



Skills for Business. Jobs for Youth.



2021-22  
37<sup>th</sup> Annual Report

## Our 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

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## **Cover image**

Victorian Government – Hon. Gayle Tierney Minister Skills and Training and AEN Member apprentices, launching the Apprenticeship Support Officers Program at Apprenticeships Victoria Offices May 2021.

# Chair's Report

Welcome to the 2021-2022 Annual Report of the Apprenticeship Employment Network (Group Training Association of Victoria).

It gives me great pleasure to present this Chair's Report to members and to formally acknowledge the contribution each of you have made to the Association over the last twelve months. For a Chairperson of any Board, writing an end of year report triggers a reflection of the year that was, its challenges, highlights, and perhaps most importantly, opportunity for the future.

Whilst in general terms, the broader Australian and Victorian economy is strong, many members are finding it difficult to capitalise on the associated opportunity due to staffing pressures and record low participation rates. Staff illness and shortages are commonplace and continue to negatively affect productivity for many members and their Host Employers. These issues are unlikely to improve in the short to medium term, and although it is a different type of challenge, we again find ourselves doing more with less, to support the VET system in Victoria.



## *"Few Industries can unite and respond when it matters most"*

Despite the challenges we continue to face, the Group Training Network in Victoria has continued to deliver on its important work. Few industries can unite and respond when it matters most, and despite the operating environment, the Group Training Network in Victoria has again supported thousands of Apprentices, Trainees, and Employers over the last twelve months. At last count, eight active projects are being delivered by the Association and its members on behalf of the Federal and Victorian Government. This critical recognition of the Network's capability and capacity to support both industry, and those entering the workforce, has been many years in the making, but galvanised under the leadership of its current Executive Director.

Gary Workman commenced in his current role in 2009, making him our longest serving Executive Director. During that time, Gary has led the Victorian Group Training sector through significant periods of uncertainty and political change. He has played a pivotal role in the growth of the network, enhancing its credibility, financial performance, and the capacity to deliver on major Government initiatives. Through Gary's leadership, the performance and credibility of Group Training in Victoria has never been stronger. I am pleased to report that Gary has been awarded the AEN Fellowship Award in recognition of his outstanding contribution to VET, and the advancement of Group Training in Victoria. On behalf of all members, I congratulate Gary on his award, hard work and dedication to the industry.

As we move forward, I believe we must be ready for more challenges, and the associated opportunity. The new Federal Government has expressed an open appetite for innovative VET solutions, and to implement new policy quickly. Both are strengths within our network, and the Association will continue to engage at all levels of Government, to position its members for the future.

In closing, I would like to thank the AEN Board and staff for your contribution over the last twelve months. Your hard work and dedication to the Association may not always be visible, but does not go unnoticed, and is greatly appreciated.

A stylized, handwritten signature in blue ink, consisting of a large loop and a trailing line.

**Dean Luciani**  
AEN Chair



# AEN Executive Director Report

2021-22 has continued to be challenging with governments and host employers working through the COVID-19 pandemic.

I would like to congratulate the network during this testing period, as each GTO has managed 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 prioritising youth employment especially through apprenticeship programs. The Commonwealth's Boosting Apprenticeship Commencements program and the State government's Victorian Apprenticeship Recovery and Retrenched Apprentices and Trainees along with other programs have allowed our network to rebuild their support and increase commencements during 2021.

The AEN has worked hard with the Victorian Government to provide strong support for our members to engage with several new programs to improve apprenticeship participation that will lead to meaningful long-term employment.

Announcements over the past 12 months include the establishment of Apprenticeships Victoria, the Office of TAFE Coordination and Delivery and the Victorian Skills Authority within the Department of Education.

At the Commonwealth level we saw the Labor party form government in May 2022 with a new Training and Skills Minister – Hon. Brendan O'Connor (the electorate of Gorton / Brimbank and Melton region of Victoria).

Overall, 2021-22 has been a strong year for the Association with significant government project funding to support new apprenticeship/ traineeship opportunities. The AEN will continue to work on a range of projects including:

- Victorian Retrenched Apprentices and Trainees program through Apprenticeships Victoria
- Victorian Apprenticeship Recovery and Bush Fire Recovery Program through Jobs Victoria
- GTO Big Build apprenticeships program for major projects through Apprenticeships Victoria including GTO apprentice ambassadors
- Construction skills pathway program to support more women to commence an apprenticeship in the construction sector
- Multi industry women pre-apprenticeship programs
- Traineeships in Horticulture pilot program
- New Hospitality support program
- Ongoing work with the Commonwealths Local Jobs Program – Inner Melbourne Region – Employment facilitator role

The AEN also moved into new offices in December 2021. This has been a significant achievement for the association, as we now have a permanent home for the network which will assist in securing our longer-term future.

I would like to take this opportunity to thank our members, the AEN Board and staff for their support during the challenging 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 post COVID-19.

**Gary Workman**  
AEN Executive Director



## AEN Board Directors & Governance

During 2021-22, the AEN Board met on nine (9) occasions

	Meetings Attended
Dean Luciani, <i>Chair</i> <i>Westvic Staffing Solutions</i>	9 of 9
Darren Webster, <i>AEN Deputy Chair &amp; Audit Committee Chair</i> <i>Skillinvest</i>	8 of 9
Paula Ryan, <i>Chair of the Nominations Committee</i> <i>The Apprenticeship Factory</i>	8 of 9
Robyn Goodwill – <i>Independent Director</i>	8 of 9
Phillip Green, <i>Director</i> <i>NECA Education &amp; Careers</i> (Commenced 13 November 2020)	8 of 9
Andrew Sezonov, <i>Director</i> <i>WPC Group</i>	6 of 7
Tracey Murphy, <i>Independent Director</i> (Commenced June 2022)	1 of 1
Dean Arundell, <i>Director</i> (Resigned 13 August 2021)	1 of 1
Franklin O'Carroll, <i>Independent Director</i> (Resigned September 2021)	3 of 3
Gary Workman - <i>Executive Director &amp; Secretary</i> <i>Apprenticeship Employment Network</i>	9 of 9

## AEN Fellows (Life Members)

An AEN Fellowship is the highest recognition that can be bestowed by the association, on an individual, for their contribution to vocational education and training and the advancement of Group Training in Victoria.

Kevin Kennedy	AGA	2008
John Ackland	Skillinvest	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

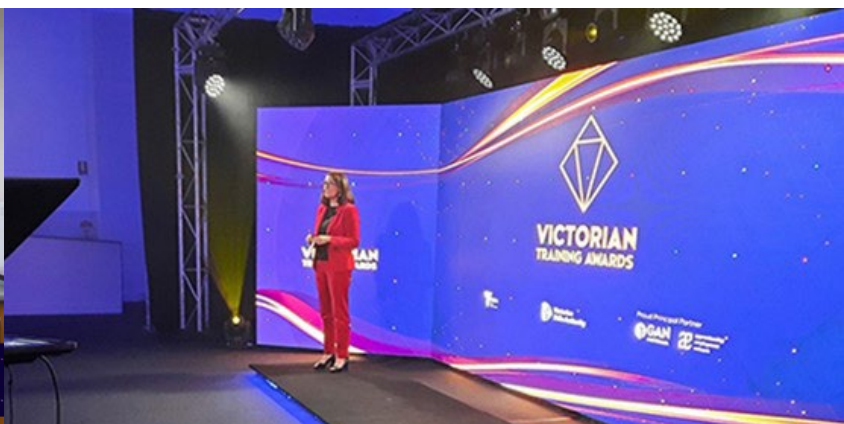
## AEN Lifetime Achievement Award Recipients

Steve Herbert	Victorian Government	2017
Allan Brown AM	Victorian Government & AGA	2018
Frederick Maddern	WPC Group	2018
John Nathan	MEGT	2019
Michael Bellamy	Westvic Staffing Solutions	2019
Vaz Juchima	G-Force	2020

# Key Industry Events

## Victorian Training Awards 2021

The AEN was the Principal Partner of the 2021 Victorian Training Awards. Due to COVID-19 restrictions, the Awards were held online.



