

# Annual Report 2024







# Contents

## 2024 Annual Report

|           |  |
|-----------|--|
| <b>4</b>  | <b>Introduction</b>  |
| <b>5</b>  | <b>Our organisation</b>  |
| 5         | Our Board  |
| 6         | Organisational Chart   |
| 6         | Controlled entities  |
| 7         | Our strategy   |
| <b>8</b>  | <b>Our Year in Review</b>  |
| 10        | Achievements   |
| 11        | Holmesglen Awards Festival   |
| <b>12</b> | <b>Our financial performance</b>                                       |
| <b>13</b> | <b>Our ESG outcomes</b>  |
| 13        | Environmental  |
| 17        | Social   |
| 19        | Governance   |
| <b>21</b> | <b>Our people</b>  |
| 22        | Our workforce in 2024  |
| 24        | Health, safety and wellbeing   |
| <b>25</b> | <b>Additional compliance statements</b>                                |
| 25        | <i>Freedom of Information Act 1982</i>                                 |
| 25        | <i>Building Act 1993</i>   |
| 26        | <i>Public Interest Disclosures Act 2012</i>                            |
| 26        | <i>Carers Recognition Act 2012</i>                                     |
| 26        | <i>Local Jobs First Act 2003</i>                                       |
| 26        | National competition policy and competitive neutrality policy Victoria |
| 26        | Victorian public service travel policy                                 |
| 26        | Statement on compulsory non-academic fees, subscriptions and charges   |
| 27        | Consultancies  |
| 27        | Information and Communication Technology expenditure                   |
| 27        | Government advertising expenditure                                     |
| 27        | Disclosure of emergency procurement                                    |
| 27        | <i>Disability Act 2006</i>   |
| 28        | Additional information available on request                            |
| <b>29</b> | <b>Financial Report 2024</b>   |
| 30        | Independent auditor's report - financial report                        |
| 32        | Declaration by board chair, CE and CFO                                 |
| 35        | Comprehensive operating statement                                      |
| 36        | Balance Sheet  |
| 37        | Statement of changes in equity   |
| 38        | Cash flow statement  |
| 39        | Notes to financial statements  |
| <b>88</b> | <b>Statement of performance</b>  |
| <b>89</b> | <b>Disclosure index</b>  |

# Introduction

On behalf of Holmesglen Institute and the Board, we are pleased to present our 2024 Annual Report.

The Institute has prepared this report in accordance with the *Financial Management Act 1994*, Standing Directions, Instructions, Financial Reporting Directions and applicable Australian Accounting Standards. It is also in line with the TAFE Institute Annual Report Guidelines issued by the Office of TAFE Coordination and Delivery.

This report presents the required compliance statements, financial report and statement of performance for Holmesglen Institute and its controlled entities. It also outlines our operations and achievements for the year.

**Reflecting on 2024, we are proud of the milestones that have shaped another successful year. Key highlights include:**

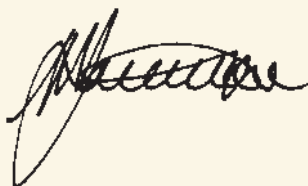
- implementing the first year initiatives to bring our new Strategic Plan 2024-2026 to life
- maintaining our number one place for customer experience in the education sector in CSBA's Quality Assurance Benchmarking
- reducing our environmental impact and building climate change awareness through our inaugural Sustainability September initiative
- establishing Apprentice Success with our Victorian TAFE network partners as a specialist Apprentice Connect Australia Provider for the clean energy sector
- achieving re-registration as an institute of higher education and being awarded partial self-accrediting authority by the Tertiary Education Quality and Standards Authority
- holding our first Flex Factor where staff teams pitched their ideas to drive innovation in our programs and services and funding the best for implementation in 2025
- beginning our journey to harness AI through our AI Spark initiative to foster early adoption of AI for work and learning and in establishing governance arrangements and action plans to ensure our use is safe, responsible and ethical.

