Smith AM Karen Janiszewski Dr Richard Tait (until 30 June 2020) Professor Lee Astheimer (until 1 September 2020)	Tali Bernard (Committee Chair) Frances Coppolillo Jim Pasinis Dr Fiona Wahr Bill Forrest (from 24 February 2020)	Professor Lee Astheimer (Committee Chair until 31 August 2020) Helen Clarke (Board Chairperson and Committee Chair from 1 September 2020) Frances Coppolillo Ian Munro PSM Fiona Smith AM Dr Fiona Wahr Michael Grogan Angela Carbone (Non-Board Appointed)

MELBOURNE POLYTECHNIC SENIOR MANAGEMENT STRUCTURE AT 31 DECEMBER 2020



MELBOURNE POLYTECHNIC OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

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

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

The functions of Melbourne Polytechnic are to:

- ▶ Provide the communities and industries served by the Institute with efficient and effective technical and further education programs and services.
- ▶ Provide the communities and industries served by the Institute with efficient and effective adult, community and further education programs and services that are responsive to the needs of the community and to consult with the relevant Regional Councils about the provision of these programs and services.
- ▶ Prepare, publish or distribute or license the use of literary or artistic work, audio or audio-visual material or computer software.
- ▶ Engage in an activity on a commercial basis if the activity is consistent with Melbourne Polytechnic's other functions and Strategic Plan.
- ▶ Confer Vocational Education and Training awards and Higher Education awards.
- ▶ Operate as a group training organisation that employs apprentices and other trainees and places them with host employers.

WORKFORCE DATA

Notes:

Tables 1 and 2 request data using different methods of calculation. Table 1 includes all staff employed during the reporting year. Table 2 includes employees from the last full pay period in December.

TABLE 1. PERFORMANCE AND ACCOUNTABILITY FRAMEWORK FTE TABLE (DECEMBER 2019 - DECEMBER 2020)

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

December 2019	Full-time		Part-time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	253.0	52.0	45.0	5.6	N/A	58.0	413.6
Executive	0.0	19.0	0.0	0.0	N/A	0.0	19.0
Other	8.0	2.0	1.4	0.0	N/A	15.2	26.6
Teacher	279.0	52.0	73.3	24.4	108.9	N/A	537.6
Total	540.0	125.0	119.7	30.0	108.9	73.2	996.8

FTE: full-time equivalent.

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

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

Employees have been correctly classified.

Notes: Table 1

The 2020 Annual Report includes all staff who worked during 2020. Previous Annual Reports included only those staff employed during the last pay period in December, therefore the 2019 figures reported in the 2020 Annual Report will remain as the staff employed during the last pay period in December, as reported in the 2019 Annual Report.

Previous Annual Reports classified Higher Education Lecturers as 'Other'. In the 2020 Annual Report, we have classified Higher Education Lecturers as 'Teachers' in Table 1 for 2020 and 2019. Previous Annual Reports classified Executives as 'Ongoing'. In the 2020 Annual Report, we have classified Executives as 'Fixed term' in Table 1 data for 2020 and 2019. The 2019 figures in the 2020 Annual Report will therefore differ from those in the 2019 Annual Report.

TABLE 2. WORKFORCE DISCLOSURES (DECEMBER 2019 - DECEMBER 2020)

December 2020	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Women Executives	9.0	8.6	0.0	0.0	0.0	9.0	8.6
Women (total staff)	633.0	530.6	281.0	138.0	373.8	214.0	156.8
Men Executives	7.0	7.0	0.0	0.0	0.0	7.0	7.0
Men (total staff)	487.0	412.0	288.0	66.0	331.6	133.0	80.4
Self-described	1.0	0.3	0.0	0.0	0.0	1.0	0.3
Age							
15-24	33.0	22.6	9.0	3.0	11.1	21.0	11.4
25-34	126.0	99.2	54.0	13.0	63.0	59.0	36.3
35-44	273.0	234.5	144.0	34.0	167.2	95.0	67.3
45-54	279.0	235.1	136.0	68.0	180.2	75.0	54.9
55-64	316.0	278.5	187.0	62.0	228.6	67.0	49.9
Over 64	94.0	73.0	39.0	24.0	55.3	31.0	17.7
Total employees	1121.0	942.9	569.0	204.0	705.4	348.0	237.5

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

FTE: full-time equivalent.

Employees have been correctly classified.

Notes: Table 2

Active staff in last pay period December.

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

EMPLOYMENT AND CONDUCT PRINCIPLES

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

These policies include but are not limited to the:

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

GENERAL STATEMENT ON INDUSTRIAL RELATIONS

Quality relationships were maintained with all unions with coverage at Melbourne Polytechnic. The Institute has regular consultative arrangements in place with the unions to ensure any issues arising are dealt with appropriately. There were no days lost to industrial action taken in 2020.

COMPLIANCE WITH LEGISLATION AND REGULATIONS

APPLICATION OF THE FREEDOM OF INFORMATION (FOI) ACT 1982

It is Melbourne Polytechnic's policy to facilitate, subject to privacy and confidentiality provisions, access to information without recourse to the provisions of the FOI Act where appropriate. In 2020, the General Counsel was responsible for ensuring compliance with the *Freedom of Information Act 1982*.

FOI ACCESS ARRANGEMENTS

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

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

Requests can also be sent by email to:

foi@melbournepolytechnic.edu.au

FOI FEES AND ACCESS CHARGES

The application fee for an FOI request was \$29.60 in 2020. Charges for access to documents were in accordance with the Freedom of Information (Access Charges) Regulations 2014.

FOI ACCESS CLAIMS 2020

There were two requests for access to documents received pursuant to the FOI Act during 2020.

COMPLIANCE WITH THE VICTORIAN PUBLIC SECTOR TRAVEL POLICY

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

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT 2012

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

Melbourne Polytechnic has not been advised by the Independent Broad-based Anti-corruption Commission (IBAC) that there were any disclosures made against Melbourne Polytechnic or any of its staff in 2020, nor have any disclosures been made to Melbourne Polytechnic Protected Disclosure Contacts.

Melbourne Polytechnic's Protected Disclosure Policy was last updated in April 2017 and will next be reviewed in 2021.

COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

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

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

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

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

COMPLIANCE WITH THE BUILDING ACT 1993

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

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

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

During 2020, the following works and maintenance were undertaken to ensure conformity with the relevant standards.

Building works	Number
Construction work undertaken and subject to mandatory inspections	2
Certificate of final inspection/occupancy issued	2

COMPLIANCE WITH THE LOCAL JOBS FIRST ACT 2003

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

In 2020, Melbourne Polytechnic commenced two Local Jobs First applicable projects, with a total estimated value of \$47,692,605.

- ▶ Invitation to Supply - Tender for the Provision of Cleaning Services at Melbourne Polytechnic sites and environs for three years, \$7,692,605.
- ▶ Invitation to Supply - Project Design Consultant and Principal Design Services, full project cost including construction component, estimated \$40,000,000.

Both projects were metropolitan based. A minimum of 97 per cent local content was committed.

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

COMPLIANCE WITH THE NATIONAL COMPETITION POLICY

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

COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

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

- ▶ *Education and Training Reform Act 2006 (ETRA)*
- ▶ The Constitution of Melbourne Polytechnic
- ▶ Directions of the Minister for Training and Skills (or predecessors)
- ▶ Melbourne Polytechnic Commercial Guidelines
- ▶ Melbourne Polytechnic Strategic Planning Guidelines
- ▶ *Public Administration Act 2004*
- ▶ *Financial Management Act 1994*
- ▶ *Freedom of Information Act 1982*
- ▶ *Building Act 1993*
- ▶ *Public Interest Disclosures Act 2012*
- ▶ *Local Jobs First Act 2003*
- ▶ 2018-2019 VET Funding Contract
- ▶ Higher Education Standards Framework (Threshold Standards) 2015
- ▶ Standards for RTOs 2015
- ▶ *ESOS Act 2000*
- ▶ ESOS Regulations 2019
- ▶ National Code 2018
- ▶ *Employment Act 1988*
- ▶ *Victorian Occupational Health and Safety Act 2004*
- ▶ *Privacy and Data Protection Act 2014*
- ▶ *Public Records Act 1971*
- ▶ *Copyright Act 1968*
- ▶ *Competition and Consumer Act 2010*

MELBOURNE POLYTECHNIC FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Helen Clarke, on behalf of the Responsible Body, certify that for the period 1 January 2020 to 31 December 2020, Melbourne Polytechnic has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 29 March 2021

2020 FINANCIAL STATEMENTS

MELBOURNE POLYTECHNIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



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DECLARATION

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to and forming part of the Financial Report, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of the Institute as at 31 December 2020.