The network was well represented again. Winners in each category for the 2021 Victorian Training Awards are listed below.

<b>Apprentice of the Year</b>	Andrew Jan Bendigo TAFE, Certificate III in Plumbing
<b>Trainee of the Year</b>	Samantha Brown Federation University TAFE, Diploma of Nursing
<b>Vocational Student of the Year</b>	Samantha Daly Swinburne University of Technology, Certificate IV in Mental Health
<b>School-based Apprentice of the Year</b>	Laura Davidson Sunraysia Institute of TAFE and Mildura Senior College Certificate III in Hairdressing
<b>Koorie Student of the Year</b>	Lucas Price Victorian Aboriginal Community Services Association Limited Certificate IV in Community Services
<b>Teacher/Trainer of the Year</b>	Julie Kramer, Bendigo TAFE
<b>Small Employer of the Year</b>	Swell Constructions, Mornington
<b>Medium Employer of the Year</b>	CPE Construction, Cobram
<b>Large Employer of the Year</b>	Metro Trains
<b>Employer Award for Apprenticeship Development</b>	Terra Firma Laboratories, Pakenham
<b>Community Training Provider of the Year</b>	Williamstown Community and Education Centre, Williamstown
<b>Inclusive Training Provider of the Year</b>	Box Hill Institute
<b>Small Training Provider of the Year</b>	Builders Academy Australia
<b>Large Training Provider of the Year</b>	William Angliss Institute
<b>Industry Collaboration Award</b>	CYP Design & Construction / Holmesglen Institute Collaboration
<b>Lynne Kosky Memorial Award for Lifetime Achievement</b>	Catherine Scart CEO, AMES Australia
<b>Employer Collaboration Award</b>	WPC Group and Esso - National Finalist in the Australian Training Awards

Congratulations to all the finalists and award winners.



## AEN Midyear Conference 21 June - Geelong

This year's conference was held at the Novotel in Geelong with close to 100 delegates in attendance.

The theme was Inclusive Apprenticeships with several speakers supporting indigenous and culturally diverse apprenticeships and women into trades.

### Key presentations included:

- Update from Apprenticeships Victoria & Jobs Victoria
- Members sharing best practices across a wide range of projects
- Discussions on how to best support women in trades.

A highlight of the event was the female tradie panel session held during the conference dinner.

A special thank you to Apprenticeship Victoria for their support of the event. It was a great opportunity for the 15 AV staff and our members to network.

Thank you to Gforce, Victorian Group Training and Westvic Staffing Solutions for providing female trade apprentices for the event.





## Official Opening of the Northeast Link Jobs and Skills Centre

In April 2022 Minister for Training and Skills Gayle Tierney officially opened the centre at Watsonia, that will be a one-stop-shop to connect locals to the 10,000 jobs that are available on the Northeast Link project, creating a pipeline of skilled workers to help build Victoria's future.

Jobseekers are invited to walk-in and explore exciting opportunities in areas like engineering and construction trades, traffic management, conservation land management and administration. The centre will also support employers and industry by connecting them with workers and provide opportunities to develop and expand.

The North East Link project is the biggest road project in Victoria's history, and is supported by the \$33 million Big Build Apprenticeships program which will provide 1,500 opportunities to Victorian apprentices and trainees each year for four years to kickstart their careers on projects including the new Footscray Hospital and Warrnambool Learning and Library Hub.

At least 10 per cent of the construction hours on these projects will be completed by apprentices and trainees, strengthening pathways from the classroom to the workforce. Additionally, 2.5 per cent of the workforce will be Aboriginal.

Thank you to AGA, AiGroup, Master Plumbers, Neca Education and Careers and Skillinvest.





On Tuesday 23 November Minister for Skills and Training Hon. Gayle Tierney opened the New Footscray Hospital Jobs Hub, a one-stop-shop to connect locals to the 2000 jobs available on the huge project, creating a pipeline of skilled workers to help build the world-class healthcare project for Melbourne's west.

Jobseekers are invited to drop in to explore exciting opportunities in areas like construction and trades, signage and graphics, landscaping and more. The centre will also support employers and industry by connecting them with workers and provide opportunities to develop and expand.

The new \$1.5 billion New Footscray Hospital Project is supported by the \$33 million Big Build Apprenticeships program, which is providing 1,500 opportunities to Victorian apprentices and trainees each year for four years to kickstart their careers on projects including the new North East Link and Warrnambool Learning and Library Hub.

At least 10 per cent of the construction hours on these projects will be completed by apprentices and trainees, strengthening pathways from the classroom to the workforce. Additionally, 2.5 per cent of the workforce will be Aboriginal Victorians.

The Jobs Hub combines the Footscray Connectivity Centre and Victoria University's Skills and Jobs Centre under one roof, led by Apprenticeships Victoria, which coordinates and oversees all aspects of the delivery of apprenticeships.

Jobseekers can explore their options at the New Footscray Hospital Jobs Hub between 9am – 5pm on weekdays at 138 Nicholson Street Footscray. Once the New Footscray Hospital is built in 2025 it will replace the existing hospital on Gordon Street and provide more than 500 beds, delivering the quality healthcare Melbourne's growing western suburbs deserve.

A big thank you to AGA, NECA, Master Plumbers and Next Gen Jobs for providing local apprentices for the opening.





## Continuation of the Apprenticeship Support Officer Program

On Wednesday 4th May the Hon. Gayle Tierney – Minister for Skills and Training announced the continuation of Apprenticeship Support Officer Program as detailed in the State Budget.

The announcement showcased 17 GTO apprentices from a wide range of members and industry sectors. This program provides GTOs additional resources to work on Victoria's Major Projects.

Thank you to AGA, Protech, NextGen Jobs / WPC Group and AiGroup their host employers and apprentices that supported the event.

GTOs participating in the Big Build Work include:

AGA, AiGroup, Brotherhood of St Laurence, Gforce Employment + Recruitment, Master Plumbers, MEGT, NECA Education and Careers, NextGen Jobs, Protech, Skillinvest, Westvic Staffing Solutions and WPC Group.





# Key Industry Projects

## Horticulture Traineeship Pilot Program

On 14 April 2022, the Victorian Government, represented by the Minister for Agriculture, the Hon. Mary-Anne Thomas, launched the new horticulture pilot program at Plunkett Orchards in Mooroopna, Goulburn Valley. The pilot program will link workers with expert training and on-the-job experience to build their skills and open new career pathways.

