



apprenticeship  
employment  
network



35<sup>th</sup> Annual Report  
2019-20

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## AEN Statement of Purpose

To support the vocational training and employment network to achieve skilled and sustainable employment for the community

## AEN Values

The people within our industry are passionate about providing meaningful training and employment outcomes for the community

A trusted partner with members, government and the wider VET industry

Teamwork and collaboration with our members, government and the community benefits us all

Integrity, honesty and reliability ensure that we will deliver what we promise.

## AEN Priorities

1. **Strengthen the capacity of members and the GTO network**
  - Identify current and new member services
  - Facilitate professional development
  - Identify and encourage communication & marketing
2. **Strengthen the profile of group training**
  - Continue to develop group training policy and position with Governments
  - Develop new communication tools
  - Establish wider network groups
3. **Strengthen the financial position and industry reporting**
  - Identify and tender for new projects
  - Strengthen partnerships with government
  - Develop with government the group training industry standards

# Chair's Report

Welcome to the 2019-20 Annual Report of the Apprenticeship Employment Network (Group Training Association of Victoria).

As I present this Chair's Report to members and acknowledge the contribution each of you have made to our sector over the last 12 months, I feel it is important to acknowledge the significant challenges facing many member companies and their communities across Australia.

The COVID19 Global Pandemic that has threatened our health and wellbeing has also devastated the National economy, creating perhaps the most difficult operating environment in the history of Group Training in Australia. As I write this report, Metropolitan Melbourne continues to endure industry restriction levels that have closed many businesses across the City. Conversely, many parts of Regional Victoria enjoy relative freedom and continue to support business and jobseekers in their local communities, albeit at a reduced capacity.

At a time when it would be so easy to divide our State and Industry, we have chosen to unite. I have observed Group Training Organisations in Victoria support and help each other, share ideas and experiences, and above all, show respect and empathy to key stakeholders.

The Association has again played a critical role in supporting Victorian Group Training Organisations across both Metropolitan and Regional settings. Executive Director, Gary Workman and his team have worked tirelessly to keep members connected and provided outstanding levels of support to member companies in an ever-changing environment.

In addition to this extraordinary workload, the Association has continued to lobby Government for additional support, successfully securing two out of trade support packages and Victorian GTO specific funding to aid Apprenticeship recovery. I acknowledge how fortunate we are to have a highly skilled and dedicated Executive Director, and thank Gary for his dedication and hard work over the last 12 months.

I would also like to thank our Board members, all of whom have made significant contributions to the Association whilst leading their own Organisations through a pandemic.

Whilst VET reform has been on the National agenda for many years, and the Federal Government has openly expressed an appetite to redesign the Employment Services system, any meaningful change has yet to be seen. COVID19 and its devastating effect on the Australian economy may well be the catalyst for rapid change in both areas. The Group Training Industry in Victoria has demonstrated a unique ability to adapt, and its members to unite, but we must be prepared for further change in the short term.

The Association will continue to take a proactive approach and lobby both State and Federal Government from points of difference. Our ability to deliver new and unique projects in the recovery stages of COVID19 is just one of our value propositions to both funding bodies and the broader business community. As employers of all shapes and sizes seek to re-engage the labour market, we have a critical role to play in ensuring Apprenticeships and Traineeships are promoted as a viable and critical employment option at all levels of Government and Industry.



**Dean Luciani**  
AEN Chair

# Executive Director Report

The last four months of the financial year certainly has been a challenging one with governments reacting to the COVID-19 pandemic in March, which has seen a significant number of apprentices and trainees being handed back to the network.

I would like to congratulate the network during this testing period, as each GTO has had to manage a wide range of issues and new government initiatives to keep their businesses in a strong position.

It is pleasing to see both state and federal governments consulting with the network to understand what is happening on the ground and what may be the best way forward. Group training provides a safety net for apprentices and trainees and flexibility for host employers. The association has been proactive during this period to position our members as a solution for improving unemployment in the year ahead.

The Victorian Government has provided strong support for our members to engage with several programs to improve apprenticeship participation that will lead to meaningful long-term employment.

Announcements over the past 12 months include:

- Victorian Retrenched Apprentices and Trainees program delivered by AEN
- The Macklin Victorian VET review – Skills for Victoria's Growing Economy
- A review into the Victorian major projects and apprenticeship participation

The Steven Joyce Commonwealth VET review undertaken in late 2019 also highlighted several specific areas for improvement in the sector with recent new initiatives including:

- The establishment of the National Skills Commission
- The new National Careers Institute
- A new government department structure – Department of Education, Skills and Employment

As you will see from the financial report, 2019-20 has seen a strong result with significant government project funding for the next 12 months. The AEN will continue to work on a range of projects including:

- Victorian GTO Standards with the VRQA,
- Victorian Retrenched Apprentices and Trainees program
- Jobs Victoria Employment Network – government program
- Ongoing promotion - social media, website and marketing programs

The Victorian Network has also seen a changing of the guard to some respect with several new CEOs over the past 12 months with changes at AGA, BGT, CVGT, G-Force, kestrel, MEGT and MIGAS. AEN welcome and look forward to continuing to work with each member during these uncertain times.

I would like to take this opportunity to thank our members, the AEN Board and staff for their support during the year, and I look forward to working with you as we implement new initiatives and projects that support the network and promote the benefits of the apprenticeship employment network as we work on restoring apprenticeship participation post COVID-19.

**Gary Workman**  
AEN Executive Director





## Government Advocacy

2019-20 was a busy year with plenty of State and Federal government reviews into aspects of youth employment and vocational education and training systems. Below is a summary of committees, and policy papers that the association responded to over the year. The association would also like to take this opportunity to thank members for their input and support in providing specific information that assists our advocacy:

- Hon. Steven Joyce. VET Review Strengthening Skills: Expert Review of Australia's Vocational Education and Training System
- New National Careers Institute and National Skills Commission
- Victorian and Commonwealth governments VET in schools review
- Skills for Victorian growing economy – Jenny Macklin VET Review
- Strategic review into the Victorian Group Training network
- Inquiry into sustainable employment for disadvantaged jobseekers
- Victorian Labour Hire Act and implementation



Dean Luciani, Gary Workman with Assistant Minister, Hon. Steve Irons

# Government Advocacy

## AEN response to the Victorian Government Macklin VET review as outlined in the Skills for Victoria's Growing Economy Issues Paper

### *"Improving apprenticeship and youth employment through the Victorian GTO network"*

June 2020

AEN highlights the important role Group Training organisations (GTO's) play in the employment of apprentices and trainees, a role that has become even more evident over recent times with the devastating effects industry has experienced due to COVID-19. The GTO network offers existing state-wide, highly developed capabilities and capacity to deliver services and are quality endorsed and recognised by government. And yet they are often underutilised when considering VET reforms including improving.

- Commencement Rates
- Completion Rates
- Youth Engagement
- School to work transitions
- GTOs also understand complex individual, community and business needs

The paper also responds to a range of specific questions raised by the Macklin review.