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



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 29 March 2021



Frances Coppolillo
Chief Executive
Melbourne Polytechnic
Date: 29 March 2021



Joseph Santiago
Chief Finance and Accounting Officer
Melbourne Polytechnic
Date: 29 March 2021



Independent Auditor's Report

To the Board of Melbourne Polytechnic

Opinion	<p>I have audited the financial report of Melbourne Polytechnic (the institute) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 31 December 2020• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration by the Board Chairperson, Chief Executive and Chief Finance and Accounting Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
12 April 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Continuing operations			
Income from transactions			
Government contributions	2.1	90,670	73,466
Revenue from fees, charges and sales	2.2	90,534	105,120
Other income	2.3	4,137	5,128
Total income from transactions		185,341	183,714
Expenses from transactions			
Employee benefits	3.1.1	102,075	105,895
Depreciation and amortisation	3.6	9,371	8,715
Supplies and services	3.3	58,076	64,287
Finance costs	3.5	138	197
Other operating expenses	3.4	10,802	14,073
Total expenses from transactions		180,462	193,167
Net result from transactions		4,879	(9,453)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.1.3	(111)	80
Net gain/(loss) on financial instruments	9.1a	(184)	(4)
Other gains/(losses) from other economic flows	9.1b	(474)	(1,455)
Total other economic flows included in net result		(769)	(1,379)
Net result		4,110	(10,832)
Other economic flows – other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in physical asset revaluation surplus		-	-
Items that will not be reclassified to net result			
Gain/loss on revaluation of physical assets		-	-
Comprehensive result		4,110	(10,832)

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

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

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	23,856	19,490
Receivables	5.1	4,600	7,220
Total financial assets		28,456	26,710
Non-financial assets			
Contract assets	5.2	10,109	7,776
Property, plant and equipment	4.1	375,456	378,993
Right-of-use assets	6.4	2,977	5,523
Intangible assets	4.2	1,321	979
Other non-financial assets	5.3	6,682	6,539
Total non-financial assets		396,545	399,810
Total assets		425,001	426,520
Liabilities			
Payables	5.4	15,376	16,460
Contract liabilities	5.5	8,014	9,661
Employee provisions	5.6	22,006	22,287
Other provisions	5.7	2,150	1,300
Borrowings	6.2	10,572	11,496
Lease liabilities	6.4	3,047	5,590
Total liabilities		61,165	66,794
Net assets		363,836	359,726
Equity			
Accumulated surplus/(deficit)		43,286	39,176
Contributed capital	6.3	31,681	31,681
Reserves	9.2	288,869	288,869
Net worth		363,836	359,726

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

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

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Physical assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
As at 1 January 2019	288,869	51,449	31,681	371,999
Impact of change in accounting policy				
AASB 15: Revenue from contracts with customers and AASB 1058: Income of not-for-profit entities	-	(1,441)	-	(1,441)
As at 1 January 2019 - adjusted	288,869	50,008	31,681	370,558
Net result for the year	-	(10,832)	-	(10,832)
Total comprehensive income	288,869	39,176	31,681	359,726
Year ended 31 December 2019	288,869	39,176	31,681	359,726
Net result for the year	-	4,110	-	4,110
Total comprehensive income	288,869	43,286	31,681	363,836
Year ended 31 December 2020	288,869	43,286	31,681	363,836

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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		87,927	74,284
User fees and charges received		104,616	118,057
Interest received		167	456
Total receipts from operating activities		192,710	192,797
Payments			
Payments to employees		(87,433)	(85,786)
Payments to suppliers		(91,499)	(106,994)
Goods and services tax paid to the ATO		(1,468)	(1,011)
Short-term, low-value and variable lease payments		(454)	(342)
Interest paid - lease liability		(138)	(197)
Total payments from operating activities		(180,992)	(194,330)
Net cash flows from/(used in) operating activities	6.1.1	11,718	(1,533)
Cash flows from investing activities			
Payments for property, plant and equipment		(3,071)	(4,310)
Payments for intangible assets		(581)	(365)
Proceeds from sales of non-financial assets		76	1,219
Net cash flows from/(used in) investing activities		(3,576)	(3,456)
Cash flows from financing activities			
Repayment of borrowings		(924)	(5,873)
Payment of lease liabilities		(2,852)	(3,109)
Net cash flows from/(used in) financing activities		(3,776)	(8,982)
Net increase/(decrease) in cash and cash equivalents		4,366	(13,971)
Cash and cash equivalents at beginning of year		19,490	33,461
Cash and cash equivalents at end of year	6.1	23,856	19,490

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

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

NOTE 1. ABOUT THIS REPORT

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

Its registered office and principal address is:

Melbourne Polytechnic
77 St Georges Road
Preston VIC 3072
Australia

1.1 BASIS OF PREPARATION

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

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

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

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

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

- ▶ the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- ▶ actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1);
- ▶ the recognition of revenue in relation to contracts with customers (refer to Note 2.2);
- ▶ AASB 16 Leases and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4); and
- ▶ whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable.

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

GOODS AND SERVICES TAX (GST)

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

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

FUNDING RISK

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

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

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

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

1.2 COMPLIANCE INFORMATION

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

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

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

1.3 IMPACT OF COVID-19

On 16 March 2020, a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions were announced and implemented by the State Government, which in turn impacted the manner in which businesses operate, including Melbourne Polytechnic.

During the year, COVID-19 has had a material impact on the operations of Melbourne Polytechnic and as a consequence has resulted in a number of material impacts on the performance of Melbourne Polytechnic as well as the judgements and estimates used in assessing year end balances.

Melbourne Polytechnic responded rapidly across the Institute, while following advice from the State Government, and mobilised a Command Centre and Network Team which enabled continuity across most courses while meeting all health and safety requirements. Melbourne Polytechnic embraced different ways of working, increasing capabilities in new technologies, implementing new processes and systems to enable remote engagement.

The key impacts on the performance as well as various accounting treatments and estimates are summarised below and disclosed in subsequent notes where relevant and material.

THE KEY IMPACTS ON THE PERFORMANCE ARE SUMMARISED AS FOLLOWS:

Net result

COVID-19 had a material impact on Melbourne Polytechnic's net result in 2020 as a result of lower revenue due to lower student numbers, both domestic and international. As a consequence, Melbourne Polytechnic received State Government support by way of Crisis Support Funding and Business Continuity Grants in order to assist the Institute with its immediate response to the pandemic including the transition to online and remote learning, retain staff and to maintain government funding at pre-pandemic levels.

Management will actively monitor the impact of COVID-19 on Melbourne Polytechnic's financial performance in 2021, concentrating on increasing student enrolments and reducing expenditure consistent with revenue, by regular reporting and developing strategies to mitigate potential negative impacts.

During the period there were no reductions to full time equivalents (FTE) as a result of COVID-19, consistent with government policy.

No other Government assistance was received by Melbourne Polytechnic, including JobKeeper payments.

Revenue and other income

Melbourne Polytechnic's response to the pandemic was in line with advice from the State Government and included the implementation of a blended learning model which has a strong focus on remote learning. Where classes required face to face learning due to the practical nature of the unit, Melbourne Polytechnic followed State Government advice on distance requirements which resulted in some classes being extended past original end dates to allow students to complete courses safely.

Expenses

Melbourne Polytechnic's daily activities were impacted by the pandemic. This resulted in an increase in direct and indirect costs of \$3,950,000. These included additional staffing costs for new or expanded services, increased cleaning costs, additional supplies and consumables for staff and students, and staffing costs for replacement and maintenance of core staffing.

Similarly, where possible cost reductions were made to align with lower revenue and reduced activity on campuses such as marketing, utilities and travel.

Capital expenditures

As a result of COVID-19 and the subsequent impact to revenue, Melbourne Polytechnic has delayed capital spending in 2020, which resulted in cash savings of \$7,900,000 from anticipated spend.