This pilot program will cover 3 regions within Victoria

4 GTOs are delivering the Pilots

- SMGT - Mildura / Swan Hill
- Workforce Partners Australia - Mildura / Robinvale
- The Apprenticeship Factory - Goulburn Valley / Shepperton
- Skillinvest - Gippsland

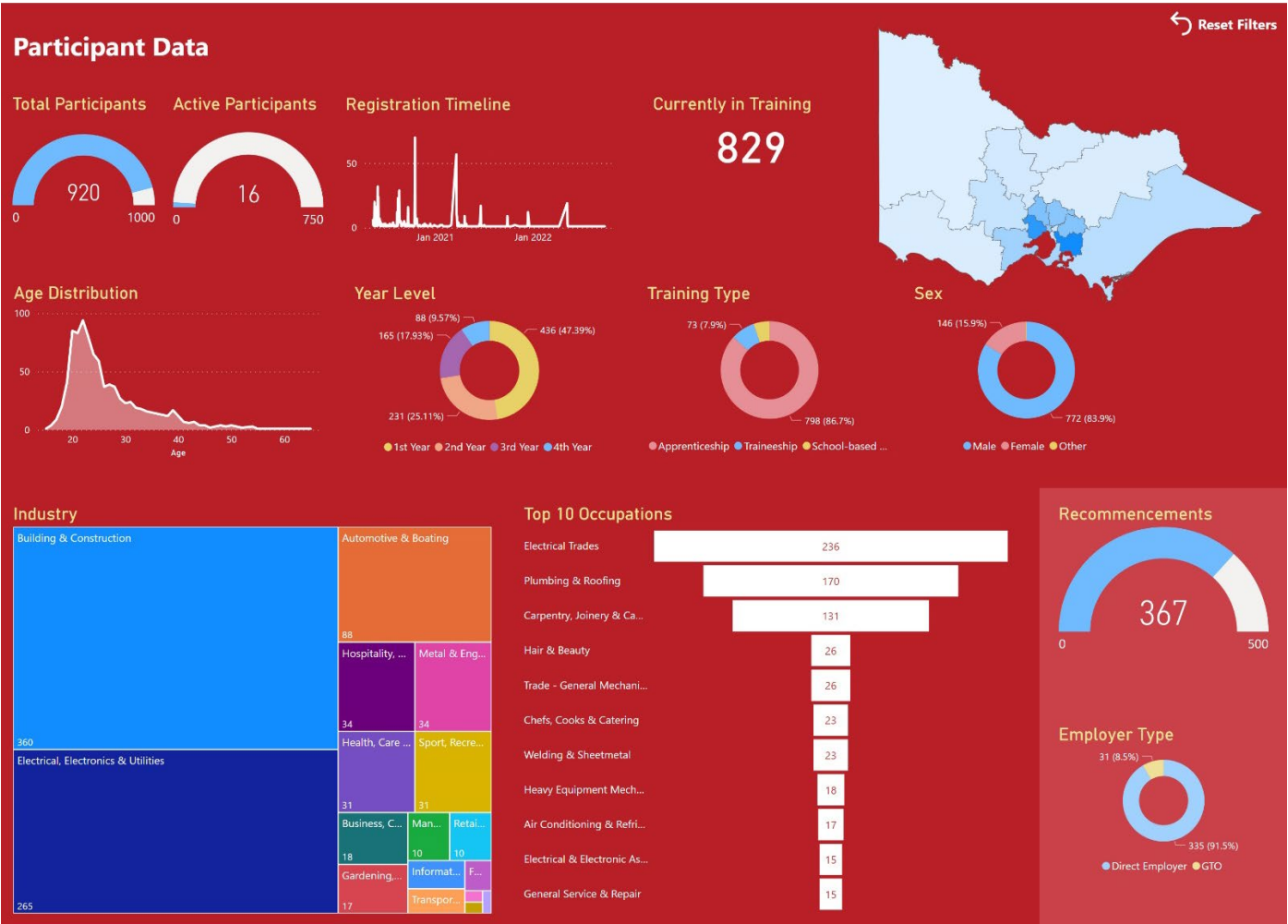
### Pilot Program Goals

- Attracting students to undertake Production Horticulture training through the pilot
- Recognising the candidate students' existing relevant skill or past training record that can be credited toward course enrolment
- Supporting students to complete a certificate II, III or IV in Production Horticulture or other related apprenticeship and traineeship option through the pilot
- Improving the capacity of host employers to support students as workers so that students feel supported and interested in continuing in horticulture roles
- Through an evaluation, highlight the benefits of the approach and areas of improvement





# Retrenched Apprentices & Trainees Program



## Local Jobs Program - Inner Melbourne Region

The AEN is delivering the Commonwealths Local Jobs Program within the Inner Melbourne Region.

During the year, the AEN supported several employment programs, information sessions and job fairs.



## Construction Skills Pathway Program

Big Build is Hiring: 300 New Apprenticeships by Mid-2023, with the aim to have 60% of these new apprentices/trainees being women. On Tuesday 17 May 2022 Premier Dan Andrews, Minister for Education and Skills, Hon. Gayle Tierney and Minister for Regional Development and Minister for Employment, Hon. Jaala Pulford launched the construction skills program.

This program is supporting 300 new building and construction sector apprenticeships and traineeships across Victoria by mid-2023 through the AEN members.

Funded through Jobs Victoria, 300 Victorians will have the opportunity to undertake on-the-job training as the Government works to meet industry demands and continue progress on Big Build and major infrastructure projects.

Career opportunities range from plumbing, electrical and engineering to civil construction, work health and safety, project management and more.

With an 'earn and learn' model, recruits can start working and earn an income from day one while training to build their skills for a new career – gaining an accredited qualification through TAFE or other registered training organisations. Women and people from diverse backgrounds will play a key role in addressing skilled labour shortages in construction. Women currently represent just 11.6 per cent of the industry's workforce and will be prioritised for 180 of the roles on offer.

Nadia Conte from AGA, aged 30, is one of those recruits currently undertaking a Certificate III in Carpentry while working on the Victorian Heart Hospital in Clayton.

Having spent her 20s travelling and working overseas, Nadia came home to Melbourne just as the pandemic hit and was looking for a new challenge.

Nadia was always tinkering with her dad's tools as a child, making projects in the backyard and so leapt at the opportunity to undertake a carpentry apprenticeship and break down stereotypes in the construction industry.

People under 25, Aboriginal and Torres Strait Islander people, those from culturally diverse backgrounds, those facing long term unemployment are also strongly encouraged to apply for the roles.

The two-year program is being delivered by Apprenticeships Victoria and the Apprenticeship Employment Network. The initiative is supported by the \$250 million Jobs Victoria Fund, creating 10,000 steady and secure jobs in sectors where they're needed most.



## Hospitality Pool Program

With support from Jobs Victoria, the AEN is coordinating a hospitality program to support up to 500 new workers for the sector that has been significantly impacted by COVID-19. The program includes:

- 5 days paid training in barista skills, food handling or responsible service of alcohol
- uniforms
- tools of the trade
- ongoing support like mentoring
- at least 20 hours a week work for up to 13 weeks.





## GTO Women in Trades

On Thursday 16 June 2022 the Hon. Gayle Tierney Minister for Training and Skills along with local MP Christen Couzens acknowledged a group of GTO female tradeswomen in Geelong.

The Minister acknowledged five female trade apprentices. Four received an AEN Certificate of Appreciation and Ebony Innes was presented with her VRQA Trade papers for officially finishing her cabinet making / Joinery apprenticeship

- Rachel Zahra, Parks and Gardens (1st year), Deakin University - GForce
- Cassandra Henry, Parks and Gardens (1st year), Deakin University - GForce
- Sarah McDonald, Electrotechnology Electrician (2nd year), JWL Electrical - VGT
- Daphne O'Meara, Light Automotive (2nd year), Mercedes Benz - WPC Group
- Ebony Innes, Certificate III in Joinery (Qualified), Fusion Cabinets – previously with VGT was presented with her official Trade Papers issued by the Victorian Registration and Qualifications Authority

The 2020-21 Victorian Government provided \$5 million in grants to 9 industry and training organisations to support and encourage women to pursue non-traditional roles, including in the construction industry, through the Apprenticeship Innovation Fund.