We extend our sincere gratitude to our dedicated staff and directors, whose expertise and commitment have been instrumental in our achievements in 2024. Their commitment to teaching excellence and learner success has strengthened our reputation and achieved remarkable outcomes. We are equally grateful to our industry partners, who work alongside us to deliver excellence in skills led learning.

As we look to the future, we are energised by the possibilities ahead to continue to strengthen our learner focus and outcomes. We are confident that Holmesglen will continue to play a vital role in supporting economic growth, building workforce capability and enriching our communities through our education, training and applied research activities.



**Michael Gorton AM**  
**Chair**  
Holmesglen Institute  
19 March 2025



**Mary Faraone**  
**Chief Executive**  
Holmesglen Institute  
19 March 2025

# Our organisation

Holmesglen is established under the *Education and Training Reform Act 2006*. This Act – along with the Institute's Constitution – defines our functions and duties to provide:

- vocational education and training and higher education programs to benefit Victorian industry and communities
- applied research in partnership with learners, industry and communities
- facilities and services to support our learners and communities.

In 2024, the Minister for Skills and TAFE was The Hon. Gayle Tierney MP.

This year we enrolled a total of 26,000 learners. Overall, the number of learners enrolled at Holmesglen increased by 24 percent compared to the previous year.

During the year we also served our local communities across eight sites and remotely, delivering quality skills led learning and applied research and providing exceptional support services. Programs delivered include our Victorian Government funded Skills First and Free TAFE programs, Skills and Jobs Centre services and the Reconnect program. We also participated in commercial projects and educational partnerships in Australia and overseas.

## Our Board

Holmesglen's Board of Directors is responsible to the Victorian Government for the effective oversight and governance of the Institute. The Board advances our objectives and operates in accordance with the economic and social objectives and public sector management policies established by government. It also assists and informs the Minister for Skills and TAFE or the Ministers' delegates as required.

### Directors in 2024 were:

- Michael Gorton AM (Chair)
- Janelle Allison
- Ann Barker
- Kathryn Bellion
- Kashif Bouns (from 1 November 2024)
- Maryum Chaudhry
- Anita Chow
- Karen Corry (to 31 August 2024)
- Gordon D'Rosario (to 19 April 2024)
- Mary Faraone
- Alyssa Forbes-Nicolson (from 10 July 2024)
- Ian Hamm
- David Imber
- Christina (Christy) Karamzalis

Four committees support the Board to execute its governance responsibilities.

## Asset and Infrastructure Committee

This committee oversees and advises the Board on matters related to strategic asset management, data, systems and technology. It also monitors the progress of major strategic capital works.

Committee members include:

- Ian Hamm (Chair)
- Karen Corry (to 31 August 2024)
- Ann Barker
- Mary Faraone
- Michael Gorton AM
- Christy Karamzalis

## Finance, Audit and Risk Management Committee

This committee independently reviews and assesses the effectiveness of the Institute's systems and controls for financial management, performance and sustainability, and risk management. The committee also reviews the annual financial statements and makes recommendations to the Board on adopting the statements and authorising their release to parliament. It operates in accordance with the Standing Directions 2018 under the *Financial Management Act 1994*.

Committee members include:

- Karen Corry (Chair and member to 16 July 2024)
- Janelle Allison
- Maryum Chaudhry (from 18 December 2024)
- Anita Chow (Chair from 17 July 2024)
- Alyssa Forbes-Nicolson (from 21 August 2024)
- Michael Gorton AM
- David Imber

## People, Culture and Remuneration Committee

This committee oversees all people-related activities and ensures proper governance and capabilities to deliver our strategic objectives.