Employee provisions

The impact of COVID-19 on the community and subsequent restrictions resulted in the cancellation of a number of instances of planned leave by staff. As a result, the leave provisions have increased which has been offset by movements in the wage inflation and discount rates. This is discussed further in Note 5.6.

THE KEY IMPACTS ON ACCOUNTING TREATMENTS AND ESTIMATES ARE AS FOLLOWS:

Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with Financial Reporting Direction (FRD) 103H. A full revaluation of education assets normally occurs every five years, with this last occurring for the year ended 31 December 2017. Due to COVID-19, there is an increased element of estimation uncertainty with regard to the fair values of Melbourne Polytechnic's non-financial physical assets. This is discussed further in Note 7.3.

Financial sustainability

The impact of the COVID-19 pandemic on Melbourne Polytechnic finances is expected to continue in 2021, which may require Melbourne Polytechnic to draw on their cash reserves to cover their operating costs.

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

The Letter of Comfort provides assurance that financial assistance will be made available to Melbourne Polytechnic until April 2022 (if required) and to enable Melbourne Polytechnic to continue as a going concern.

On that basis, the financial statements for Melbourne Polytechnic have been prepared on a going concern basis.

NOTE 2. HOW WE EARNED OUR FUNDS

2.1 GOVERNMENT CONTRIBUTIONS

2.1.1 GOVERNMENT CONTRIBUTIONS - OPERATING

	2020 \$'000	2019 \$'000
Grants and other transfers		
Government contributions - operating		
State Government - contestable	52,171	48,401
State and Commonwealth Government - other contributions	37,947	23,494
Total Government contributions - operating	90,118	71,895

Melbourne Polytechnic implemented a blended learning model focusing on remote learning which allowed for continuation of studies throughout the year. The ongoing student revenue plus Government assistance forms the total Government assistance.

In 2020, Melbourne Polytechnic received \$15 million in Crisis Support Funding to assist with its immediate response to the pandemic, and \$14.2 million in Business Continuity Grants to support the retention of staff, transition to online and remote learning, and to maintain government funding at pre-pandemic levels.

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

Where grants or contracts are recognised over time, mainly the input method of costs incurred-to-date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date mainly comprise salaries, accordingly, costs incurred-to-date is the best measure of the transfer of control over the service or product.

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

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

2.1.2 GOVERNMENT CONTRIBUTIONS - CAPITAL

	2020	2019
	\$'000	\$'000
Government contributions - capital		
State Government - capital	552	1,571
Total Government contributions - capital	552	1,571
Total Government contributions	90,670	73,466

Revenue type	Nature	Performance obligation	Timing of satisfaction
State Government - capital	Where Melbourne Polytechnic receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by Melbourne Polytechnic.	To acquire or construct a non-financial asset.	Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building.

The following table provides a breakdown of Government contributions based on revenue standards:

	2020	2019
	\$'000	\$'000
Income from government contributions: AASB 1058 Income of not-for-profit entities	48,871	20,905
Revenue from government contributions: AASB 15 Revenue from contracts with customers	41,799	52,561
Total Government contributions	90,670	73,466

2.2 REVENUE FROM FEES, CHARGES AND SALES

	2020	2019
	\$'000	\$'000
Student fees and charges	10,529	13,701
Fee for service - Government	45,204	45,654
Fee for service - international operations - onshore	19,594	25,099
Fee for service - international operations - offshore	4,650	5,582
Fee for service - other	9,645	13,160
Other non-course fees and charges		
Sale of goods	912	1,924
Total revenue from fees, charges and sales	90,534	105,120

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

	2020	2019
	\$'000	\$'000
Over time	10,529	13,701
At a point-in-time	80,005	91,419
Total revenue from fees, charges and sales	90,534	105,120

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

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

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

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

Revenue type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	Student fees and charges relates to delivery of education to full-fee-paying students and related charges to students.	Provision of education services.	Course fees and charges revenue is recognised as the course is delivered to the student and is measured as the amount Melbourne Polytechnic expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – Government	Fee for service relates to the role of Melbourne Polytechnic as training provider to deliver assessment and training services under the Adult Migrant Education Program (AMEP) and the Skills for Education and Employment Program (SEE), which are funded by the Australian Government.	Provision of services.	Revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – international operations	Fee for service relates to provision of education services to international students both locally and offshore.	Provision of services.	Fee for service is recognised as the service is delivered to the student. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to non-course fees and charges.	Provision of services.	Other non-course fees and charges are recognised as the service is delivered to the student or the public.
Revenue from sale of goods		Delivery of goods.	Revenue is recognised 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.

As outlined below, Melbourne Polytechnic has applied AASB 15 using the cumulative effect method.

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

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

Step 1 – Identifying the contract with a customer.

Step 2 – Identifying the performance obligations.

Step 3 – Determining the transaction price.

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

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

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

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

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

Revenue recognised in relation to contract liabilities

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

	2020 \$'000	2019 \$'000
Student fees and charges	3,616	3,506
Fee for service	5,512	4,921
	9,128	8,427

Transaction price allocated to remaining performance obligations

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

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

	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
2020				
Revenue expected to be recognised	7,755	228	28	3
		2020 \$'000	2021 \$'000	2022 \$'000
2019				
Revenue expected to be recognised		9,228	399	34

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

Payment terms

The payment terms for student fees are as follows:

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

Melbourne Polytechnic is obliged to refund the tuition fees paid by any students who terminate their study before the census date.

2.3 OTHER INCOME

	2020 \$'000	2019 \$'000
Interest income	165	455
Rental income	1,292	1,390
Income from sub-leasing right-of-use assets	593	864
Student accommodation income	1,285	1,497
Donations, bequests and contributions	37	20
Other revenue	765	902
Total other income	4,137	5,128

Melbourne Polytechnic has continued to earn income from student accommodation and rental for use of the space to the third parties.

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

2.3.1 LEASES RECEIVABLE

	2020	2019
	\$'000	\$'000
Receivable:		
Within one year	1,411	1,607
Later than one year but not later than five years	638	1,395
Later than five years	451	509
Total leases receivable	2,500	3,511
GST payable on the above	225	312
Net operating leases receivable	2,275	3,199

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

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset.

NOTE 3. HOW WE EXPENDED OUR FUNDS

3.1 EMPLOYEE BENEFITS

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

All assumptions are reviewed at each reporting date.

3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2020	2019
	\$'000	\$'000
Salaries, wages, overtime and allowances	82,301	81,941
Superannuation	8,374	8,097
Payroll tax	4,480	4,623
Workers compensation	752	651
Annual leave	5,886	6,422
Long service leave	229	3,269
Termination benefits	(104)	698
Other	157	194
Total employee benefits	102,075	105,895

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

Impact of COVID-19

Melbourne Polytechnic's activities were impacted by the pandemic, which resulted in direct and indirect costs being incurred. The impact of COVID-19 is discussed further in Note 1.3.

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

3.2 SUPERANNUATION

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

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

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

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

	2020	2019
	\$'000	\$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	325	374
Total defined benefit plans	325	374
Accumulation contribution plans:		
VicSuper	4,316	4,265
Other	4,011	3,579
Total accumulation contribution plans	8,327	7,844
Total paid contribution for the year	8,652	8,218
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	–	99
Other	–	89
Total accumulation contribution plans	–	188
Total contribution outstanding at year end	–	188

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 SUPPLIES AND SERVICES

	2020	2019
	\$'000	\$'000
Building repairs and maintenance	6,770	4,958
Computer software and hardware expenses	4,341	4,869
Contract and other services	4,262	4,314
Cost of goods sold/distributed (ancillary trading)	2,177	3,963
Fees and charges	5,021	6,255
Purchase of supplies and consumables	4,908	6,336
Third-party training providers	30,597	33,592
Total supplies and services	58,076	64,287

Impact of COVID-19

Melbourne Polytechnic's activities were impacted by the pandemic, which resulted in direct and indirect costs being incurred. The Institute incurred increased IT costs and cleaning costs in 2020. As a result of reduced activity on campus, the Institute was able to accelerate maintenance and repairs activities. The impact of COVID-19 is discussed further in Note 1.3.

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

3.3.1 NON-CANCELLABLE LEASE COMMITMENTS – SHORT-TERM AND LOW-VALUE LEASES

Melbourne Polytechnic had no material non-cancellable lease commitments for short-term and low-value leases as at 31 December 2020.