The aim of the Apprenticeship Innovation Fund is to:

- build a skilled workforce for Victoria
- increase the number of apprentices and trainees who begin and complete apprenticeships
- create pathways into apprenticeships
- improve gender equity and workforce diversity
- share the outcomes of projects through reporting and evaluation findings.

As one of the nine industry programs, AEN are delivering 8+ Multi Industry Pre-Apprenticeships with members (Kestrel, AGA, CVGT, Westvic, VGT, Skillinvest) across the State to support 120 women trial a range of construction trades combined with hands on training and work experience



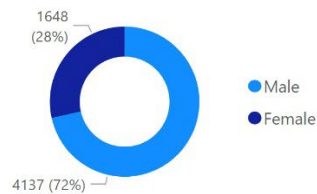
# Industry Stats 2021-22



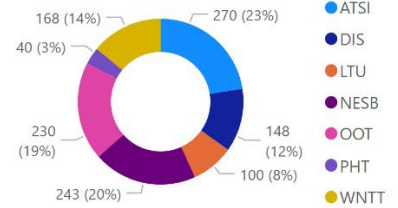
**5785**  
In training



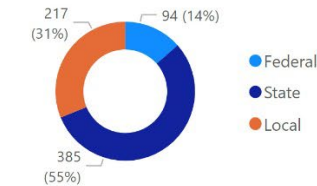
Gender



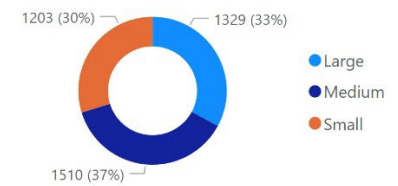
Diversity Groups



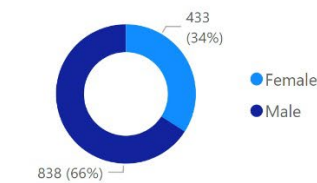
Total in Government



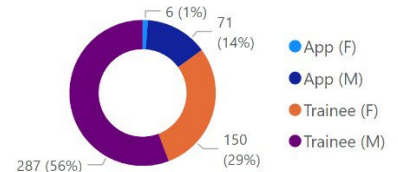
Total in Host Size



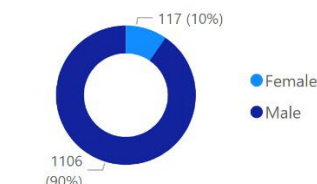
Withdrawn



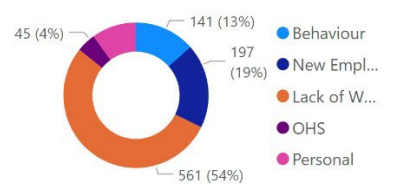
School-based



Rotations

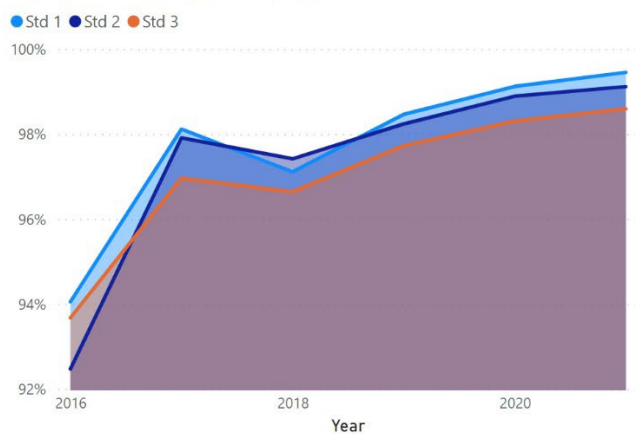


Rotation Reason

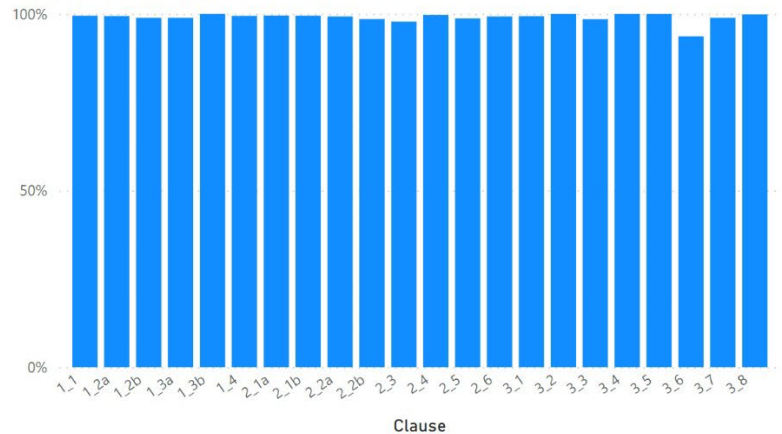


## GTO National Standards – 2021 Self-Assessment Results

Self-Assessment Against Standards



Self-Assessment Against Individual Clauses

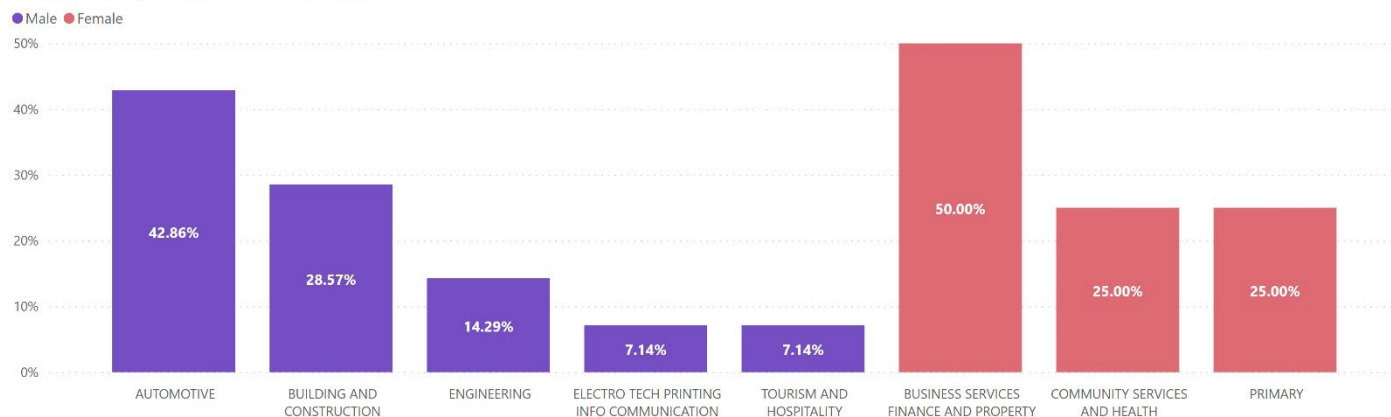




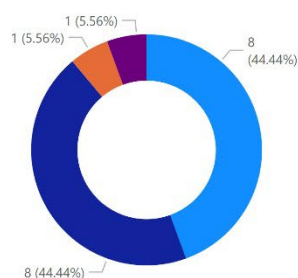
# GTO OH&S 2021 Benchmarking Results

The AEN tracks a wide range of OH&S statistics each quarter. Below is a summary of the key performance measures used to assist us in developing new resources for apprentices, trainees, GTOs and host employers. Continual reinforcement of “safetyfirst” is needed when dealing with young people - many which are in their first fulltime job.