1. *What are the education and training needs for jobs in Victoria over the next ten years?*
2. *What reforms are required to meet the skills and capability needs of industry and employers, government, and the community over the next decade?*
3. *What reforms are required to build industry investment in skills and workforce development, including apprenticeships and traineeships?*
4. *What reforms are required to improve access to Higher Education and VET for students that are entering the workforce, and those seeking to reskill or upskill later in life, no matter their background?*
5. *What reforms are required to ensure relevant, high quality teaching and VET courses that produce job-ready graduates at all stages of their career?*
6. *What reforms are required to improve pathways, and connections, between TAFE and other VET providers, adult and community education providers, universities and other non-university higher education providers, schools, and employers, so students can easily understand and navigate the post-secondary system and update their skills throughout their careers?*
7. *What reforms are required to improve the funding arrangements of Victoria's VET sector?*

Other challenges the report covered:

- **Victorian Labour Hire Authority** and the requirement for GTOs to register.
- **Major Project Skills Guarantee – Local Jobs First Act** – and the benefits of better utilising the GTO network to meet targets.
- **Increasing existing GTO funding and improving data collection.**
- **The way forward from COVID-19:**
  - State and Local Government procurement policies to establish a concerted youth employment program
  - Support for Local, regional and industry specific workforce development plans for employers
  - Real partnerships led by industry and employers into skilled job opportunities
  - Supporting 2020 school leavers and achieving stronger VET completion rates through Multi industry pre apprenticeship programs



## GAN Australia

The AEN joined as the Australian network partner of Global Apprenticeship Network in November 2018.



GAN Australian Steering Committee meeting, Melbourne  
Andrew Sezonov, General Manager – WPC Group

March 2020 – GAN-Australia steering committee meeting – showcasing best practices with apprenticeship employment models.

### GAN Global and GAN Australia principles:

- **Strengthen** the commitment and visibility of companies' and organizations' engagement in apprenticeships and internships as part of a sound human capital development strategy.
- **Share** the best practices in the areas of apprenticeships, internships, mentoring and on-the-job training.
- **Encourage** a network of committed companies and organizations, at the global and local levels, to support effective knowledge sharing action programs and partnerships and to scale up international cooperation to this effect.



AEN Apprenticeship Luncheon March 2020  
Assistant Minister Hon. Steve Irons with Gary Workman and Dean Luciani



# GAN Australia

## AEN & GAN Australia Policy Paper

*“Time to get on with the job.” Utilising the apprenticeship system to support youth and strengthen Australia’s skills needs.*

A flourishing and agile vocational education sector is a key component of a productive and resilient nation. The trades and vocations deliver indispensable services, foster a skilled workforce, and provide the know-how that underpins Australia’s knowledge economy. Recognising this, federal and state governments have committed to tackling the issues underlying falling apprenticeship rates and rising skills shortages.

A number of reviews and inquiries have identified the issues affecting the vocation education and training (VET) sector, which are now well understood. The recent Expert review of Australia’s vocational education and training system by the Honourable Steven Joyce made a number of suggestions for how the VET sector can be improved and strengthened. In the 2019 Federal Budget, the government committed significant funds to the sector, and emphasised the sector as a high priority.

At the August 2019 meeting of COAG, the states reaffirmed their commitment to making the sector work. The contribution of the sector to Australian employment and productivity is beyond doubt, the evidence on what works and what doesn’t is to hand, and ten years of reviews and reports must now be translated into action. The next step will be to deliver the funded recommendations of the Joyce Review, using the expertise of the sector to underpin the implementation. The Apprenticeship Employment Network (AEN) represents Group Training Organisations (GTOs) which have on-the-ground experience in delivering programs that result in skilled employment outcomes.

The AEN partners with 17 other countries that form the Global Apprenticeship Network as GAN Australia, to bring global best practice together with local experience. The insights of our members can be of assistance in ensuring the recommendations are successfully implemented to create a strong, agile, high-quality system.

### Recommendations:

1. Target government resources to in-school programs for greatest impact
2. Governments should provide fully funded training only when linked directly to new employment outcomes
3. Take advantage of the successful Multi-Industry Pre-apprenticeship program to deliver better careers advice and clearer secondary school pathways
4. Use experienced GTOs to invest early to create the best outcomes for disadvantaged Australians
5. Utilising the national group training network

## AEN and GAN Australia 3D-Printed Christmas Tree Ornaments

Placed on the Victorian Governor Generals Christmas Tree in December 2019.

This event was part of a special presentation and acknowledgement of the history and support for women in construction Trades.



# GAN Australia

## Sharing our Australian VET Knowledge and the Benefits of Group Training



### GAN Indonesia

IVETs Conference 8-11 October 2019 Jakarta

AEN visited Jakarta Indonesia to participate in the first ever TVET conference in Jakarta.

As part of the tour AEN / GAN-Australia meet with GAN- Indonesia and the International Labour Organisation (ILO).

The tour was a great experience of how and what is being achieved by our closest neighbour - the Federal, WA, NT and Victorian governments were also major sponsors of the event which was a great opportunity to promote the benefits of group training.

The Indonesian government has an ambitious target to increase VET participation from around 700,000 to 2.7million over the next 5 years in 5 key sectors that are linked to their economy with the President Joko Widodo recently endorsing TVET as a priority.

Key industry / economic areas of focus (National economic development linked to TVET)

- Tourism & Hospitality
- Rail / Manufacturing
- Maritime (ship building)
- Science and ITC
- Food Technology and Agriculture

For further information on the TVET IVETs conference please visit <https://www.ivets2019.com/>





# NCVER Report

O'Dwyer, L & Korbel, P 2019, "Completion rates for group training organisations and direct employers: how do they compare?", NCVER, Adelaide

Analysis of NCVER's National Apprentice and Trainee Collection data shows clear differences in the profile of group training organisations (GTO) apprentices compared with direct employer apprentices. Employer size and apprentice demographics are key attributes of the likelihood of apprentices completing. GTO apprentices and trainees are younger, more likely to be in the trades, more likely to be new rather than existing workers, and more likely to be indigenous. Accounting for the different demographic profiles of GTO apprentices and trainees, and for employer size, reveals that GTO completion rates are substantially higher than for small and medium direct employers. For non-trade apprentices and trainees, after these adjustments, GTO completion rates are also higher than for small, medium and large direct employers



## Completion rates for group training organisations and direct employers: how do they compare?

Lisel O'Dwyer and Patrick Korbel  
National Centre for Vocational Education Research



INFORMING • INFLUENCING  
THE AUSTRALIAN VET SECTOR

*"Based on trends in employer demand for apprentices since 2012, Karmel (2017) argues that the traditional apprenticeship model is not universally highly valued by employers, and that employer support seems to be on the decline in many occupations. If so, the role of GTOs is likely to become more important if Australia is to produce sufficient qualified workers in vocational fields"*

*"After accounting for the different demographic profiles of GTO apprentices and trainees and employer size, the study shows that GTO completion rates for all apprentices and trainees are substantially higher than for small and medium direct employers," NCVER said*

To access the full report please visit <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/completion-rates-for-group-training-organisations-and-direct-employers-how-do-they-compare>

## Key Industry Events

### National Training Awards – Brisbane Queensland

The National Training awards were held Brisbane on 21 November 2019.

Victoria was represented with winners in the following categories:

#### Large Training Provider of the Year Award

Sunraysia Institute of TAFE – Victoria

#### Industry Collaboration Award

Holmesglen Institute and Royal Children's Hospital Collaboration

For further information please visit <https://www.australiantrainingawards.gov.au>



### Victorian State Training Awards

Vocational education and training students, teachers and the businesses who train them were honoured for their outstanding achievements at the 65th Victorian Training Awards, with six women taking out top honours.

Minister for Training and Skills and Higher Education Gayle Tierney congratulated the 14 winners at the prestigious annual event, dedicated to the state's vocational education and training system.



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“Victoria is leading the way nationally in delivering a high-quality training and TAFE system, giving all Victorians the opportunity to develop the skills they need for the jobs they want and our state needs.”

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AEN were proud principal sponsors of the annual Victorian Training Awards for the next three years. Our GTO members had several outstanding achievements including:

### School-based Apprentice/Trainee of the Year Gforce Employment Solutions

#### *Heidi Liesel Rasmussen*

Certificate III in Companion Animal Services

Attends Point Cook Senior Secondary College





## Key Industry Events

### Trainee of the Year

NECA Education and Careers

*Daniela Feldman*

Certificate III in Business

Department of Premier and Cabinet, Victoria



### Industry Collaboration Award

Holmesglen

Working together towards a common vision, the Royal Children's Hospital and Holmesglen Institute created an enriching pathway to employment through Australia's first Integrated Practical Placement Program for young people with disability.