3.3.2 OTHER EXPENDITURE COMMITMENTS

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

	2020	2019
	\$'000	\$'000
Payable:		
Within one year	6,066	3,315
Later than one year but not later than five years	5,878	2,217
Later than five years	-	-
Total other expenditure commitments	11,944	5,532
GST payable on the above	1,057	460
Net other expenditure commitments	10,887	5,072

3.4 OTHER OPERATING EXPENSES

	2020	2019
	\$'000	\$'000
Audit fees and services	182	143
Bad debts from transactions	65	69
Equipment below capitalisation threshold	3,079	2,236
Impairment of property, plant and equipment	6	-
Marketing and promotional expenses	1,773	3,546
Settlement payments	37	-
Staff development	185	426
Travel and motor vehicle expenses	270	1,176
Utilities	2,789	3,331
Variable lease payments not included in the measurement of lease liability	33	145
Expenses relating to short-term leases	421	76
Other	1,962	2,925
Total other operating expenses	10,802	14,073

Impact of COVID-19

As a direct result of Covid-19, Melbourne Polytechnic incurred lower expenditure in marketing and utilities. Due to lower campus activity, the Institute seized the opportunity to accelerate asset repairs and maintenance. The impact of COVID-19 is discussed further in Note 1.3.

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

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

3.5 FINANCE COSTS

	2020	2019
	\$'000	\$'000
Interest on lease liabilities	138	197
Total finance costs	138	197

3.6 DEPRECIATION AND AMORTISATION

	2020	2019
	\$'000	\$'000
Depreciation of property, plant and equipment	6,415	5,526
Depreciation of right-of-use assets	2,717	2,979
Amortisation of intangible assets	239	210
Total depreciation and amortisation	9,371	8,715

NOTE 4. THE ASSETS WE INVESTED IN

4.1 PROPERTY, PLANT AND EQUIPMENT

Fair value measurement

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

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	178,352	178,352	-	-	178,352	178,352
Buildings	200,012	199,955	(11,704)	(7,757)	188,308	192,198
Construction in progress	361	1,441	-	-	361	1,441
Plant and equipment	32,271	30,838	(24,478)	(24,414)	7,793	6,424
Motor vehicles	1,369	1,717	(1,307)	(1,525)	62	192
Leasehold improvements	1,289	1,308	(955)	(1,240)	334	68
Library collections	5,305	5,281	(5,059)	(4,963)	246	318
Net carrying amount	418,959	418,892	(43,503)	(39,899)	375,456	378,993

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) was conducted for the year ended 31 December 2017. For the year ended 31 December 2020, 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 Assistant Treasurer.

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

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

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Library collections \$'000	Total \$'000
2020								
Opening net book amount	178,352	192,198	1,441	6,424	192	68	318	378,993
Additions	-	-	2,123	-	-	924	24	3,071
Impairment	-	-	-	(6)	-	-	-	(6)
Disposals	-	-	-	(178)	(5)	(4)	-	(187)
Transfers	-	57	(3,203)	2,884	-	262	-	-
Depreciation	-	(3,947)	-	(1,331)	(125)	(916)	(96)	(6,415)
Net carrying amount	178,352	188,308	361	7,793	62	334	246	375,456
2019								
Opening net book amount	178,352	195,495	541	5,072	397	212	179	380,248
Additions	-	-	3,305	791	-	-	214	4,310
Disposals	-	-	-	-	(39)	-	-	(39)
Transfers	-	697	(2,405)	1,708	-	-	-	-
Depreciation	-	(3,994)	-	(1,147)	(166)	(144)	(75)	(5,526)
Net carrying amount	178,352	192,198	1,441	6,424	192	68	318	378,993

4.1.2 CAPITAL COMMITMENTS

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

	2020 \$'000	2019 \$'000
Payable:		
Within one year	161	144
Later than one year but not later than five years	-	-
Later than five years	-	-
Total capital expenditure commitments	161	144
GST payable on the above	15	13
Net capital expenditure commitments	146	131

4.1.3 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	2020	2019
	\$'000	\$'000
Net gain/(loss) on disposal of property, plant and equipment	(111)	80
Net gain/(loss) on disposal of property, plant and equipment	(111)	80

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

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

4.2 INTANGIBLE ASSETS

	2020	2019
	\$'000	\$'000
Software		
Gross carrying amount		
Opening balance	3,786	3,421
Additions	581	365
Closing balance	4,367	3,786
Gross carrying amount		
Opening balance	(2,807)	(2,597)
Amortisation charge	(239)	(210)
Closing balance	(3,046)	(2,807)
Net carrying amount at end of the year	1,321	979

Initial recognition

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

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

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

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible assets have useful lives of 2.5 to 5 years.

Impairment of intangible assets

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

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

4.3 DEPRECIATION AND AMORTISATION

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

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

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

Class of assets	Useful Life		Method
Buildings	3 – 60 years	(2019: 3 – 60 years)	Straight Line
Plant and equipment	4 – 20 years	(2019: 4 – 20 years)	Straight Line
Motor vehicles	4 – 13 years	(2019: 4 – 13 years)	Straight Line
Leasehold improvements	2 – 6 years	(2019: 3 – 4 years)	Straight Line
Library collections	5 years	(2019: 5 years)	Straight Line
Right-of-use assets	Lease term	(2019: lease term)	Straight Line
Software	2.5 – 5 years	(2019: 2.5 – 5 years)	Straight Line

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

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

NOTE 5. BALANCES FROM OPERATIONS

5.1 RECEIVABLES

	2020	2019
	\$'000	\$'000
Current		
Accounts receivable	2,783	4,620
Loss allowance on accounts receivable	(376)	(192)
Other receivables	1,954	2,451
Loss allowance on other receivables	-	-
Total receivables from contracts with customers	4,361	6,879
Statutory		
GST input tax credit recoverable	239	341
Total current receivables	4,600	7,220

Receivables consist of:

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

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

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

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

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

Impairment

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

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

	2020	2019
	\$'000	\$'000
Balance at the beginning of the year	192	188
Amounts written off	65	69
Net remeasurement of loss allowance	-	-
Reversal of unused loss allowance recognised in net result	(192)	(188)
Increase in loss allowance recognised in net result	376	192
Reversal of loss allowance for uncollectable receivables written off during the year	(65)	(69)
Balance at the end of the year	376	192

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

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Trade receivables	2,783	2,165	429	31	158	-
Other receivables	1,954	1,954	-	-	-	-
Total	4,737	4,119	429	31	158	-
2019						
Trade receivables	4,620	2,847	1,579	43	151	-
Other receivables	2,451	2,451	-	-	-	-
Total	7,071	5,298	1,579	43	151	-

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

The weighted average credit period on sales of goods is 18 days.

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

5.2 CONTRACT ASSETS

	2020	2019
	\$'000	\$'000
Current		
Contract assets	10,109	7,776
Loss allowance on contract assets	-	-
Total contract assets	10,109	7,776

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

5.3 OTHER NON-FINANCIAL ASSETS

	2020 \$'000	2019 \$'000
Current		
Prepayments	2,361	2,280
Inventories	207	167
Total current other non-financial assets	2,568	2,447
Non-current		
Prepayments	4,114	4,092
Total non-current other non-financial assets	4,114	4,092
Total other non-financial assets	6,682	6,539

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

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

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

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

5.4 PAYABLES

	2020 \$'000	2019 \$'000
Current		
Contractual		
Supplies and services	15,337	16,418
Total contractual payables	15,337	16,418
Statutory		
FBT payable	39	42
Total statutory payables	39	42
Total current payables	15,376	16,460

Payables consist of:

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

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

Ageing analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2020						
Supplies and services	15,337	15,337	14,722	561	54	-
Total	15,337	15,337	14,722	561	54	-
2019						
Supplies and services	16,418	16,418	9,688	5,175	1,555	-
Total	16,418	16,418	9,688	5,175	1,555	-

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

The average credit period is 30 days (2019: 30 days). No interest is charged on the other payables.

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

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

5.5 CONTRACT LIABILITIES

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

	2020 \$'000	2019 \$'000
Contract liabilities – student fees	3,709	3,739
Contract liabilities – fee for service	4,305	5,922
Total contract liabilities	8,014	9,661

Contract liabilities

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

5.6 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2020 \$'000	2019 \$'000
Annual leave	4,680	4,863
Long service leave	12,208	13,221
Total short-term benefits	16,888	18,084
Annual leave	2,399	1,925
Long service leave	2,719	2,278
Total long-term benefits	5,118	4,203
Total employee provisions	22,006	22,287

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$16,888,000 (2019: \$18,084,000) is presented as current, since Melbourne Polytechnic does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, Melbourne Polytechnic does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Melbourne Polytechnic has used wage inflation rates and discount rates as advised by the Assistant Treasurer.