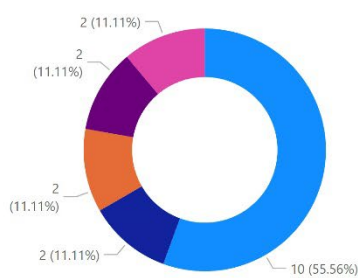
## % Injuries by Gender and Industry



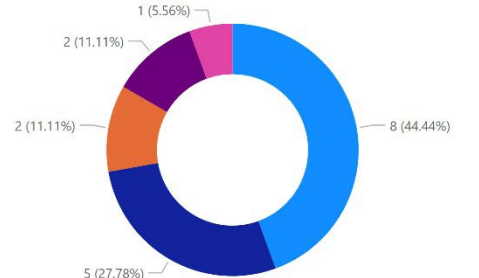
## Percentage by Age Range



## Percentage by Year Level

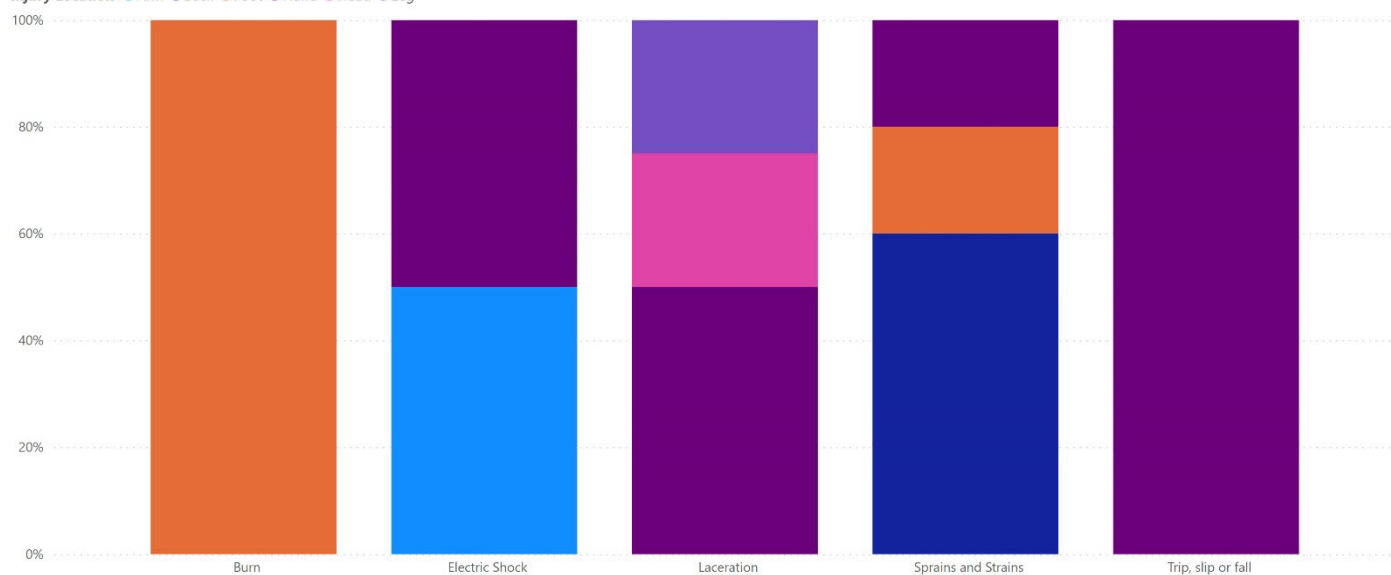


## Percentage by Injury Type



## % Type by Location

Injury Location Arm Back Foot Hand Head Leg



# Global Apprenticeship Network – Australia

GAN – Australia continued to support the wider GAN network and participated in a number of international conferences highlighting the Australian Group Training Model and Australian VET system.

It is pleasing to see many countries investigating apprenticeship “intermediatory” models and showcasing the Australian GTO system and benefits.

Feedback on the ILO & IOE Quality Apprenticeships framework will continue to be important in 2022-23.

During the year GAN-Australia supported several international conferences and events.



## 25-29 October 2021 Worldskills Conference Shanghai (online webinar)

*WS Conference Session 4.1. Alliances for effective apprenticeships.*

## Apprenticeship in India: Country Strategy Innovation Bootcamp

*Promoting the Australian Group Training Model*

27 – 28 April 2022, New Delhi, India



**Flanders**  
State of the Art



**International Labour Organization**

## Apprenticeship Vacancy Index

Filter Data

Use the slider to the right to select date range

2019

2022

**GAN AUSTRALIA**

National Total

92217

Quick Stats

13,520,050

Total Labour Force

329,584

Apprentices In Training

3.47%

Unemployment Rate

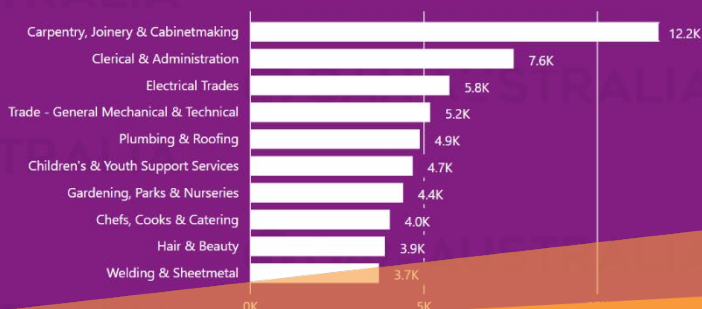
8.3%

Youth Unemployment

Top 10 Industries



Top 10 Occupations



## Apprenticeship Vacancies Over Time



## More than money: What will it take to turn good intentions into good jobs.

November 2021

A new collaborative report from PwC, Social Ventures Australia, the Global Apprenticeship Network (Australia) and the Apprentice Employment Network (Victoria) identifies measures that are required to build an apprenticeship system that works in the modern world and remedy Australia's chronic skills shortages.

The What Will It Take report finds that young people in Australia have seen their average incomes decline in real terms from 2008 to 2018. Young people face an increasingly difficult labour market while at the same time, employers are reducing investment into training, signalling a loosening of bond between employer and employee, which can in turn impact young people's ability to progress and compete in the market.

It now takes an average of 4.7 years for a young person to move into full time employment from education. Despite ongoing skills shortages in areas that require vocational qualifications, many young Australians without degrees cannot find jobs that allow them to learn while they work. The slow climb up the ladder of employment and earnings is resulting in long-term societal and economic impacts for young people and the wider Australian community.

In response, the report finds that, while many employers identify cost as a significant barrier to investing in young people, wage subsidies on their own are not enough. Instead, the report finds that a combination of the following measures is needed to generate change:

### 1. Financial levers

Financial levers such as tax credits or rebates and training guarantee levies could be given consideration in the medium term as the evidence suggests they have a positive track record. Possible ways forward include considering more tailored subsidies for specific cohorts, investment via intermediaries and consideration of schemes to promote training investment by employers.

### 2. Revitalise existing support models for employers

There are a number of organisations already in place to support employers to bring on young workers. However, these are not reaching many employers, particularly in sectors without strong existing apprenticeship pathways. Some, like Group Training Organisations (GTOs), could play a greater role in building opportunities for young people. But they need greater support, and the system as a whole needs to be much easier to navigate for employers and young people alike.

### 3. Collaborative pre-employment (training) models to share the risk

Pre-employment programs have an important role to play in connecting employers and young people. There are some highly effective and innovative models that could be expanded and extended to new industries. The intention is that they are directly linked to employers, and help ensure risk is shared and does not weigh too heavily on an individual employer.

### 4. Use the apprenticeship approach to suit industry needs

It is clear that work-based learning and work integrated learning provide critical pathways for young people, particularly those who are from lower income backgrounds. Despite successful pilots of higher apprenticeships, these pathways are undeveloped across many sectors.