Committee members include:

- Kathryn Bellion (Chair)
- Maryum Chaudhry
- Mary Faraone
- Michael Gorton AM

## Quality Committee

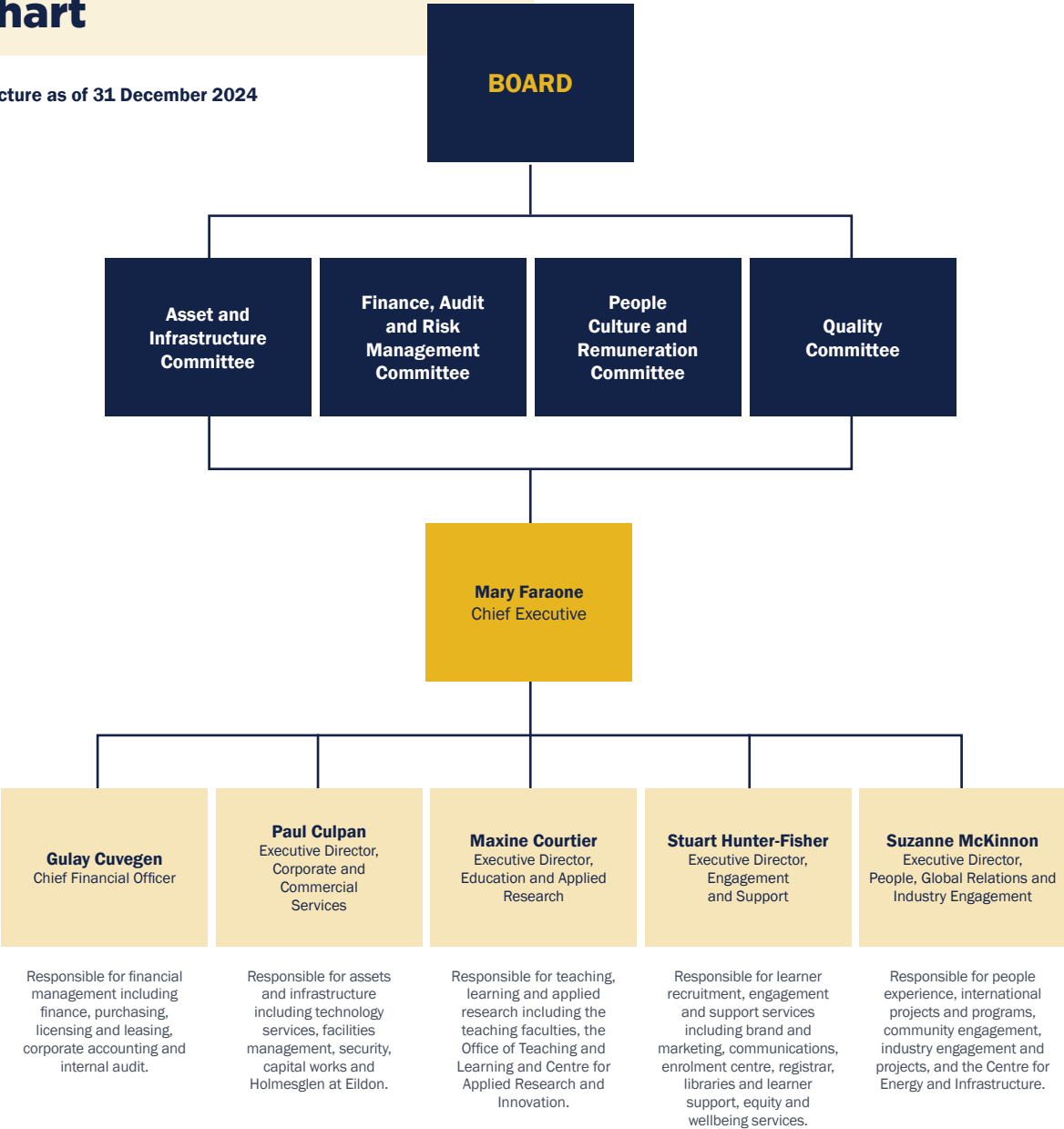
This committee oversees and advises the Board on the quality of our teaching and learning outcomes and operations. It also monitors the adequacy of our educational compliance and quality management practices.

Committee members include:

- Janelle Allison (Chair)
- Michael Gorton AM
- Mary Faraone
- Gary O'Donovan

# Organisational Chart

Structure as of 31 December 2024



## Controlled entities

### Holmesglen Foundation and Glenuc Pty Ltd

The Holmesglen Foundation is a controlled entity of Holmesglen Institute and operates through a trust deed between the Institute and Glenuc Pty Ltd.