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally, staff were unable to take leave during the Victorian State lockdown. As a result, the annual leave provisions increased by \$291,000 (2019: \$6,788,000). Overall total employee provisions decreased due to the impact of wage inflation rates. The impact of COVID-19 is discussed further in Note 1.3.

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

	2020	2019
	\$'000	\$'000
Unconditional and expected to wholly settle within 12 months	5,437	5,539
Unconditional and expected to wholly settle after 12 months	11,451	12,545
Total current employee provisions	16,888	18,084

5.7 OTHER PROVISIONS

	2020	2019
	\$'000	\$'000
Make good provision	924	-
Provision for onerous contract	-	35
Other provisions	1,226	1,265
Total other provisions	2,150	1,300

Other provisions

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

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

Reconciliation of other provisions

	2020	2019
	\$'000	\$'000
Opening balance	1,300	2,112
Additional provisions recognised	1,250	1,003
Reductions arising from payments	(400)	(1,815)
Closing balance	2,150	1,300

NOTE 6. HOW WE FINANCED OUR OPERATIONS

6.1 CASH AND DEPOSITS

	2020	2019
	\$'000	\$'000
Cash at bank and on hand	22,256	15,837
Deposits at call	1,600	3,653
Total cash and deposits	23,856	19,490

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

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

	2020	2019
	\$'000	\$'000
Net result for the year	4,110	(10,832)
Adjustment on initial application of AASB 15	-	(1,441)
Net result for the year under AASB 15	4,110	(12,273)
Non-cash movements		
Depreciation/amortisation of non-financial assets	9,371	8,715
Net (gain)/loss on sale of non-financial assets	111	(80)
Finance costs	138	197
Impairment of property, plant and equipment	6	-
Impairment of loans and receivables	184	-
Movements in assets and liabilities		
Decrease/(increase) in receivables	2,436	(144)
Decrease/(increase) in inventories	(40)	48
Decrease/(increase) in contract assets	(2,333)	469
Decrease/(increase) in other assets	(103)	(814)
(Decrease)/increase in payables	(1,084)	(642)
(Decrease)/increase in provisions	569	2,144
(Decrease)/increase in contract liabilities	(1,647)	847
Net cash flows from/(used in) operating activities	11,718	(1,533)
Per cash flow statement	11,718	(1,533)

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

6.2 BORROWINGS

	2020	2019
	\$'000	\$'000
Current		
Advances from Government	-	2,874
Non-Current		
Advances from Government	10,572	8,622
Total borrowings	10,572	11,496

Advances from Government

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

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

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

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

Maturity Analysis of borrowings

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000
2020							
Advances from Government	10,572	10,572	-	-	-	7,972	2,600
Total	10,572	10,572	-	-	-	7,972	2,600
2019							
Advances from Government	11,496	11,496	274	650	1,950	8,622	-
Total	11,496	11,496	274	650	1,950	8,622	-

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

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

6.3 CONTRIBUTED CAPITAL

	2020 \$'000	2019 \$'000
Balance at 1 January	31,681	31,681
Balance at 31 December	31,681	31,681

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

6.4 LEASES

Policy

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

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

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

As a lessee

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

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

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

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

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

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

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

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

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

Peppercorn leases

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

Right-of-use assets

	Property \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Total \$'000
2020				
Balance as at 1 January 2020	4,126	193	1,204	5,523
Additions	-	159	12	171
Amortisation	(2,255)	(45)	(417)	(2,717)
Balance as at 31 December 2020	1,871	307	799	2,977
2019				
Balance as at 1 January 2019	6,667	32	483	7,182
Additions	185	188	947	1,320
Amortisation	(2,726)	(27)	(226)	(2,979)
Balance as at 31 December 2019	4,126	193	1,204	5,523

Lease liabilities

	2020 \$'000	2019 \$'000
Maturity analysis - contractual undiscounted cash flows		
Within one year	2,447	2,836
Later than one year but not later than five years	675	2,957
Later than five years	-	-
Total undiscounted lease liabilities as at 31 December	3,122	5,793
Future finance charges	(75)	(203)
Total discounted lease liabilities as at 31 December	3,047	5,590
Current	2,384	2,699
Non-current	663	2,891
Total lease liabilities	3,047	5,590

Short-term and low-value leases

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

Melbourne Polytechnic has peppercorn leases as follows:

i. Growling Frog

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

ii. Eden Park

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

NOTE 7. MANAGING RISKS AND UNCERTAINTIES

7.1 FINANCIAL INSTRUMENTS

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

Categories of financial instruments

	2020 \$'000	2019 \$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	23,856	19,490
Trade receivables	2,407	4,428
Other receivables	1,954	2,451
Total contractual financial assets	28,217	26,369
Contractual financial liabilities		
Loans and payables		
Supplies and services	15,337	16,418
Advances from Government	10,572	11,496
Lease liabilities	3,047	5,590
Contract liabilities	8,014	9,661
Total contractual financial liabilities	36,970	43,165

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

Categories of financial instruments

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

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

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

Melbourne Polytechnic recognises the following assets in this category:

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

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

Melbourne Polytechnic recognises the following liabilities in this category:

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

7.1.1 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

7.1.2 CREDIT RISK

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

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

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

The trade receivables balances at 31 December 2020 and 31 December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

There are no material financial assets that 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
2020				
Cash and deposits	23,856	-	-	23,856
Receivables	-	2,035	2,326	4,361
Total contractual financial assets	23,856	2,035	2,326	28,217
2019				
Cash and deposits	19,490	-	-	19,490
Receivables	-	2,265	4,614	6,879
Total contractual financial assets	19,490	2,265	4,614	26,369

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

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

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

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

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

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2020:

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000	%	\$'000	(yes/no)
31 December 2020				
Current (not past due)	14,228	8%	199	Yes
31 - 60 days past due	429	10%	40	Yes
61 - 90 days past due	31	50%	15	Yes
More than 90 days past due	158	90%	122	Yes
	14,846		376	
31 December 2019				
Current (not past due)	13,074	1%	81	Yes
31 - 60 days past due	1,579	1%	8	Yes
61 - 90 days past due	43	50%	22	Yes
More than 90 days past due	151	90%	81	Yes
	14,847		192	

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

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

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

Of the above impairment losses, \$Nil (2019: \$Nil) relate to receivables arising from contracts with customers.

7.1.3 LIQUIDITY RISK

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

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

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

Melbourne Polytechnic manages liquidity risk by:

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

As a direct result of the pandemic, Melbourne Polytechnic's liquidity risk is being monitored regularly, inclusive of discussions with Government.

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

7.1.4 MARKET RISK

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

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

As a direct result of the pandemic, Melbourne Polytechnic's market risk is being regularly monitored, in particular Government policies impacting local and international students.

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

Foreign currency risk

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

Interest rate risk

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

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

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

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

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount at 31 December \$'000	Interest rate exposure		
			Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
2020					
Financial assets					
Cash and deposits	0.40%	23,856	23,850	-	6
Trade receivables		2,407	-	-	2,407
Other receivables		1,954	-	-	1,954
Total financial assets		28,217	23,850	-	4,367
Financial liabilities					
Trade and other payables		23,351	-	-	23,351
Total financial liabilities		23,351	-	-	23,351
2019					
Financial assets					
Cash and deposits	1.10%	19,490	19,230	253	7
Trade receivables		4,428	-	-	4,428
Other receivables		2,451	-	3	2,448
Total financial assets		26,369	19,230	256	6,883
Financial liabilities					
Trade and other payables		26,079	-	-	26,079
Total financial liabilities		26,079	-	-	26,079

Sensitivity analysis and assumptions

	Carrying amount at 31 December \$'000	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
2020					
Financial assets					
Cash and deposits	23,856	(239)	(239)	239	239
Total impact	23,856	(239)	(239)	239	239
2019					
Financial assets					
Cash and deposits	19,490	(195)	(195)	195	195
Total impact	19,490	(195)	(195)	195	195

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

There were no contingent assets or contingent liabilities as at 31 December 2020 (31 December 2019: nil) that may have a material effect on the financial operations of Melbourne Polytechnic.