### 5. Procurement and contracting to drive skills development

Where large government contracts are concerned, there is an opportunity to utilise the procurement process to encourage employers to consider opportunities for young people as well as disadvantaged groups through their supply chain management. This approach is commonly used by Commonwealth and State Governments in large infrastructure projects. Application of this approach to emerging markets such as clean energy and IT represents a significant opportunity.

To access the full report please visit <https://aen.org.au/uncategorized/more-than-money-what-it-will-take-to-turn-good-intentions-into-good-jobs/>





# AEN Awards

The AEN 2021 Annual Awards were held at the Pavilion at the Victorian Arts Centre on 16 February 2022.

## 2021 AEN award categories and winners

### School-based Apprentice/Trainee of the Year

Nathaniel Walker, *BGT Jobs + Training*

### Inspiration Award: Women in Trades

Sarah McDonald, *Victorian Group Training*

### Inspiration Award: Overcoming Adversity

Madison Spong, *gforce recruitment + training*

### Inspiration Award: Indigenous Student of the Year

Rodney Sutherland, *gforce recruitment + training*

### Inspiration Award: Disability Achievement

Massimo Zurzolo, *WPC Group*

### Stop Taking A Risk (STAR) Award

Demita Boyd, *BGT Jobs + Training*

### Trainee of the Year

Rodney Sutherland, *gforce recruitment + training*

### Apprentice of the Year

Bryce Noble, *Ai Group Apprentice & Trainee Centre*

Congratulations to all the finalists and award winners.

A big thank you to all our sponsors – Australian Super, Apprenticeship Support Australia, AATIS, Apprenticeships Victoria, Builders Academy Australia, Jobs Victoria, Kangan Institute, Marsh Advantage Insurance, MAS National, Victorian TAFE Association and SafetyFirst.



## Industry Service Awards

AEN and our members have a proud history of supporting apprentices, trainees and host employers. This support is provided by hundreds of dedicated staff. Every year, the AEN is proud to recognise the achievements of our members/staff through industry service awards. These awards are presented at 10, 15, 20, 25 and 30+ years of continuous service to the Group Training industry.

### 10 Years

Kon Seremetidis – AFL SportsReady

Peter Kategiannis – AFL SportsReady

Matthew Scholes – AFL SportsReady

James Montgomery – AFL SportsReady

Dale Scott – Master Plumbers

Natalie Reynolds – Master Plumbers

Martin Major – NECA Education & Careers

Stacey Fedden – NECA Education & Careers

Suzie Smith – NECA Education & Careers

Clint Williams – Skillinvest

Matthew Muller – Skillinvest

Janine McPhee – WPC Group



## 15 Years

Neil Helsdon – NECA Education & Careers

Linda Loft – Skillinvest

Murray Willett – CVGT

Gemma Middleton – Victorian Group Training

## 20 Years

Gary Workman – AEN

Lenny Shiells – NECA Education & Careers

John Taufer – NECA Education & Careers

Shane Cross – Skillinvest

## 25 Years

Carly Buckland - AEN

John Clarke – NECA Education & Careers

Stuart Davies – AFL SportsReady

## 30 Years

Kelly McCusker - NECA Education & Careers

Phillip Seeber – NECA Education & Careers





# Young people in skills 'death spiral'

## Training Getting a toehold in the workforce is becoming tougher.

Julie Hare  
Education editor

Employers are contributing to chronic skill shortages by not investing in entry-level jobs and training for younger people and depriving the industries of a pipeline of skilled workers, a new report has found.

Young people without a university degree are finding it increasingly difficult to get a toehold in the workforce. By 50 per cent over the past 15 years, it now takes an average of 4.2 years for a young person to move into full-time employment following the completion of their education.

The report, What Will I Take by PwC Social Ventures Australia and the Apprenticeship Employment Network, found cost was the most significant barrier to employers taking on young staff, but the complexity of the training market and short-term, ad hoc government programs only further discouraged employers from engaging with young people.

Accordingly, job opportunities are declining for young people, who are also experiencing increases in underemployment, a reduction in income working hours and a decline in income in real terms. "Employers said they want to see better-designed incentives, more coherent and comprehensive intermediate support and a quicker return on investment when they hire young people," the report says.

Despite ongoing skills shortages in areas that require vocational qualifications, many young people cannot find jobs that allow them to learn while they work, says Lisa Fowles from Social Ventures Australia.

The young people who are missing out are those who don't go to university and they are more often young people from low-income backgrounds. There are some profound equity implications of what is happening in the labour market, she said.

It could be highly effective to invest \$2.4 billion



Lisa Fowles, entry-level jobs are getting harder to come by. PHOTO: JESSA BARRETT

### There are some profound equity implications for what is happening.

Lisa Fowles, Social Ventures Australia

needed more coherent support measures to help them navigate the vocational training system, a job-based employment framework, particularly where apprenticeships are not prevalent, and government procurement and contracting to drive skills development and jobs for younger workers.

Gary Workman from the Apprenticeship Employment Network said he was concerned that coming out of the pandemic, employers would be going to the lowest-cost employment going to the least-qualified people, which isn't what he wants for young people.

Natalie Martin, 23, did not have any going to be great for young people."

she wanted to do for a career

# Future of skills and training already written

Gary Workman

15.2022 - 11.00am

Save Share

Over the past decades, successive governments at a state and federal level have conducted trials and reviews in the skills sector. There are many lessons to be learned from these comprehensive evidence gathering exercises. But there is also one big lesson: the time for reviewing and trailing is over; action must start now.

Despite skills shortages affecting businesses around the country, there is a lack of employment pathways for young people that allow them to apply and develop their skills.



Free-free TAFF must be accompanied by measures that make it more nimble and adapted to industry needs. Rob Hunter

One of the lessons that emerges most clearly is the importance of integrating training into the education system by way of programs which allow young people to start experiencing trades while they complete their schooling.

School-based pre-apprenticeship programs were trialled between 2016 and 2019 under the name multi-industry pre-apprenticeships (MIP). In the same way that high school subjects such as economics give students a pre-taste of university courses, trades courses offered during high school allow young people to experience different career pathways.

# COVID-19 has left our young people out of work and lacking Apprenticeships and traineeships could be the solution



Finishing twelve years of school is exhilarating but when the excitement subsides, many young people are left wondering what comes next.

For many young people, the end of school means the end of structure. The stress of the final exams is over, but the pressure of not knowing what comes next is still there. Some young people find themselves lost as to which way to go next.

Career prospects for young people today aren't what they used to be. Young people and their families feel immense pressure to go to university. The university path is at least a clearly marked one. School careers encourage a pathway with which they are familiar. But university is not right for everyone, or for the right first step. And so many young people will find school" by well-meaning friends and family.

A recent report by PwC, Social Ventures Australia, and the Apprenticeship Employment Network of Victoria showed the extent of the problem. Young people in

Australia have seen their average incomes decline in an increasingly difficult labour market while at the same time, employers are reducing investment into training, signalling a loosening of bond between employer and employee, which can in turn impact on young people's ability to progress and to compete for jobs. It now takes an average of 4.2 years for a young person to move into full-time employment areas that require vocational qualifications.

young Australians with vocational qualifications, many of whom have degrees, cannot find jobs that allow them to learn while they work. The slow climb up the ladder of employment and earnings impacts for young people and the wider Australian community.

Sofia Hajdari was one of many other young Victorians who struggled to find the right first step on the career ladder. After leaving school she took a job at a supermarket, but did not feel that it was taking her where she wanted to go in life. In looking for Recovery Program (VAPR) during COVID-19 in February 2021. The program was able to help her secure a traineeship in the Coroners Court of Victoria. The experience has proven transformational.