Company Directors are responsible for ensuring the Foundation operates according to the trust deed and complies with all governance and regulatory requirements.

The Directors of Glenuc Pty Ltd in 2024 were:

- Peter Lewinsky AM (Chair)
- Ann Barker
- Andrew Brookes
- Ros Casey
- Mary Faraone
- Hannah Piterman

### Holmesglen International Training Services Pty Ltd

Holmesglen International Training Services Pty Ltd is a fully owned subsidiary of Holmesglen Institute. Mary Faraone was the sole Director of Holmesglen International Training Services in 2024.

# Our strategy

This year marked the launch of our new strategic plan for the 2024 to 2026 period.

**Looking Out: Looking Up** focuses our efforts on achieving five goals:

**1.**  
**Inclusive and  
people-centric**

**2.**  
**Environmentally  
sustainable**

**3.**  
**Future ready**

**4.**  
**Technology  
enabled**

**5.**  
**Adaptive and  
engaged.**

## Our mission

We transform lives, build workforce capability and enrich communities through education and training.

## Our 2030 vision

Holmesglen is a leader in education, training and applied research, renowned for its innovation and commitment to learner and industry success.

## Transformative projects

In February 2024 we launched our 2024-2026 strategic plan Looking Out, Looking Up and announced five transformative projects aligned to our goals.

**1. Service excellence framework** – the framework adopts an institute-wide approach to service provision that applies both to our internal and external customers.

**2. Go solar** – 786 solar panels and five EV charging stations were installed at the Glen Waverley and Chadstone campuses as part of our drive to reduce our environmental impact.

**3. Flex Factor** – the Flex Factor invited staff teams from across the Institute to dive deep, dream big and pitch their ideas to reimagine the Holmesglen Experience. Fourteen teams pitched their ideas, and we funded four projects on pitch day. The remaining ideas remain in development and the Flex Factor will now become an annual event.

**4. AI Spark** – designed to help us unlock the potential of generative Artificial Intelligence, we ran a masterclass series and formed an early adopter working group. The early adopters identified a range of AI applications to safely and ethically reshape our business processes using Gen AI, which will be developed and implemented in 2025.

**5. Learner Support Hub** - teaching and support areas collaborated to design a data hub that places each learner on a continuum from high risk to highly engaged. The hub will enable timely and targeted intervention for high-risk learners and identify growth opportunities for our high performing learners, ensuring each has the best chance at reaching their full potential.



Solar panels at Moorabbin Campus



## Our Year in Review

25,978

learners enrol across 225 courses  
– 24% increase in enrolments  
compared to last year

1,250

new apprentices and trainees

6,600

qualification graduates welcomed  
into the Holmesglen alumni  
community

90%

of learners successfully complete  
their units or subjects

78.2%

of employers were satisfied with the  
training we provided making us the  
highest ranked TAFE in metropolitan  
Melbourne for employer satisfaction

79.5%

of our Victorian  
Government subsidised  
VET learners were satisfied  
with the training we  
provided – 2024 was  
the fifth consecutive  
year we have improved  
our performance on this  
measure compared to the  
previous year

1st

TAFE Institute  
nationally to be  
given partial self-  
accrediting authority  
for higher education  
courses

#1

for customer experience in the  
education sector (as assessed by  
CSBA benchmarking)

786

new solar panels and five new EV  
charging stations installed

27%

of total goods and services  
expenditure was on social  
procurement - 12 percentage points  
higher than the previous year

83%

of staff polled say that  
they achieve something  
important through work

277

learners recognised for  
excellence in their studies

### Strategic highlights

#### Reconciliation Action Plan launched

Holmesglen's inaugural Reconciliation Action Plan (RAP) was officially launched in October. Developed in consultation with First Nations staff members, suppliers and communities, our RAP serves as a roadmap, guiding us in our efforts to foster genuine connections with First Nations communities and integrate those perspectives into everything we do. Our RAP features the artwork of Luke Morgan, a Holmesglen Koorie Student Support Officer and First Nations artist. *Pathways of Knowledge and Growth* (2024) represents the Holmesglen community campuses and the connections that occur as we live and learn on the lands on which Holmesglen operates.