7.3 FAIR VALUE DETERMINATION

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

The levels are as follows:

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

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

A summary of changes between levels can be found in Note 7.3(a).

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

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2020.

(a) Fair value determination of non-financial assets

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

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

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
2020				
Specialised land	178,352		5,431	172,921
Total land at fair value	178,352	-	5,431	172,921
Heritage buildings	35,399		579	34,820
Specialised buildings	152,909		1,493	151,416
Total buildings at fair value	188,308	-	2,072	186,236
Plant and equipment	7,793			7,793
Vehicles	62			62
Leasehold improvements	334			334
Library collections	246			246
Total other assets at fair value	8,435	-	-	8,435
2019				
Specialised land	178,352	-	5,431	172,921
Total land at fair value	178,352	-	5,431	172,921
Heritage buildings	36,104	-	613	35,491
Specialised buildings	156,094	-	1,535	154,559
Total buildings at fair value	192,198	-	2,148	190,050
Plant and equipment	6,424			6,424
Vehicles	192			192
Leasehold improvements	68			68
Library collections	318			318
Total other assets at fair value	7,002	-	-	7,002

Impairment

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

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

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

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

(b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all Government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

For the year ending 31 December 2020 Melbourne Polytechnic 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; and
- (d) the carrying amount of the assets subject to the significant uncertainty.

Specialised land and specialised buildings: the market approach is also used for specialised land, although is adjusted for the Community Service Obligation (CSO), where applicable 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. Where no CSO adjustment has been applied to land, and buildings were valued on a market approach (in particular the residential properties and childcare centre), the specialised land and buildings would be classified as a Level 2 asset.

For Melbourne Polytechnic's majority of specialised buildings, the depreciated 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 Melbourne Polytechnic'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 2017.

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

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

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

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

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

There were no changes in valuation techniques throughout the period to 31 December 2020.

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

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre
Heritage buildings	Current replacement cost	Useful life of buildings and cost per square metre
Motor vehicles	Current replacement cost	Useful life of vehicles
Plant and equipment	Current replacement cost	Useful life of plant and equipment
Leasehold improvements	Current replacement cost	Useful life of lease

NOTE 8. GOVERNANCE DISCLOSURES

8.1 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding Responsible Persons and Executive Officers for the reporting period.

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

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2020 to 31 December 2020
Chief Executive Officer (Accountable Officer)	Frances Coppolillo	1 January 2020 to 31 December 2020
Board Chairperson	Helen Clarke	1 January 2020 to 31 December 2020
Board Director	Helen Clarke	1 January 2020 to 31 December 2020
Board Director	Jim Pasinis	1 January 2020 to 31 December 2020
Board Director	Tali Bernard	1 January 2020 to 31 December 2020
Board Director	Fiona Smith	1 January 2020 to 31 December 2020
Board Director	Joe Dicks	1 January 2020 to 31 December 2020
Board Director	Ian Munro	1 January 2020 to 31 December 2020
Board Director	Fiona Wahr	1 January 2020 to 31 December 2020
Board Director	Bill Forrest	1 January 2020 to 31 December 2020
Board Director	Karen Janiszewski	1 January 2020 to 31 December 2020
Board Director	Lee Astheimer	1 January 2020 to 31 August 2020
Board Director	Richard Tait	1 January 2020 to 30 June 2020
Board Director	Michael Grogan	1 September 2020 to 31 December 2020

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of Melbourne Polytechnic during the reporting period was in the range: \$340,000 - \$349,999 (2019: \$310,000 - \$319,999).

There were no termination benefits included in the 2020 remuneration above.

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

Income band	2020	2019
Less than \$10,000	-	2
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	1	2
\$30,000 - \$39,999	2	6
\$40,000 - \$49,999	6	2
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	-	-
\$70,000 - \$79,999	1	-
Total number	11	14
Total remuneration (\$'000)	432	441

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

8.2 REMUNERATION OF EXECUTIVES

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

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

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

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

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

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

	2020	2019
Remuneration	\$'000	\$'000
Short-term employee benefits	3,293	3,550
Post-employment benefits	293	325
Other long-term benefits	94	87
Termination benefits	-	111
Total remuneration	3,680	4,073
Total number of executives	22	24
Total annualised employee equivalents (AEE) ⁽¹⁾	16	19

⁽¹⁾ Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

8.3 RELATED PARTIES

Related parties of Melbourne Polytechnic include:

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

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

Key management personnel of Melbourne Polytechnic include the members of the Melbourne Polytechnic Board, the Chief Executive and the members of the Executive Committee.

Compensation of key management personnel

	2020	2019
Remuneration	\$'000	\$'000
Short-term employee benefits	2,154	2,659
Post-employment benefits	168	204
Other long-term benefits	46	151
Termination benefits	-	118
Total remuneration	2,368	3,132

Transactions and balances with key management personnel and other related parties

Melbourne Polytechnic had no related party transactions for the period ending 31 December 2020.

8.4 REMUNERATION OF AUDITORS

	2020 \$'000	2019 \$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	62	62
Total remuneration of the Victorian Auditor-General's Office	62	62
Remuneration of other auditors		
Internal audit services	120	81
Total remuneration of other auditors	120	81
Total	182	143

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

NOTE 9. OTHER DISCLOSURES

9.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2020 \$'000	2019 \$'000
(a) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(184)	-
Unwinding of other provisions	-	(4)
Total net gain/(loss) on financial instruments	(184)	(4)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(474)	(1,455)
Total other gains/(losses) from other economic flows	(474)	(1,455)
Total other economic flows included in net result	(658)	(1,459)

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

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

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

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

9.2 OTHER EQUITY RESERVES

	2020 \$'000	2019 \$'000
Physical asset revaluation surplus		
Balance at 1 January	288,869	288,869
Revaluation increment/(decrement) on non-current assets	-	-
Reversal of impairment losses	-	-
Balance at 31 December	288,869	288,869

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

9.3 EX GRATIA EXPENSES

	2020	2019
	\$'000	\$'000
Compensation for economic loss	-	-
Total ex gratia payments	-	-

9.4 EVENTS AFTER REPORTING DATE

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

9.5 APPLICATION OF STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Melbourne Polytechnic of their applicability and early adoption where applicable.

As at 31 December 2020, there were no new accounting standards issued by the AASB that are applicable for the year ending 31 December 2021 and expected to impact Melbourne Polytechnic.

9.6 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

9.6.1 SERVICE CONCESSION ARRANGEMENTS

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- ▶ recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- ▶ reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- ▶ initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;

- ▶ recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- ▶ disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the entity's assessment, there is no impact on the transactions and balances recognised in the financial statements as the entity is not a grantor in a service concession arrangement.

9.7 TRANSITION IMPACT ON FINANCIAL STATEMENTS

The following accounting standards were adopted for the first time, from 1 January 2019:

- ▶ AASB 15 Revenue from Contracts with Customers;
- ▶ AASB 1058 Income of Not-for-Profit Entities; and
- ▶ AASB 16 Leases.

The impact to Melbourne Polytechnic on transition can be found in the 2019 published financial statements.

AUDIT REPORT ON PERFORMANCE STATEMENT



Independent Auditor's Report

To the Board of Melbourne Polytechnic

Opinion	<p>I have audited the accompanying performance statement of Melbourne Polytechnic (the institute) which comprises the:</p> <ul style="list-style-type: none">• performance statement for the year ended 31 December 2020• performance statement declaration. <p>In my opinion, the performance statement of Melbourne Polytechnic in respect of the year ended 31 December 2020 presents fairly, in all material respects.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

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

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

MELBOURNE
12 April 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

2020 PERFORMANCE STATEMENT DECLARATION

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

In our opinion, the accompanying Statement of Performance of Melbourne Polytechnic, in respect of the year ended 31 December 2020, is presented fairly.

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

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



Helen Clarke
Board Chairperson
Melbourne Polytechnic
Date: 29 March 2021



Frances Coppolillo
Chief Executive
Melbourne Polytechnic
Date: 29 March 2021



Joseph Santiago
Chief Finance and Accounting Officer
Melbourne Polytechnic
Date: 29 March 2021

KEY PERFORMANCE INDICATORS (KPIs)

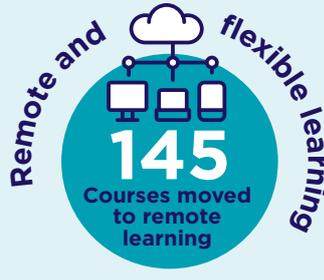
TAFEs are required to report on the following KPIs in the format shown in the table below.