Prior to commencing my traineeship, I was a casual employee with no real direction," Sofia says. "Today, experience has been empowering and I will forever look back on it."

Sofia's on-the-job and online learning is coordinated through NECA Education and Careers, a group apprenticeship or traineeship route. GTOs provide a complete support network in managing the administrative, workplace or interpersonal issues

which can arise during an apprenticeship. They place the onus on a host employer and rotate the young person among several host employers. The host employer with whom Sofia's traineeship is performed a vital role in her training. Sofia's employer said, "These are roles and dead with complex subject matter and the training and support provided has been excellent."

Sofia is just one of the over 2000 young people that the Apprenticeship Employment Network has supported in gaining a paid apprenticeship or traineeship through various programs over the years. These programs include Victorian business support for communities affected by the 2020 bushfires and assisting any retrenched apprentice or trainee back into work.

If you are interested in an apprenticeship or traineeship or know of someone who is, act quickly, as many vacancies are filling fast.

as many vacancies are filling fast.

as many vacancies are filling fast.

as many vacancies are filling fast.

# CONOCIENDO A GAN EN OCEANIA

La red GAN cuenta con dos países miembros de este continente.



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# HIGH ACHIEVERS DEFY ADVERSITY

Two young people have overcome adversity to become successful business owners.



Two young people have overcome adversity to become successful business owners.

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Two young people have overcome adversity to become successful business owners.



## New Office - 83 Hobsons Road Kensington

The AEN moved into the new offices in Kensington on 21 December 2021.

To further support the development of the Association, and to enhance the strength of the AEN membership, the Board approved the purchase of new premises to secure the operations of the AEN into the future. The future home of the AEN is now 83 Hobsons Road, Kensington.

In making the decision to invest a large percentage of existing reserves into new premises, the Board considered the following:

- The significant financial position of the AEN, and other current investment options.
- The strengthening of the AEN's profile with a clear message re stakeholder confidence.
- Financial modelling that favors purchasing over long-term rental.
- The favorable timing of purchasing commercial property close to Melbourne's CBD.
- Ability to self-fund with no borrowings.

Your continued support and contribution to the work of the Association has been a critical component in its continued success, and we look forward to continuing the important work of the AEN from its new location.





## AEN Members



## Affiliate Members



# 2021-22 Financial Report

## Statement of Profit or Loss and Other comprehensive income

FOR THE YEAR ENDED 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2	7,755,719	7,361,250
Cost of member sales	3	(72,360)	(60,215)
Employee expenses		(1,178,995)	(922,904)
Project expenses		(5,537,302)	(5,130,875)
Other expenses		(75,128)	(189,532)
Occupancy expenses		(63,082)	(38,701)
Depreciation expenses	8/9	(101,462)	(47,352)
Audit fees		(13,635)	(9,840)
Interest expenses		(850)	(4,096)
Motor vehicle costs		(18,274)	(16,638)
Profit for the year		694,630	941,097
Other comprehensive income			
Other		-	-
Total comprehensive income for the year attributable to members of the entity		694,630	941,097

The accompanying notes form part of these financial statements.



# 2021-22 Financial Report

## Statement of Financial Position

AS AT 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	9,488,821	5,234,395
Trade and other receivables	6	315,125	2,318
Other current assets	7	82,953	3,164
TOTAL CURRENT ASSETS		9,886,899	5,239,877
NON-CURRENT ASSETS			
Right-of-use assets	8	9,752	22,425
Property, plant and equipment	9	1,379,564	62,609
TOTAL NON-CURRENT ASSETS		1,389,316	85,034
TOTAL ASSETS		11,276,215	5,324,911
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	631,226	696,883
Provision for employee entitlements	11(a)	161,445	120,550
Other current liabilities	12	7,160,186	1,865,174
Lease liabilities	13	3,457	24,824
TOTAL CURRENT LIABILITIES		7,956,315	2,707,431
NON-CURRENT LIABILITIES			
Provision for employee entitlements	11(b)	2,217	863
Lease liabilities	13	6,436	-
TOTAL NON-CURRENT LIABILITIES		8,653	863
TOTAL LIABILITIES		7,964,968	2,708,294
NET ASSETS		3,311,247	2,616,617
EQUITY			
Reserves	15	655,388	655,388
Retained earnings	14	2,655,859	1,961,229
TOTAL EQUITY		3,311,247	2,616,617

The accompanying notes form part of these financial statements.

# 2021-22 Financial Report

## Statement of Changes in Equity

FOR THE YEAR ENDED 30 June 2022

	Retained Earnings \$	Association Reserve \$	Total \$
Balance at 1 July 2020	1,020,132	655,388	1,675,520
Profit attributable to members	941,097	-	941,097
Balance at 30 June 2021	1,961,229	655,388	2,616,617
Balance at 1 July 2021	1,961,229	655,388	2,616,617
Profit attributable to members	694,630	-	694,630
Balance at 30 June 2022	2,655,859	655,388	3,311,247

## Statement of Cash Flows

FOR THE YEAR ENDED 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		13,402,647	8,998,337
Operating grants receipts		110,000	110,000
Government stimulus subsidies		-	76,713
Receipts from project funding		491,130	265,071
Interest received		1,108	10,570
Payments to suppliers and employees		(8,277,569)	(6,599,018)
Net cash from operating activities	19	5,727,315	2,861,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		34,000	-
Purchase of plant and equipment		(1,506,889)	(4,090)
Net cash from investing activities		(1,472,889)	(4,090)
Net increase/(decrease) in cash held		4,254,426	2,857,584
Cash and cash equivalents at beginning of financial year		5,234,395	2,376,811
Cash and cash equivalents at end of financial year	19	9,488,821	5,234,395

The accompanying notes form part of these financial statements.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2022

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 20<sup>th</sup> October 2022 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 not-for-profit organisation and is exempt from income tax. There is no distribution of profit to members.

#### 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	25-100%

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

# Notes to the Financial Statements

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.

## c. Leases

### *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:

- a. 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;
- b. 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
- c. 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 2022.

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 Recognition**

Revenue arises mainly from:

- a. Membership revenue;
- b. Rendering of services to members;
- c. Government grant funding;
- d. Interest received.

To determine whether and when to recognise revenue, the Association follows a 5-step process:

- a. Identifying the contract with a customer;
- b. Identifying the performance obligations;
- c. Determining the transaction price;
- d. Allocating the transaction price to the performance obligations; and
- e. Recognising revenue when/as the performance obligation(s) are satisfied.



# Notes to the Financial Statements

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.

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.

# Notes to the Financial Statements

## Note 2: Revenue and Other Income

	2022 \$	2021 \$
Revenue:		
– Project income	7,217,891	6,887,800
– Member sales	77,614	63,453
– Member fees	341,871	233,727
– Operating grants	100,000	100,000
– Government subsidies	-	67,713
– Profit on sale of assets	17,235	-
– Interest received	1,108	8,556
Total revenue	7,755,719	7,361,250

## Note 3: Expenses

	2022 \$	2021 \$
– Meetings/conferences costs	72,360	60,215
Total member expenses	72,360	60,215

## 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:

	2022 \$	2021 \$
Key management personnel compensation	405,637	413,175

### Other KMP transactions

There were no other transactions with Key Management Personnel.

## Note 5: Cash and Cash Equivalents

	2022 \$	2021 \$
Cash at bank and on hand	9,488,821	5,234,395
Total cash and cash equivalents	9,488,821	5,234,395

There were no short-term bank deposits in 2022. The effective interest rate on short-term bank deposits was 0.45% in 2021; those deposits had an average maturity of 74 days.