### G-Force recognised for disadvantaged jobseeker traineeship program with Barwon Water

October 2019

G-Force were recognised for their disadvantaged jobseeker traineeship program with Barwon Water by Victorian Training and Skills Minister Hon. Gayle Tierney









## GTO Industry Service Awards

Congratulations to the following people from within the network who achieved service award milestones throughout 2019.

### Industry Service - 10 Years

Grace Walsh	Gforce
Wendy Kohler	Gforce
David McFarland	MMTC Ltd
Richard Steendam	MMTC Ltd
Warren Tattersall	MMTC Ltd
James McWilliam	AGA Australia
Leah Crellin	AGA Australia
Anthony Smith	Westvic Staffing Solutions

### Industry Service - 15 Years

Belinda Hotchin	Gforce Employment Solutions
Evan Henry	WPC Group
Connie Scardamaglia	Programmed Skilled Workforce Ltd
Mark D'Aversa	WPC Group
Maurie Thurston	AGA Australia
Brendan Hawkins	Westvic Staffing Solutions
Wayne Robertson	Westvic Staffing Solutions

### Industry Service - 20 Years

Jo Adams	CVGT
Julie Stephens	Skillinvest
Andrew Sezonov	WPC Group
Margaret Groves	MMTC Ltd
Natasha Robinson	MMTC Ltd
Veronica MacLean	Westvic Staffing Solutions

### Industry Service - 25 Years

Di Menz	MMTC Ltd
Darrell Fricker	AGA Australia

### Industry Service - 30 Years

William Maher	MMTC Ltd
Michael Bellamy	Westvic Staffing Solutions

## Life Members

John Ackland	Skillinvest (WorkCo Limited)	2008
Kevin Kennedy	AGA (Gippsland Group Training)	2008
David Windridge	MEGT	2008
Miles Coverdale	Westvic Staffing Solutions	2009
John Glover	Group Training Association of Victoria	2009
Geoffrey Foster	Skills Victoria (Government)	2010
Mike O'Brien	G-Force	2010
Sue Kent	MEGT	2012
Geoff Carson	MMTC & SMGT	2015



# AEN Lifetime Achievement Awards

## Michael Bellamy

Michael Bellamy commenced his journey in the group training sector in July 1988, when he joined the then emerging Wimmera and Grampians Group Training Company which later became WorkCo and is now known as Skillinvest.

Being only the 3rd member of the team, Mike quickly established himself as a networker, sharing his passion for the industry within the communities of the Wimmera region, and across the group training sector at a time where management systems and a uniform approach to service was scarce.

Mikes involvement in, and influence on, the group training sector now spans over 30 years, having spent the past 16 years with Westvic Staffing Solutions as the Human Resources and Occupational Health and Safety Manager.

His passion for the industry, and in particular the quality and safety of the industry, has provided an unparalleled collaboration of resources and shared intelligence which will be Mike's legacy to the sector into the future. Without doubt, the industry is safer in 2019 than it was 30 years ago due to the tireless efforts of Mike Bellamy.



## Vaz Juchima

In 1993, Vaz Juchima as the Managing Director of Danum Engineering, was invited to join the Gforce Board. Mr Juchima as a passionate supporter of Vocational Education was able to utilise his experience as a Host Employer and prominent business leader to strategically grow and strengthen the Gforce company.

Mr Juchima recognised for his integrity and passion for the Vocational Education sector was invited to become Chair in September 2000, continuing as Chair until his retirement in October 2019. During his time as Chair, Gforce has been strategically growing to ensure ongoing sustainability and indeed has seen the net equity grow from \$1.5m to in excess of \$16m, with contributions provided back into the local Geelong community in excess of \$4m since 1983.

Mr Juchima also provided a strong focus on the safety culture, ensuring the company supported all employees, especially focusing on young employees undertaking their first work placement.

Gforce has grown from a Group Training Organisation to a company with a number of divisions to complement the long-standing Apprenticeship Services. The Employment Services Division incorporates, Disability Employment Service, ParentsNext, Transition to Work and Jobactive contracts with the Federal Government. The People@Work division delivers temporary and permanent recruitment services throughout Victoria.

Mr Juchima has held a number of significant roles in the Geelong Community, as a Company Director and held positions on other advisory committees that focus on supporting young people with a desire to move into trade careers. This ensured a continued focus on apprenticeships as an extremely worthwhile career.





# Industry Awards

**ATOA Apprentice of the Year & Inspiration Award: Women in Trades**  
Jessica Scott-Smith

**Trainee of the Year**  
Ashleigh McCafferty

**Inspiration Award: Indigenous Student of the Year**  
Kayleigh Gallagher

**Inspiration Award: Overcoming Adversity**  
Sian Prangnell

**School-based Apprentice/Trainee of the Year**  
Heidi Rasmussen

**STAR (OH&S) Award**  
Nicholas Wu

**GTO Service Excellence Award**

AGA Apprenticeships Plus - Metro Tunnel Project Pathway Program  
Programmed Skilled Workforce - Indigenous Advancement Strategy  
Westvic Staffing Solutions - Shaping Futures Pilot Program

**GTO Outstanding OHS Initiative Award**  
AGA Australia / MAS National

**GAN National Youth Initiative of the Year**  
The Adecco Group - CEO for One Month Initiative

**GAN International Apprentice Scholarship**  
Joel Handcock





# AEN Professional Development

During the 2018-19 year, the association provided several free professional development workshops for members on a wide range of topics including:

- Goal Setting & Managing Outcomes
- Managing Difficult Conversations
- Mental Health in the Workplace
- Conflict Resolution
- Developing Creativity
- Confidence, Self Esteem & Assertiveness Workshop
- Cross-Cultural
- Generation Gap
- Managing Competency Based Training
- Health and Wellness at Work
- Critical Thinking Workshop
- Personal Productivity Workshop
- Enhancing Workplace Relationships Workshop

## Regional Workshops

- IR Basics Workshop
- Managing Difficult Situations
- Emotional Intelligence
- Mental Health in the Workplace

Due to COVID-19 AEN commenced weekly member video conference meetings from mid-March 2020.

The meetings were organised to keep members up to date with a fast-changing environment. Regular topics included:

- JobKeeper, JobSeeker, JobTrainer policies
- Supporting Apprenticeship wage subsidies
- GTO/Apprentice COVID suspensions
- Updates from VRQA, DET and DES.