Indicator title	Description and methodology	Measure	2020 Target	2020 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by: <ul style="list-style-type: none"> ▶ Government Funded (GF) ▶ Fee for Service (FFS) ▶ Student Fees and Charges (SFC). 	%	VTG - 35.2% FFS - 56.2% SFC - 8.6%	VTG - 36.8% FFS - 55.7% SFC - 7.5%	Total training revenue lower than target due to the impact of COVID-19, training revenue diversity mix aligned with target.	VTG - 32.0% FFS - 59.0% SFC - 9.0%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue <i>(Employment costs - Workforce reduction expenses + 3rd party training delivery costs) / Training revenue</i>	%	91.6%	93.6%	Lower training revenue than target due to the impact of COVID-19 and reduced annual leave taken has resulted in higher employment cost as proportion of training revenue.	91.5%
Training revenue per teaching FTE	Training revenue (excl. revenue delivered by third parties) per Teaching FTE <i>Training revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs</i>	\$	280k ¹	206k	Reduced training revenue than target due to the impact of COVID-19 which has resulted in lower training revenue per teacher.	220k ²
Operating margin percentage	Operating margin % <i>EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)</i>	%	-3.2%	2.4%	Government assistance and expense management resulted in positive operating margin.	-5.9%

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

1. 2020 target for Training Revenue per teaching FTE is not consistent with standard calculation method; amended target is \$237.
2. In 2019 result for Training Revenue per teaching FTE has been amended to reflect correct FTE numbers.

2020 A YEAR OF SUCCESS



CONSULTANCIES

In 2020, Melbourne Polytechnic engaged two consultancies over \$10,000

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (excl. GST)	Actual 2020 Expenditure (excl. GST)	Future Expenditure (excl. GST)
Victorian Deaf Society	Agreement Plan for CABS, Consultancy partner for production of DCE sustainability and efficacy	April 2020	Jun 2021	\$330,000	\$269,565	\$60,435
KPMG	Masterplan for Melbourne Polytechnic PAS-Master_0920	July 2020	Dec 2020	\$90,000	\$90,000	-

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

During 2020, Melbourne Polytechnic had no consultancies under \$10,000.

ADVERTISING

Details of 2020 government advertising expenditure (campaigns with a media spend of \$100,000 or greater)

Campaign Name	Campaign Summary	Start Date	End Date	Advertising (Media) expenditure (excl GST)	Creative and campaign development expenditure	Research and evaluation expenditure	Print and collateral expenditure	Other campaign costs	Total Campaign expenditure
Summer Campaign (2020 SOY)	Enrolment and Brand Campaign	1 Jan 2020	28 Feb 2020	370,022	10,850	-	-	455	381,327
Midyear Campaign 2020	Enrolment and Brand Campaign	10 Jun 2020	4 Sept 2020	245,665	51,975	-	1,025	15,777	314,442
Summer Campaign (2020 EOY)	Enrolment and Brand Campaign	9 Nov 2020	31 Dec 2020	181,088	27,765	-	-	25,268	234,121

SUMMARY OF MAJOR COMMERCIAL ACTIVITIES

There were no Major Commercial Activities requiring disclosure conducted by Melbourne Polytechnic in 2020.

COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT 2020

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

The 2020 Student Services and Amenities Fee was calculated on the basis of 40 cents per enrolled student contact hour in government-funded accredited courses, with a maximum fee of \$250 and a minimum fee of \$50. Certain concessions and exemptions applied. Courses delivered in the workplace or at community locations were charged a flat fee of \$50 per enrolment. The collection and expenditure of the amenities fee is subject to the provisions of the *Education and Training Reform Act 2006*.

The total income from compulsory non-academic fees collected by the Institute in 2020 was \$1,308,006.

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

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

	2020	2019
	\$	\$
Income		
Compulsory Non-Academic Fees	1,308,006	1,652,211
Total Income	1,308,006	1,652,211
Expenditure		
Salaries		
Salaries	1,054,150	902,085
Salary Oncosts	189,885	154,594
Total Salary Expenditure	1,244,035	1,056,679
Non salaries		
Consumables	11,931	11,420
Subscriptions	157,282	26,209
Telephone	154	3,185
Equipment Purchases	26,121	31,125
Software Licenses	6,490	3,245
Fitness Centre	59,929	74,044
Student HUB**	-	66,473
Library and Learning Skills**	-	286,667
Travel	646	3,179
Freight and Cartage	4,222	2,868
Advertising - Courses and Other	19,490	28,545
Orientation/Recreational Activities	59,658	66,405
Minor Works	807	1,221
Uniforms	305	1,526
Hospitality	-	371
Security Services	20	264
Professional fees	-	120
Total Non-salary Expenditure	347,055	606,867
Total Expenditure	1,591,090	1,663,546
Operating Result for the Year	(283,084)	(11,335)

** Student Hub and Library services were funded centrally in 2020.

ADDITIONAL INFORMATION

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

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

REQUESTS FOR ADDITIONAL INFORMATION

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

DISCLOSURE INDEX

THE DISCLOSURE INDEX SHOWS COMPLIANCE WITH THE STATUTORY REQUIREMENTS.

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NUMBER
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1.	FRD 22H 5.4 a	Manner of establishment and the relevant Minister	24
2.	FRD 22H 5.4 b 5.5	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4-10, 12-18, 20-22, 24-29
3.	FRD 22H 5.4 c	Nature and range of services provided including the communities served	4-8, 9-14, 16-19
MANAGEMENT AND STRUCTURE			
4.	FRD 22H 5.4 d 5.6	Organisational chart detailing members of the Governing Board, Audit Committee, CEO, senior officers and their responsibilities	24-28
FINANCIAL AND OTHER INFORMATION			
5.	FRD 03A	Accounting for dividends	N/A
6.	FRD 07B	Early adoption of authoritative accounting pronouncements	77
7.	FRD 10A	Disclosure Index	86-89
8.	FRD 17B	Wage inflation and discount rates for employee benefits	47, 62
9.	FRD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements	4-8, 20, 23, 81
10.	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators	15
11.	FRD 22H 5.8	Workforce data for current and previous reporting period, including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	30-31
12.	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	23
13.	FRD 22H 5.11 b	Summary of significant changes in financial position	23, 43
14.	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	2, 4-10, 12-14, 16-18, 20-22
15.	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	77
16.	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	32
17.	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	23

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NUMBER
18.	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
19.	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 (exclusive of GST)	83
20.	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	33
21.	FRD 22H 5.18 g	Statement on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	32
22.	FRD 22H 5.18 c	Summary of application and operation of the <i>Public Interest Disclosures Act 2012</i> including disclosures required by the Act	32
23.	FRD 22H 5.18 h	Summary of Environmental Performance	8, 20-22
24.	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available ▶ Consultant engaged ▶ Brief summary of project ▶ Total project fees approved (excluding GST) ▶ Expenditure for reporting period (excluding GST) ▶ Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	83
25.	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	85
26.	FRD 22H 5.17	An entity shall disclose the following in the report of operations: a. Total entity ICT Business as Usual (BAU) expenditure for the full 12-month reporting period; and b. Total entity ICT Non-Business as Usual expenditure for the full 12-month reporting period; and provide a breakdown for: i. Operational expenditure (OPEX); and ii. Capital expenditure (CAPEX).	14
27.	FRD 25D	Local Jobs First	33
28.	AASB 16	Leases	65-66
29.	SD 5.1.4	Financial Management Compliance Attestation Statement The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	34
30.	FRD 119A	Transfers through contributed capital	43
31.	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	37, 46
32.	SD 5.2.3	The report of operations must be signed and dated by a member of the Responsible Body.	4
33.	CG 10 Clause 27	Summary of Major Commercial Activities	83
34.	CG 12 Clause 33	TAFE Institute Controlled Entities	N/A