## Note 6: Trade and Other Receivables

	2022 \$	2021 \$
Trade debtors	110,580	2,318
Accrued income	204,545	-
Total current trade and other receivables	315,125	2,318

# Notes to the Financial Statements

## Note 7: Other Current Assets

	2022 \$	2021 \$
Prepayments	82,953	3,164
Total other current assets	82,953	3,164

## Note 8: Right-Of-Use Assets

	2022 \$	2021 \$
Property:		
At fair value	11,276	112,125
Less accumulated depreciation	(1,524)	(89,700)
Total property	9,752	22,425
Total right-of-use assets	9,752	22,425

### 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:

2021/22	Property \$	Total \$
Balance at 1 July 2021	22,425	67,275
Additions	11,276	-
Disposals	-	-
Depreciation expense	(23,949)	(44,850)
Carrying amount at 30 June 2022	9,752	22,425

2020/21	Property \$	Total \$
Balance at 1 July 2020	67,275	67,275
Additions	-	-
Disposals	-	-
Depreciation expense	(44,850)	(44,850)
Carrying amount at 30 June 2021	22,425	22,425



# Notes to the Financial Statements

## Note 9: Property, Plant and Equipment

	2022 \$	2021 \$
Land and buildings:		
At cost	1,311,638	-
Less accumulated depreciation	(16,395)	-
Total land and buildings	1,295,243	-
Motor vehicles:		
At cost	124,405	76,654
Less accumulated depreciation	(40,083)	(24,565)
Total motor vehicles	84,321	52,089
Plant and equipment:		
At cost	27,598	17,088
Less accumulated depreciation	(27,598)	(6,567)
Total plant and equipment	-	10,520
Total property, plant and equipment	1,379,564	62,609

### 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:

2021/22	Land and Buildings \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at 1 July 2021	-	52,089	10,520	62,609
Additions	1,311,638	85,994	10,511	1,408,143
Disposals	-	(13,674)	-	(13,674)
Depreciation expense	(16,395)	(40,088)	(21,031)	(77,514)
Carrying amount at 30 June 2022	1,295,243	84,321	-	1,379,564

2020/21	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at 1 July 2020	53,176	7,305	61,021
Additions	-	4,090	4,090
Disposals	-	-	-
Depreciation expense	(1,627)	(875)	(2,502)
Carrying amount at 30 June 2021	52,089	10,520	62,609

# Notes to the Financial Statements

## Note 10: Trade and Other Payables

	2022 \$	2021 \$
Trade creditors and accruals	158,216	451,807
Amounts owing to the ATO	466,097	237,088
Superannuation payable	6,913	7,988
Total trade and other payables	631,226	696,883

## Note 11: Provision for Employee Entitlements

	2022 \$	2021 \$
CURRENT		
Provision for employee entitlements (annual leave)	93,450	63,438
Provision for employee entitlements (long service leave)	67,995	57,112
(a) Total current provision for employee entitlements	161,445	120,550
NON-CURRENT		
Provision for employee entitlements (long service leave)	2,217	863
(b) Total non-current provision for employee entitlements	2,217	863
Number of employees at year end	7	9

## Note 12: Other Current Liabilities

	2022 \$	2021 \$
UNEARNED PROJECT INCOME		
Big build	851,510	-
Construction skills pathway	1,919,716	-
Horticulture pilot program	594,782	-
Hospitality	2,820,984	-
Mandatory work placement	-	532,291
Out of trade	72,331	243,587
Safety first	8,150	-
Victorian apprenticeship recovery package	346,023	1,003,615
Women in trade	500,282	-
Total unearned project income	7,113,778	1,779,493
Advances - member services	46,408	85,681
Total other liabilities	7,160,186	1,865,174

# Notes to the Financial Statements

## Note 13: Lease Liabilities

		2022 \$	2021 \$
CURRENT			
Property	(a)	3,457	24,824
NON-CURRENT			
Property	(a)	6,436	-
Total lease liabilities		9,893	24,824

The Association has leases for the following:

- a. Fujifilm Copier. The lease terms for the item are as follows:
  - i. Three year lease expiring 16 February 2025;
  - ii. The incremental borrowing rate that has been applied to calculate the present value of lease liabilities is 5.75%.

### Maturity analysis of lease liabilities

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at the end of the financial year are as follows:

	2022 \$	2021 \$
Payable – minimum lease payments		
-not later than one year	3,936	25,417
-later than one year and not later than five years	6,560	-
Minimum lease payments	10,496	25,417
Less future finance charges	(817)	(593)
Present value of minimum lease payments	9,679	24,824

## Note 14: Retained Earnings

	2022 \$	2021 \$
Retained earnings		
Opening balance at the beginning of the financial year	1,961,229	1,020,132
Profit for the year attributable to members	694,630	941,097
Closing balance at the end of financial year	2,655,859	1,961,229

## Note 15: Reserves

	2022 \$	2021 \$
Project reserve		
Opening balance at the beginning of the financial year	655,388	655,388
Transfer from retained earnings	-	-
Closing balance at the end of financial year	655,388	655,388



# Notes to the Financial Statements

## Note 16: Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at 30/06/2022 (2021: nil).

## Note 17: Events After the Reporting Period

There were no events after the reporting period ended.

## Note 18: Related Party Transactions

There were no related party transactions.

## Note 19: Cash Information

	2022 \$	2021 \$
(a) Reconciliation of cash		
Cash at bank	9,488,821	5,234,395
Cash on deposit	-	-
	9,488,821	5,234,395
(b) Reconciliation of net cash provided by operating activities to profit for year		
Profit for year	694,630	809,976
Non-cash flows in profit:		
Depreciation	101,462	47,352
Other	67,144	(46,073)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(312,807)	309,112
(Increase)/decrease in prepayments	(79,789)	8,959
Increase/(decrease) in payables	(65,657)	590,185
Increase/(decrease) in other liabilities	5,280,083	968,707
Increase/(decrease) in employee entitlements	42,249	42,335
	5,727,315	2,861,674

## 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	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents	5	9,488,821	5,234,395
Trade and other receivables	6	315,125	2,318
Total financial assets		9,803,946	5,236,713
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	10	631,226	696,883
Total financial liabilities		631,226	696,883

## Note 21: Association Information

The registered office of the association is:

83 Hobsons Road Kensington Victoria 3031

The principal place of business is:

83 Hobsons Road Kensington Victoria 3031

ABN: 79 996 874 017



# 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 29 to 44, 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 2022 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



AEN Secretary .....  
Executive Director Gary Workman

Dated this 20th day of October 2022

# Independent Auditors Report



**Crowe VIC**  
ABN 27 621 602 883  
42A Main Street  
Pakenham VIC 3810  
PO Box 183  
Pakenham VIC 3810  
Australia

Main +61 (03) 5940 2033  
Fax +61 (03) 5940 2042  
[www.crowe.com.au](http://www.crowe.com.au)

## 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 2022, 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 2022 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards 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 Committee are responsible for the other information. The other information comprises the information included in the Annual report for the year ended 30 June 2022, 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.

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.

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# Independent Auditors Report

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

The members of the committee of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Associations Incorporation Reform Act 2012* and for such internal control as the members of 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 members of the committee are 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 members of the committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The members of the committee are 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, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates 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. The auditor communicates 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 the auditor identifies during the audit.

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



**Gordon Robertson**  
Partner

25<sup>th</sup> October 2022  
Pakenham



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





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Kensington VIC 3031

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