# AEN National GTO Standards Benchmarking

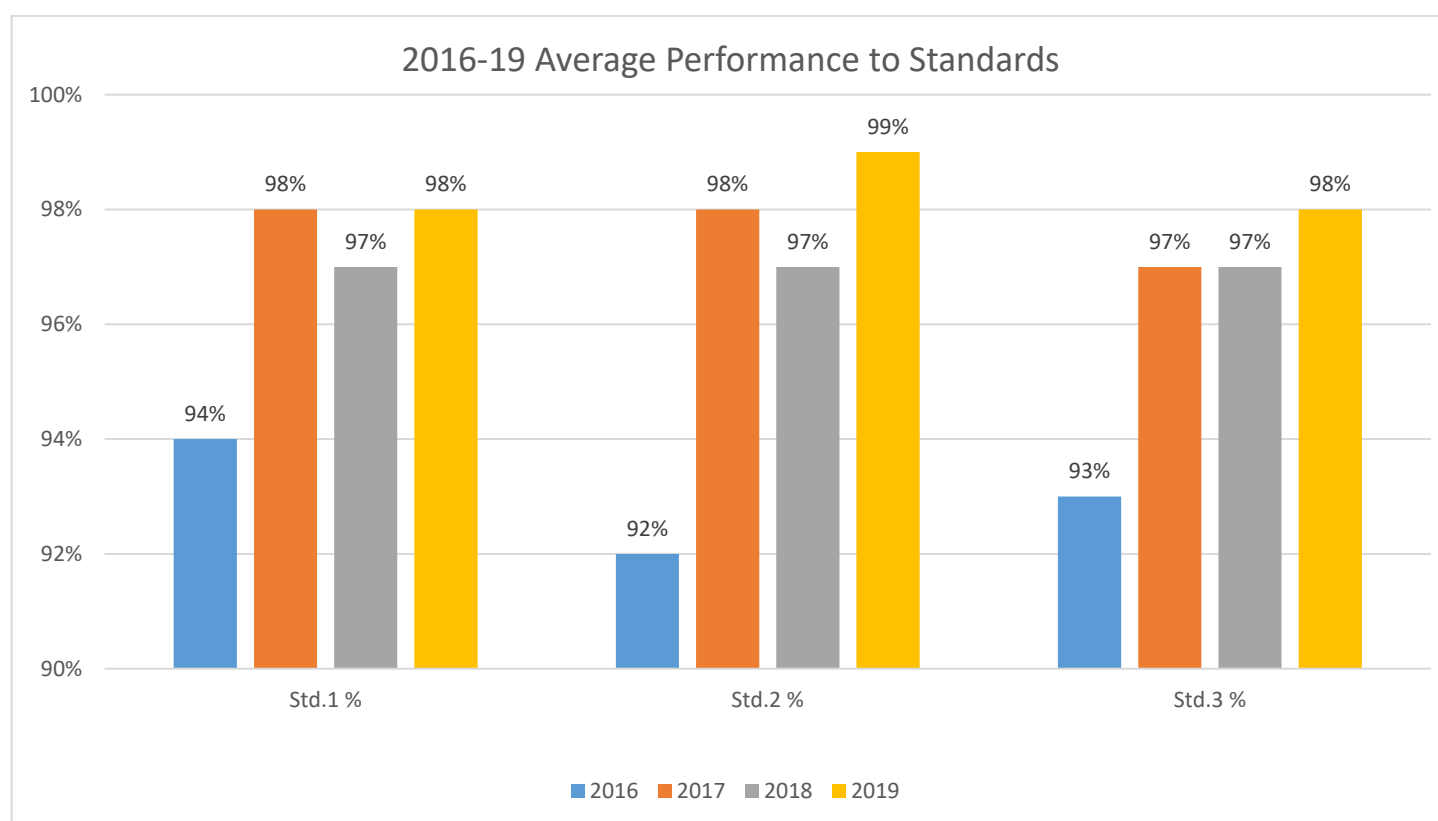
Each year, recognised GTO's are required to conduct a self-assessment as a reflection on the prior year. Organisations seeking GTO registration are also required to conduct a self-assessment as part of the recognition process.

Since the self-assessment was introduced in 2016, there has been a reportedly higher conformance average to the standards.

The results below represent the performance of 28 organisations against the national standards for the four-year period 2016-2019.



## National GTO Standards: Victorian GTO 2019 Self-Assessment Results

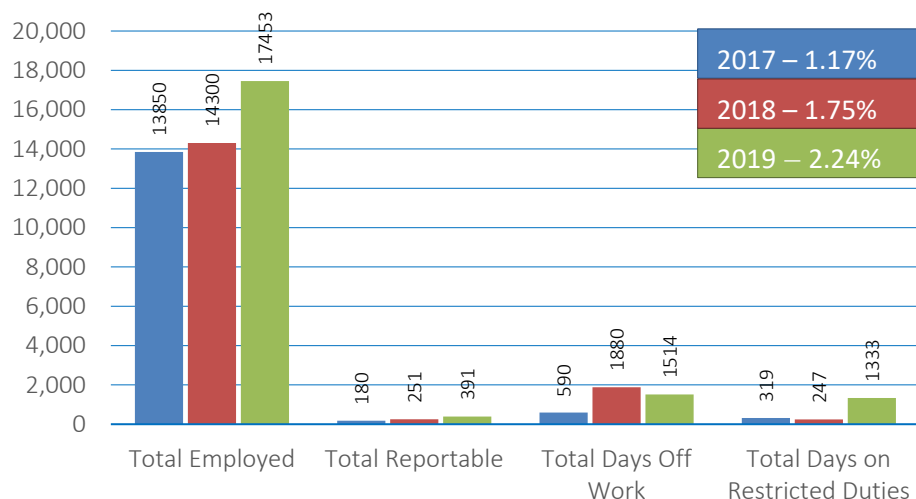


# WHS Benchmarking

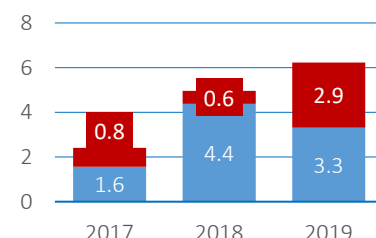
Over the past five years the Association has undertaken a WHS benchmarking project with members and interstate GTOs. The overall WHS performance of the network had an incident rate of 2.24 % in the 2019 calendar year which can be attributed to an increase in the number of organisations contributing their incident data in 2019.