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NUMBER
FINANCIAL REPORT			
35.	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> ▶ the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and ▶ the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	37
36.	SD 5.2.2(a)	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> ▶ the Accountable Officer; ▶ subject to Direction 5.2.2(c), the CFO; and ▶ for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	37
37.	FRD 30D	Rounding of Amounts	46
38.	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> ▶ review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament 	24, 28
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39.	FRD 11A	Disclosure of ex-gratia payments	N/A
40.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	74-76
41.	FRD 102A	Inventories	55, 61, 64
42.	FRD 103H	Non-financial physical assets	47, 56-57, 73, 76
43.	FRD 105B	Borrowing costs	N/A
44.	FRD 106B	Impairment of assets	55, 60, 64, 69, 72
45.	FRD 107B	Investment properties	N/A
46.	FRD 109A	Intangible assets	58, 59
47.	FRD 110A	Cash flow statements	45
48.	FRD 112D	Defined benefit superannuation obligations	N/A
49.	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
50.	FRD 114C	Financial instruments	67-71
51.	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period	40-77

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NUMBER
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COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES

52.	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> ▶ <i>Education and Training Reform Act 2006 (ETRA)</i> ▶ TAFE institute constitution ▶ Directions of the Minister for Training and Skills (or predecessors) ▶ TAFE institute Commercial Guidelines ▶ TAFE institute Strategic Planning Guidelines ▶ <i>Public Administration Act 2004</i> ▶ <i>Financial Management Act 1994</i> ▶ <i>Freedom of Information Act 1982</i> ▶ <i>Building Act 1993</i> ▶ <i>Public Interest Disclosure Act 2012</i> ▶ <i>Local Jobs First Act 2003</i> 	33
53.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2020	84
54.	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	32
55.	Key Performance Indicators	<p>Institutes to report against:</p> <ul style="list-style-type: none"> ▶ Employment costs as a proportion of training revenue; ▶ Training revenue per teaching FTE; ▶ Operating margin percentage; ▶ Training revenue diversity. 	81

OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES

56.	PAEC and VAGO (June 2003 Special Review - Recommendation 11)	<ul style="list-style-type: none"> ▶ Financial and other information on initiatives taken or strategies relating to the Institute's overseas operations ▶ Nature of strategic and operational risks for overseas operations ▶ Strategies established to manage such risks of overseas operations ▶ Performance measures and targets formulated for overseas operations ▶ The extent to which expected outcomes for overseas operations have been achieved. 	5-7, 17-18
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STUDENT AWARDS AND ACHIEVEMENTS

The 2020 awards and achievements of Melbourne Polytechnic students and staff demonstrate excellence in student achievement and the commitment of our staff to continuous professional development.

2020 ANNUAL HAIRDRESSING AND BARBERING SHOWCASE

Tatiana Demiris	Dedication Award - Apprentices (sponsored by Wella)
Jessica Hinds	Dedication Award - Night Group (sponsored by Wella)
Cheree Adams	Dedication Award - July 2019 Group (sponsored by Wella)
Joanna Topolski	Dedication Award - Feb 2020 Group 1 (sponsored by L'Oréal)
James Kriz	Dedication Award - Feb 2020 Group 2 (sponsored by L'Oréal)
Michelle Giblett	Highly Commended - Colour (sponsored by Mayo International)
Stefania Dilella	First Place - Cutting (sponsored by Alfaparf)
Sherrie Rodda	Second Place - Cutting (sponsored by Mayo International)
Hayley White	Highly Commended - Cutting (sponsored by Mayo International)
Lisa Simone	First Place - Design (sponsored by Alfaparf)
Janelle Fitzmaurice	Second Place - Design (sponsored by Dateline Imports)
Aysya Isler	Highly Commended - Design (sponsored by Mayo International)
Anh-Huy Nguyen	First Place - Men's Haircutting (sponsored by M&U Imports and Alfaparf)
Julian Eskander	Second Place - Men's Haircutting (sponsored by M&U Imports and Alfaparf)
Kamaljeet Sangha	SLAM People's Choice Award (sponsored by Alfaparf)
Lisa Simone	SLAM People's Choice Award (sponsored by Alfaparf)
Julian Eskander	Recipient of 2020 Materials and Equipment Scholarship

BACHELOR OF MUSIC PERFORMANCE AWARDS

Lucy MacGregor	Outstanding Second-Year Performance
Aidan Black	Outstanding Second-Year Performance
Emery Barker	Outstanding Third-Year Performance
Julia Bebenek	Outstanding Third-Year Performance

GEMOLOGICAL INSTITUTE OF AMERICA

Charlotte Ellin Geary	Recipient of a Jewellery Scholarship
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MELBOURNE POLYTECHNIC CAMPUS MUSIC COMPETITION

Karina Lehman Winner

ENGINEERS WITHOUT BORDERS AUSTRALIA (EWB) CHALLENGE SHOWCASE

Sarah Akalanka Malavisooriyage EWB People's Choice Award
Mohamed Sameem Sultan Jabeen EWB People's Choice Award
Themiya Upeksha Balapitiya Liyanage EWB People's Choice Award

MERAKI EXHIBITION

Reza Mantifar Traditional Media Award (sponsored by Eckersley's Art and Craft)
Joshua Fabijancic Best Digital Award (sponsored by Wacom)
Louella Kennedy Best Body of Work (sponsored by Deans Art)
Daniela Forero Moreno Best Illustration Award (sponsored by Jacky Winter)
Antonietta Martin Outstanding Printmaking (sponsored by FireStation Print Studio)
Romy van Handley Best Illustration Award (sponsored by Illustrators Australia)
Antonietta Martin Memorial Award (sponsored by A&S Kotzapavlidis)
Justin de Leeuw Visual Arts Award (sponsored by Regent Gallery)
Darcy Ridgway Visual Arts Award (sponsored by Regent Gallery)

UNFOLD EXHIBITION

Nicola Waters Outstanding Achievement Award (sponsored by Deans Art)
Jenevieve Baff Outstanding Achievement Award (sponsored by Deans Art)
Sumeyyre Othman Achievement Award (sponsored by the Visual Arts Department)
Ruby Chvastek Achievement Award (sponsored by the Visual Arts Department)
Yael Leah Winikoff Achievement Award (sponsored by the Visual Arts Department)
Eleasha Lydia Ade Monique Achievement Award (sponsored by the Visual Arts Department)
Samantha Harris Highly Commended (sponsored by the Visual Arts Department)
Genevieve Fahey Highly Commended (sponsored by the Visual Arts Department)
Danae Squires Highly Commended (sponsored by the Visual Arts Department)
Yeimy Sanchez Best Illustration Award (sponsored by Illustrators Australia)

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ABOUT THIS REPORT

The Melbourne Polytechnic Annual Report 2020 is a report to the Parliament of Victoria required under Section 45 of the *Financial Management Act 1994*. The Annual Report contains information about the operations of Melbourne Polytechnic during 2020, audited standard Financial and Performance Statements and other information required under Standing Directions of the Assistant Treasurer under the Act (Section 4 Financial Management Reporting) and the Financial Reporting Directions given under the Act.

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

The Melbourne Polytechnic Annual Report 2020 is printed on partially-recycled paper.

This training may be delivered with Victorian and Commonwealth Government funding.
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MELBOURNE POLYTECHNIC CAMPUSES, TRAINING CENTRES, SKILLS AND JOBS CENTRE

CAMPUSES

Ararat

Grano Street
Ararat VIC 3377

Collingwood

20 Otter Street
Collingwood VIC 3066

Epping

Corner Cooper Street and Dalton Road
Epping VIC 3076

Fairfield

Yarra Bend Road
Fairfield VIC 3078

Greensborough

61 Civic Drive
Greensborough VIC 3088

Heidelberg

Corner Waterdale Road and Bell Street
Heidelberg West VIC 3081

Prahran

144 High Street
Prahran VIC 3181

Preston

77 St Georges Road
Preston VIC 3072

INTERNATIONAL CAMPUS

Fuzhou Melbourne Polytechnic Campus

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

TRAINING CENTRES

Growling Frog Vineyard

1910 Donnybrook Road
Yan Yean VIC 3755

Melbourne AMEP Centre

Broadmeadows Leisure Centre
41-85 Tanderrum Way
Broadmeadows VIC 3047

Northern Lodge, Eden Park

Glen Robin Court
Eden Park VIC 3757

Northern Lodge, Yan Yean

2005 Plenty Road
Yan Yean VIC 3755

SKILLS AND JOBS CENTRE

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

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MELBOURNE
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