Holmesglen's inaugural Reconciliation Action Plan (RAP) launch



Luke Morgan, Holmesglen Koorie Student Support Officer and his painting *Pathways of Knowledge and Growth* (2024)

#### Customer experience best in Australian education sector

For the third time in four years, Holmesglen ranked overall first place in the education sector for customer experience based on the Customer Service Benchmarking Australia (CSBA) quality assurance benchmarking program. Based on this performance, our Student Recruitment team secured the CSBA's prestigious Best Contact Centre in the Education Sector 2024 award.



### Industry partnerships expand

Our Drummond Street campus, including the Victorian Tunnelling Centre, continued to host increased numbers of learners and guests, including over 2,000 workers on the North-East Link Project who undertook their project induction with us. An additional 629 project workers completed the underground tunnelling induction at the Victorian Tunnelling Centre.

Our partnerships with the Victorian Big Build contractors also continued to expand, as we commenced our engagement with Suburban Connect and Terra Verde to plan and design the Suburban Rail Loop project and tunnelling inductions and deliver a cadetship program.

Over 75 tours of the campus and the Victorian Tunnelling Centre were conducted in 2024, including visits by international dignitaries and industry experts such as the Chief Engineer from India's Ministry of Road Transport and Highways and the Honorary Consul for Mongolia.



Chief Engineer from India's Ministry of Road Transport and Highways, Rahul Gupta, visits the Victorian Tunnelling Centre

In 2024, we also introduced Holmesglen In Focus, a series of industry events aimed at fostering thought leadership, generating valuable insights and strengthening connections with our industry partners. The inaugural event took place mid-November, featuring a panel discussion led by experts in early childhood education. The session delved into leadership challenges currently facing the sector, offering practical strategies and solutions. The series will expand in 2025 with plans to focus on the cyber security and allied health sectors.

The second Chadstone Career Expo, proved to be a valuable opportunity for job seekers and employers alike. Organised by the Holmesglen Employment Centre in collaboration with Chadstone - The Fashion Capital, the event was strategically timed to help businesses meet their staffing needs ahead of the busy holiday season. Over 400 eager attendees gathered at Vicinity Tower for this expo featuring 23 well-known retail brands actively recruiting for various positions. We also held our inaugural Jobs Fair on campus and provided valuable opportunities to over 500 attendees to connect with employers and secure employment opportunities.



Chadstone Career Expo

### Holmesglen research: the path ahead

Our collaborative applied research initiatives reached new heights this year, strengthening our role as a catalyst for innovation and knowledge creation. By deepening our partnerships with industry, government agencies, educational institutions, and community organisations, we've expanded our capacity to generate practical insights and drive meaningful change. These enhanced research collaborations led by our Centre for Applied Research and Innovation have amplified our ability to develop and disseminate valuable knowledge across sectors, reinforcing our position as a hub for applied research excellence.

Highlights included:

- commenced a Victorian Government funded project to build applied research capability for the care economy across the Victorian TAFE network
- continued to offer a range of workshops on practical issues related to applied research across the four weeks of OctoberVET
- six Holmesglen researchers presented their research findings at the 2024 AVETA Conference, Impetus and Impact: Research that challenges and Shapes VET policy and practice
- hosted a visit by two International Specialised Skills Institute leader fellows from the Basque Country and colleagues from the Victorian Skills Authority
- finalisation of a range of projects, commencement of new research programs and continued provision of industry placement opportunities for PhD candidates as part of our membership of the Building 4.0 CRC
- completion of our Future Ready research program funded by the Victorian Skills Authority exploring new approaches to learning design underpinning the national Diploma of Nursing
- provided continued support for our researchers through workshops, forums and promotion of research networks and funding opportunities.