## Total apprentice/trainees, reportable injuries, days off work and days on restricted duties



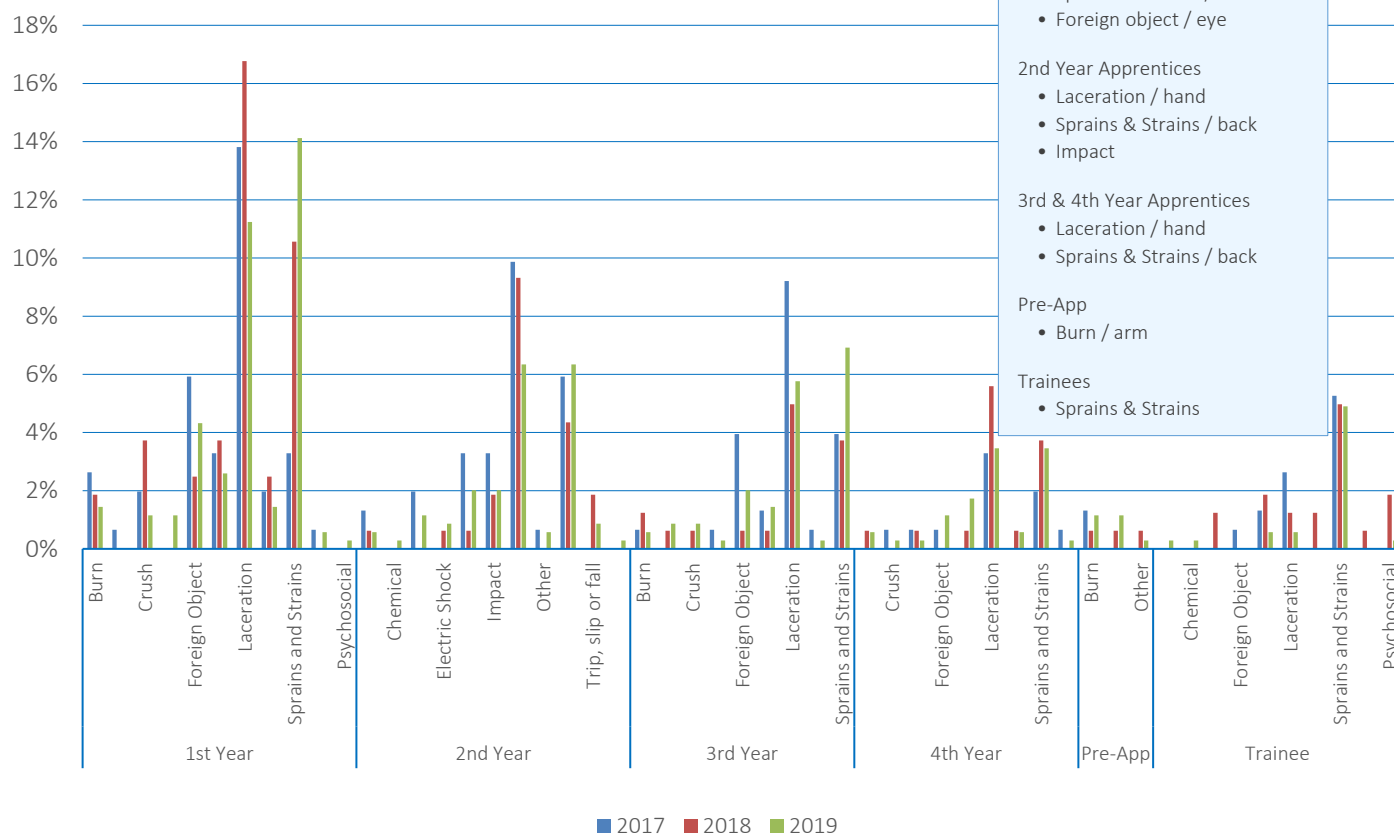
## Days off Work / On Restricted Duties



Avg days on restricted duties

Avg days off work

## Summary of Injury Type by Apprenticeship Level

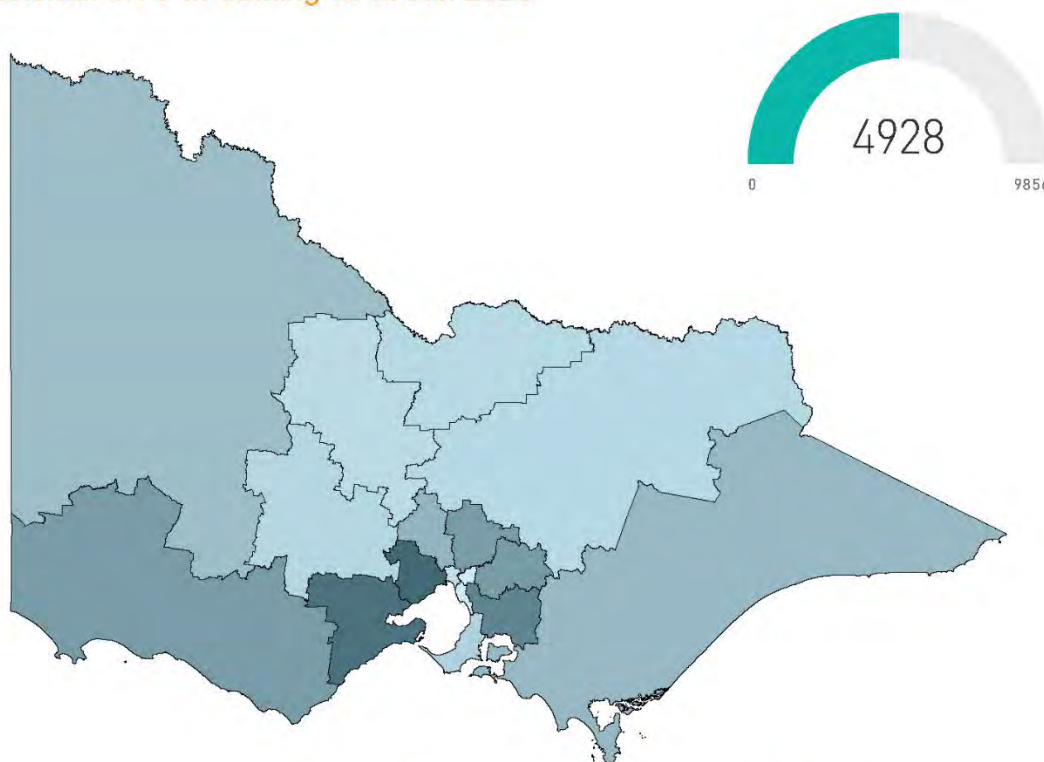


AEN would like to thank the members and organisations that have taken the time to submit their WHS data on a quarterly basis. This project will continue in 2020-21.



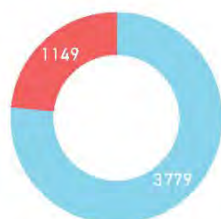
# Industry Statistics 2019-20

## 2019-20 Victorian GTO In-training as at Jan 2020



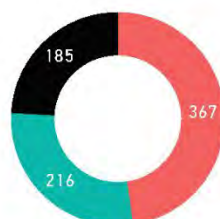
### Gender

Male Female



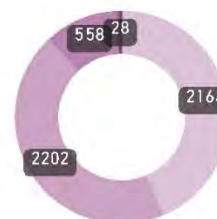
### Equity Groups

Non-English Speaking Indigenous Disability

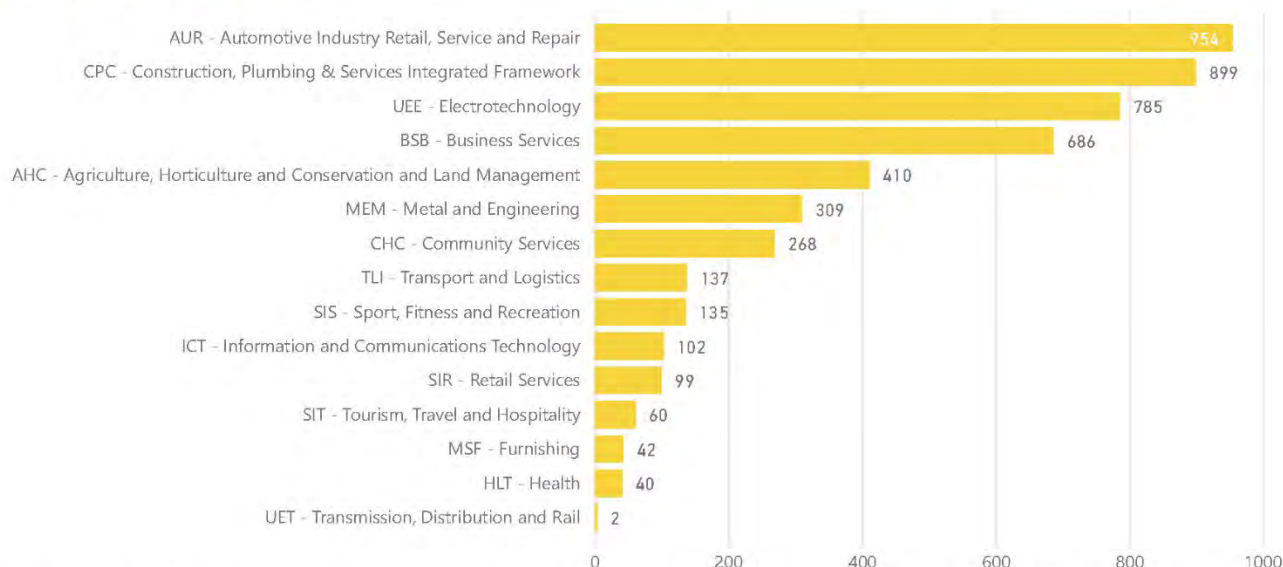


### Age Distribution

<=19 20-24 25-44 45+



### Total by Training Package



Source: NCVER VOCSTATS, extracted on 24/09/2020

# Association Board & Staff

## Board of Directors

During 2019-20 the AEN Board met on eleven (11) occasions.

Name	Meetings Attended
Dean Luciani - <i>Chair</i> <i>Westvic Staffing Solutions</i>	10
Mark Knox – <i>Deputy Chair</i> <i>AGA Australia</i> Resigned December 2019	4
Gary Workman - <i>Executive Director &amp; Secretary</i> <i>Apprenticeship Employment Network</i>	11
Robert Birch - <i>Director</i> <i>G-Force Recruitment</i>	5
Paula Ryan - <i>Director</i> <i>The Apprenticeship Factory</i>	10
Darren Webster - <i>Director</i> <i>Skillinvest</i>	10
Dean Arundell - <i>Director</i> <i>Ai Group</i> Commenced January 2020	4
Robyn Goodwill - <i>Independent Director</i>	9
Franklin O'Carroll - <i>Independent Director</i>	9

## Audit Committee

Name	Position
Mark Knox	Chair
Gary Workman	Director
Dean Luciani	Director
Robyn Goodwill	Independent Director

The Audit Committee met a total of eleven (11) times. The role of the Audit Committee includes risk management in addition to standard corporate and financial compliance. As well as a detailed monthly analysis of financial reports the Committee maintains a scheduled review of all risks identified in the Risk Management Framework. As a matter of course the Audit Committee has met with the Association's auditors and discussed the process of the 2019-20 audit and financial reporting. Refer to page 42.

## Nominations Committee

Name	Position
Paula Ryan	Chair
Gary Workman	Director
Mark Dunphy	Invited Independent Committee Member (as required)

## Communications & Government Committee

Name	Position
Dean Luciani	Chair
Gary Workman	Director
Paula Ryan	Director
Franklin O'Carroll	Independent Director

## AEN Staff

Name	Position
Gary Workman	Executive Director
Nik Mavrommatis	Operations Manager
Abbey Exell	Administration & Events
Matt Scane <i>Completed Mar 2020</i>	Business Administration Trainee AFL SportsReady

## AEN Contractors

Name	Role
Brad Huffels	Accountant
Agenda C	Communications Support



## Member Events

### Field Officers Conference - August 2019, Melbourne

Our field officers conference was held in Melbourne. We would like to take this opportunity to thank everyone who attended.

- VRQA
- Department of Education and Training
- VCCI
- RMIT
- Women in Trades Australia



### End of Year Conference, AGM & Annual Awards Dinner – December 2019, Victorian Parliament House

The Annual General Meeting (AGM) was held on 13 November 2019.







## Member Events

### Annual Apprenticeship Luncheon March 2019, MCG Melbourne

On the 12<sup>th</sup> of March 2020 the AEN held its Annual Apprenticeship Luncheon with over 130 guests from Group Training, TAFE and other VET stakeholders at the iconic MCG in Melbourne.

Guests heard from Assistant Minister for Vocational Education, Training and Apprenticeships, Hon. Steve Irons, who gave keynote on the Federal Government's investment into VET including the announcement of \$1.27 billion for apprentice wage subsidies.



Rob Birch, Lifetime Award Winner Vaz Juchima and Bill Mithen with the Hon. Steve Irons



## Member Services

The Association provides a wide range of services to the GTO and wider VET network. Services provided in 2018-19 included:

- Wide variety communication platforms
- Network meetings and Conferences
- Policies and Best Practice guidelines
- Training and professional development
- Members services
  - Tender search
  - Consultancy, including: Industrial relations, insurance, superannuation, and WHS
  - Online training resources and hosting

### Member Network meetings

Network meetings are held throughout the year with invited guest speakers from industry and government. The aim to ensure members are kept up to date with changes in regulations and to develop best practice standards.

- Group Training Managers / CEO
- Field Officers
- OH&S / WHS
- Financial Controllers / HR / Industrial Relations
- GTO Standards and Quality Assurance
- Labour Hire
- Diversity and Inclusion
- GAN-Australia steering committee

### Professional Development Workshops

- Workplace bullying
- RTO compliance
- Dealing with Mental Health & Substance abuse
- Worksafe Victoria Updates
- Industrial Relations Updates – payroll and award interpretation
- Alcohol, Drug & Well Being Session
- RTO Workshop
- Emotional Intelligence
- Goal Setting & Managing Outcomes
- Managing Difficult Conversations
- Mental Health in the Workplace
- Conflict Resolution
- Developing Creativity
- Cross-Cultural Awareness
- Generation Gap
- Managing Competency Based Training

### SafetyFirst – WHS services

Understanding WHS and providing a safe workplace is everybody's responsibility. SafetyFirst now in its 7<sup>th</sup> year provides members with access to a range of business services including:



- Quarterly network meetings
- 300+ online WHS policy and procedure templates
- Online WHS training programs
- Workplace OHS/WHS auditing
- Industry Benchmarking of WHS incidents
- Monthly e-Newsletter
- 30 new 3-4 minute safety animations aimed specifically at apprentices on a wide range of potential workplace hazards they may face available at <https://www.youtube.com/user/grouptrainingvic>



### Association Websites

#### [aen.org.au](http://aen.org.au)

Keep an eye on our website as we develop more member only features and improving the Find an Apprenticeship Employer system. Also your first stop for all of our news and events. Log in to the member's section to access 100's of policies and best practice standards, GTO self-assessment and benchmarking data.

#### [gttraining.com.au](http://gttraining.com.au)

Find out about the world of e-Learning the easy way, with information about the AEN learning platform and how you can get your own learning management system.

#### [safetyfirst.org.au](http://safetyfirst.org.au)

Think SafetyFirst for all things OHS/WHS related. This site provides updates on legislation, policy & procedure templates, industry benchmarking, induction training and much more.

#### [gan-australia.org](http://gan-australia.org)

The GAN-Australia website provides information on global apprenticeship trends, track current Australian apprenticeship vacancies and updates on current research and policy activities.

# Members

AS AT 30 June 2020



**AFL SportsReady**  
GPO Box 4337  
Melbourne VIC 3001



**Apprenticeships Group Australia**  
Level 1 192-198 High Street  
Northcote VIC 3070



**Australian Industry Group  
Training Services**  
PO Box 7622  
Melbourne VIC 8004



**The Apprenticeship Factory**  
PO Box 6092  
Shepparton VIC 3632



**BGT Employment**  
PO Box 308  
Ballarat VIC 3353



**Apprentice Trainee Employment  
Partners (ATEP)**  
Suite 2 / 12 Jamieson St  
Cheltenham VIC 3192



**CVGT Australia**  
PO Box 473  
Bendigo VIC 3550



**Brotherhood of St Laurence**  
288 Brunswick St  
Fitzroy VIC 3065



**Kestrel Recruitment**  
9 Stanley Street  
Wodonga VIC 3690



**G-Force Recruitment**  
PO Box 1987  
Geelong VIC 3220



**MIGAS**  
PO Box 334  
Batman VIC 3058



**MEGT Australia**  
29 Ringwood Street  
Ringwood VIC 3134



**NECA Education and Careers**  
PO Box 187  
Carlton VIC 3053



**Murray Mallee Training  
Company**  
PO Box 254  
Swan Hill VIC 3585



**Skillinvest**  
PO Box 93  
Horsham VIC 3402



**Programmed**  
Level 15, 380 St Kilda Road  
Melbourne VIC 3004



**Victorian Group Training  
Company**  
111-113 Bromfield Street  
Colac VIC 3250



**Sunraysia Murray Group  
Training**  
146a Eighth Street  
Mildura VIC 3500



**WPC Group**  
30-32 Courtney St, North  
Melbourne VIC 3051



**Westvic Staffing Solutions**  
PO Box 933  
Warrnambool VIC 3280

## Affiliate Members



Apprenticeships R Us  
148 Epsom Road  
Ascot Vale VIC 3032



Holmesglen Institute  
PO Box 42 Holmesglen  
Victoria 3148



Kangan Institute  
Private Bag 299  
Somerton, Victoria 3062



RMIT University  
Swanston & LaTrobe Streets  
Melbourne VIC 3000



Victorian Chamber of  
Commerce and Industry  
150 Collins Street  
Melbourne Victoria 3000

## Corporate Partners

We would like to acknowledge and thank our corporate partners for their support throughout the year. We could not provide the level of service we do to members without their generous support





# 2019-20 Financial Report

## Statement of Comprehensive Income

FOR THE YEAR ENDED 30 June 2020

	Note	2020 \$	2019 \$
Revenue	2	2,254,630	2,618,278
Cost of member sales	3	(110,002)	(84,293)
Employee expenses		(187,174)	(508,949)
Project expenses		(850,399)	(1,415,026)
Other expenses		(165,520)	(174,123)
Occupancy expenses		(29,892)	(72,243)
Depreciation expenses	8	(68,716)	(24,710)
Audit fees		(9,550)	(9,770)
Interest expenses		(7,634)	-
Motor vehicle costs		(15,768)	(23,329)
Profit for the year		809,976	305,834
Other comprehensive income			
Other		-	-
Total comprehensive income for the year attributable to members of the entity		809,976	305,834

The accompanying notes form part of these financial statements.

# 2019-20 Financial Report

## Statement of Financial Position

AS AT 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,376,811	2,525,823
Trade and other receivables	6	311,430	29,108
Other current assets	7	12,123	9,891
TOTAL CURRENT ASSETS		2,700,364	2,564,822
NON-CURRENT ASSETS			
Right-of-use assets	8	67,275	-
Property, plant and equipment	9	61,021	78,890
TOTAL NON-CURRENT ASSETS		128,296	78,890
TOTAL ASSETS		2,828,660	2,643,711
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	106,699	71,443
Provision for employee entitlements	11(a)	73,937	70,684
Other current liabilities	12	896,467	1,633,251
Lease liabilities	13	44,073	-
TOTAL CURRENT LIABILITIES		1,121,176	1,775,378
NON-CURRENT LIABILITIES			
Provision for employee entitlements	11(b)	5,140	2,789
Lease liabilities	13	26,824	-
TOTAL NON-CURRENT LIABILITIES		31,964	2,789
TOTAL LIABILITIES		1,153,140	1,778,167
NET ASSETS		1,675,520	865,544
EQUITY			
Reserves	15	655,388	-
Retained earnings	14	1,020,132	865,544
TOTAL EQUITY		1,675,520	865,544

The accompanying notes form part of these financial statements.

# 2019-20 Financial Report

## Statement of Changes in Equity

FOR THE YEAR ENDED 30 June 2020

	Retained Earnings \$	Association Reserve \$	Total \$
Balance at 1 July 2018	559,710	-	559,710
Profit attributable to members	305,834	-	305,834
Balance at 30 June 2019	865,544	-	865,544
Balance at 1 July 2019	865,544	-	865,544
Retained earnings transferred to reserve	(655,388)	655,388	-
Profit attributable to members	809,976	-	809,976
Balance at 30 June 2020	1,020,132	655,388	1,675,520

## Statement of Cash Flows

FOR THE YEAR ENDED 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,063,848	476,293
Operating grants receipts		110,000	110,000
Government stimulus subsidies		78,355	-
Receipts from project funding		74,052	75,709
Interest received		30,003	98,667
Payments to suppliers and employees		(1,499,273)	(3,865,508)
Net cash from operating activities	19	(143,015)	(3,104,839)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from short-term bank deposits		-	4,075,349
Proceeds from sale of plant and equipment		-	56,532
Purchase of plant and equipment		(5,997)	(112,016)
Net cash from investing activities		(5,997)	4,019,865
Net increase/(decrease) in cash held		(149,012)	915,026
Cash and cash equivalents at beginning of financial year		2,525,823	1,610,797
Cash and cash equivalents at end of financial year	19	2,376,811	2,525,823

The accompanying notes form part of these financial statements.



# Notes to the Financial Statements

## FOR THE YEAR ENDED 30 June 2020

The financial statements cover Group Training Association of Victoria Inc as an individual entity. Group Training Association of Victoria Inc is an association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

### Note 1: Summary of Significant Accounting Policies

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Associations Incorporation Reform Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 16 September 2020 by the members of the association.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting Policies

##### a. Income Tax

The association is an eligible Group Apprenticeship scheme and is exempt from income tax under Section 23g (III) of the Income Tax Assessment Act.

##### b. Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset		Depreciation Rate
----------------------	--	-------------------

Motor Vehicles	25%
Office equipment	25-50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

# Notes to the Financial Statements

## c. Leases

### *Policy applicable before 1 July 2019*

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

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

### *Policy applicable after 1 July 2019*

The Association has applied AASB16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised at date of initial application (1 July 2019). The right-of-use asset is initially recognised at the present value of the lease liability adjusted by the value of any accrued or prepaid lease payments. Comparative information in the Association's financial statements is not restated and there is \$nil impact on retained surpluses. The Association applied the approach consistently to all leases in which it is a lessee.

On transition to AASB16 Leases, The Association elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The Association has applied this practical expedient to all of its contracts and therefore applied AASB16 Leases only to contracts that were previously identified as leases.

For any new contracts entered into on or after 1 July 2019, the Association considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Association assesses whether the contract meets three key evaluations which are whether:

- (i) The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Association;
- (ii) The Association has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- (iii) The Association has the right to direct the use of the identified asset throughout the period of use. The Association assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Association recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Association, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Association depreciates the right-of-use assets on a straight-line basis from the lease 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 Association also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Association measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Association's incremental borrowing rate.

The Association has elected not to apply the recognition and measurement criteria above to:

- (i) Short-term leases – where the lease term does not exceed 12 months;
- (ii) Leases of low value assets – leases for which the underlying asset has a fair value below \$10,000.

Lease payments for leases that have been designated as short-term leases or leases of low value assets are expensed on either a straight-line basis over the lease term or another systematic basis.



# Notes to the Financial Statements

## d. Financial Instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

### Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

### Fair value

#### Fair Value Measurement

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

The incorporated association has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used. There were no fair values used at 30 June 2020.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a 'loss event') has occurred, which has an impact on the estimated future cash flow of the financial asset(s).

# Notes to the Financial Statements

In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the statement of comprehensive income immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

## **Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## **e. Impairment of Assets**

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## **f. Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the net present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred. Annual leave that is not expected to be wholly settled within 12 months is discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

## **g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## **h. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking in to account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

# Notes to the Financial Statements

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

## i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are presented as operating cash flows included in the receipts from customers or payments to suppliers.

## j. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the association during the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## k. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## l. Key Judgments

Provision for impairment of receivables

There are no noted issues with the collectability of receivables, therefore no provision for impairment has been made.

## m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## Note 2: Revenue and Other Income

	2020 \$	2019 \$
Revenue:		
– Project income	1,687,529	1,970,439
– Member sales	130,344	187,694
– Member fees	225,091	257,455
– Operating grants	100,000	100,000
– Government subsidies	87,355	100,000
– Interest received	24,311	85,910
– Profit on sale of assets	-	16,780
Total revenue	2,254,630	2,618,278

## Note 3: Expenses

	2020 \$	2019 \$
– Meetings/conferences costs	110,002	84,293
Total member expenses	110,002	84,293



# Notes to the Financial Statements

## Note 4: Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

	2020 \$	2019 \$
Key management personnel compensation	205,589	213,274

### Other KMP transactions

There were no other transactions with Key Management Personnel.

## Note 5: Cash and Cash Equivalents

	2020 \$	2019 \$
Cash at bank and on hand	917,978	496,373
Short-term bank deposits	1,458,833	2,029,450
Total cash and cash equivalents	2,376,811	2,525,823

The effective interest rate on short-term bank deposits was 1.42% (2019: 2.23%); these deposits have an average maturity of 91 days (2019: 91 days).

## Note 6: Trade and Other Receivables

	2020 \$	2019 \$
Trade debtors	309,416	17,460
Interest receivable	2,014	7,706
Amounts owing from the ATO	-	3,942
Total current trade and other receivables	311,430	29,108

## Note 7: Other Current Assets

	2020 \$	2019 \$
Prepayments	12,123	9,891
Total other current assets	12,123	9,891

## Note 8: Right-of-use Assets

	2020 \$	2019 \$
Property:		
At fair value	112,125	-
Less accumulated depreciation	44,850	-
Total property	67,275	-
Total right-of-use assets	67,275	-

# Notes to the Financial Statements

## Movements in carrying amounts

Movement in the carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year:

2019/20	Property \$	Total \$
Balance at 1 July 2019	-	-
Additions	112,125	112,125
Disposals	-	-
Depreciation expense	(44,850)	(44,850)
Carrying amount at 30 June 2020	67,275	67,275

## Note 9: Property, Plant and Equipment

	2020 \$	2019 \$
Motor vehicles:		
At cost	76,654	76,654
Less accumulated depreciation	(22,938)	(3,774)
Total motor vehicles	53,716	72,880
Plant and equipment:		
At cost	12,997	7,000
Less accumulated depreciation	(5,692)	(990)
Total plant and equipment	7,305	6,010
Total property, plant and equipment	61,021	78,890

## Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2019/20	Office Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2019	6,010	72,880	78,890
Additions	5,997	-	5,997
Disposals	-	-	-
Depreciation expense	(4,702)	(19,164)	(23,866)
Carrying amount at 30 June 2020	7,305	53,716	61,021

2018/19	Office Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2018	-	38,484	38,484
Additions	7,000	76,653	83,653
Disposals	-	(18,537)	(18,537)
Depreciation expense	(990)	(23,720)	(24,710)
Carrying amount at 30 June 2019	6,010	72,880	78,890

# Notes to the Financial Statements

## Note 10: Trade and Other Payables

	2020 \$	2019 \$
Trade creditors and accruals	103,409	65,920
Superannuation payable	3,290	5,523
Total trade and other payables	106,699	71,443

## Note 11: Provision for Employee Entitlements

	2020 \$	2019 \$
CURRENT		
Provision for employee entitlements (annual leave)	41,108	42,479
Provision for employee entitlements (long service leave)	32,829	28,205
(a) Total current provision for employee entitlements	73,937	70,684
NON-CURRENT		
Provision for employee entitlements (long service leave)	5,141	2,789
(b) Total non-current provision for employee entitlements	5,141	2,789
Number of employees at year end	3	3

## Note 12: Other Current Liabilities

	2020 \$	2019 \$
UNEARNED PROJECT INCOME		
Out of trade	787,133	-
Pre-apprenticeship and school-based program	-	1,474,586
Safety first	55,607	-
South east auto industry transition	-	110,275
Total unearned project income	842,740	1,584,861
Advances - member services	53,726	48,390
Total other liabilities	896,467	1,633,251

## Note 13: Lease Liabilities

	2020 \$	2019 \$
CURRENT		
Property (a)	44,073	-
NON-CURRENT		
Property (a)	26,824	-
Total lease liabilities	70,897	-



# Notes to the Financial Statements

The Association has leases for:

- a. Office premises at Level 3, 478 Albert Street, East Melbourne, Victoria. The lease terms for the property are as follows:
  - (i) The property lease is a sub-lease agreement including rent, services and utilities expiring 5 January 2022;
  - (ii) There is no formal option for extension of the lease however an offer is anticipated and reasonably certain to be exercised;
  - (iii) The incremental borrowing rate that has been applied to calculate the present value of lease liabilities is 8.15%.

## Maturity analysis of lease liabilities

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 30 June 2020 is as follows:

	2020 \$	2019 \$
Payable – minimum lease payments		
-not later than one year	50,169	-
-later than one year and not later than five years	25,417	
Minimum lease payments	75,586	-
Less future finance charges	(4,689)	-
Present value of minimum lease payments	70,897	-

## Note 14: Retained Earnings

	2020 \$	2019 \$
Retained earnings		
Opening balance at the beginning of the financial year	865,544	559,710
Transfers to reserves	(655,388)	-
Profit for the year attributable to members	809,976	305,834
Closing balance at the end of financial year	1,020,132	865,544

## Note 15: Reserves

	2020 \$	2019 \$
Project reserve		
Opening balance at the beginning of the financial year	-	-
Transfer from retained earnings	655,388	-
Closing balance at the end of financial year	655,388	-

## Note 16: Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at 30/06/2020 (2019: nil).

## Note 17: Events After the Reporting Period

There are no events after the reporting period.

## Note 18: Related Party Transactions

There were no related party transactions.

# Notes to the Financial Statements

## Note 19: Cash Information

	2020 \$	2019 \$
(a) Reconciliation of cash		
Cash at bank	917,978	496,373
Cash on deposit	1,458,833	2,029,450
	2,376,811	2,525,823
(b) Reconciliation of net cash provided by operating activities to profit for year		
Profit for year		305,834
Non-cash flows in profit:		
Depreciation	600	(58,220)
Other	23,866	24,710
Changes in assets and liabilities		
(Increase)/decrease in receivables	(282,322)	31,755
(Increase)/decrease in prepayments	(2,232)	16,698
Increase/(decrease) in payables	35,255	(19,882)
Increase/(decrease) in other liabilities	(736,785)	(3,407,374)
Increase/(decrease) in employee entitlements	5,605	2,090
	(142,415)	(3,104,839)

## Note 20: Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial assets			
Cash and cash equivalents	5	2,376,811	2,525,823
Trade and other receivables	6	311,430	29,108
<b>Total financial assets</b>		2,688,241	2,554,931
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	9	106,699	71,443
<b>Total financial liabilities</b>		106,699	71,443

## Note 21: Association Information

The registered office and principal place of business for the association is:  
 Level 3, 478 Albert Street, East Melbourne Victoria 3002  
 ABN 79996874017

## Directors' Declaration

In accordance with a resolution of the directors of Group Training Association of Victoria Inc, the directors of the entity declare that:

1. The financial statements and notes, as set on pages 2 to 16, are in accordance with the *Associations Incorporation Reform Act 2012* and:

- a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
- b. Give a true and fair view of the financial position of Group Training Association of Victoria Inc as at 30 June 2020 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that Group Training Association of Victoria Inc. will be able to pay its debts as and when they become due and payable.

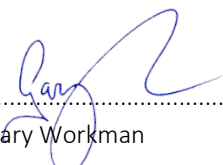
Chairperson

  
.....  
Dean Luciani

Audit Committee Chair

  
.....  
Darren Webster

Director

  
.....  
Gary Workman

Dated this 16th day of September 2020



# Independent Auditors' Report



## Crowe VIC

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## Independent Auditor's Report to the Members of Group Training Association of Victoria Inc.

### Opinion

We have audited the financial report of Group Training Association of Victoria Inc. (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the committee.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The members of the committee are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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# Independent Auditors' Report



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Committee for the Financial Report**

The committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The committee is responsible for overseeing the Association's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the those charged with governance'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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

# Independent Auditors' Report



report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Crowe Vic*

**CROWE VIC**

*G. Robertson*

**GORDON ROBERTSON**

**Partner**

Dated at Pakenham this 21<sup>st</sup> day of September 2020





**Apprenticeship Employment Network**

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