Holmesglen presenters at AVETRA (photograph: courtesy Joe Pagnocco)

### Apprentice Success gears up to support clean energy apprentices and employers

In May 2024, we were awarded a contract to become a clean energy specialist Apprentice Connect Australia Provider in Victoria and established Apprentice Success. Apprentice Success supports clean energy apprentices and employers working in industries such as solar installations, large-scale renewable projects, electric vehicles, green hydrogen, and renewable manufacturing and agriculture. As our startup year, we focussed on establishing our brand and marketing strategy, building relationships across the clean energy sector and delivering personalised support to our apprentices and employers. Apprentice Success works in partnership with the TAFE network in Victoria to deliver these services. 2025 will see the implementation of new initiatives with the SEC Centre of Training Excellence and new programs to support disengaged learners pathway into apprenticeships in the clean and new energy sectors.

## Educating globally

In 2024, we achieved our enrolment targets for onshore international education. However, market conditions remained challenging as international student policies evolved throughout the year.

Our inbound study tours continued to recover and we were delighted to host increased numbers of delegates from our partner institutions to our campuses. In 2024, our Bachelor of Sports Media study abroad program commenced and two students headed off to the US to study with the University of Nevada, Las Vegas. A group of five sport degree learners also had the opportunity to undertake the first iteration of our USA Sports Tour and immerse themselves in the unique culture of two of the world's biggest sports entertainment hubs – Los Angeles and Las Vegas. The tour included opportunities to visit professional sporting organisations, experience college sporting events and engage with the University of Nevada. The Holmesglen Foundation provided financial support for both trips and we thank the Foundation donors and sponsors for helping make these opportunities a reality.



Sports Media study abroad program students: Kirra Jade Johnston (Sports Media), Alice Wilson (Sports Media), and Patrick Fry (Sport Business).

We continued our work in delivering programs offshore in China and Indonesia and refocused on institutional development opportunities in the Pacific region. Our project with Indonesian infrastructure giant PT ODG to establish an electrical training school near Jakarta progressed rapidly in 2024 with resource and facilities development. Training will commence in 2025, which will bring new opportunities for teaching staff to engage in offshore project work and share their expertise with new cohorts of learners and teaching colleagues.

Holmesglen's Risk Management Rule and Risk Management Plan outline strategies for managing all the Institute's operational and strategic risks, including those from our international operations. We evaluate and monitor these risks regularly, and report to the Finance, Audit and Risk Management Committee and Board. If further mitigation is required, additional risk treatments are identified and implemented. Risk categories are reviewed annually and management plans updated. The Institute's internal audit strategy includes a regular review of our international operations. Internal audit findings, recommendations and closeout actions are reported to the Board's the Finance, Audit and Risk Management Committee.

Performance measures for Holmesglen's international education operations include international learner enrolments and satisfaction, revenue growth, and the number of offshore projects and alliances.

## Achievements

The following learners were honoured with awards in 2024 in recognition of their skills, commitment and talents.

- Tommy Barrow, Encouragement Award, Rotary Club of Malvern
- Sebastian Blacket, bronze medal, Challenger Achievable Gardens Competition, Melbourne International Flower and Garden Show
- Zackary Bernado, Victorian Apprentice of the Year, Australian Glass and Window Association
- Alaina Bodley and Steven Chandler, finalists, 2024 VIVID Emerging Designer Awards
- Eugene Chompff, second place, Central Innovation Best of BIM
- Chinh Chung, second place, Chryso Advanced Student Competition, Melbourne International Flower and Garden Show
- Mikeely Dell, Junior Apprentice of the Year, Master Builders Victoria Apprentice of the Year Awards
- Ellen Freeman, gold medal and Best Use of Plant Life award, Challenger Achievable Gardens Competition, Melbourne International Flower and Garden Show
- Tiffany Gabriel, national runner up, Wildflowers Australia National Student Floristry Competition
- Zoe Hibernson, silver medal, Challenger Achievable Gardens Competition, Melbourne International Flower and Garden Show
- Archer Houghton, 2024 Chef of the Year, Nestlé Golden Chef's Hat Awards
- Yiling Huang, Victorian state winner, Wildflowers Australia National Student Floristry Competition
- Dallia Hussin, first place, Central Innovation Best of BIM
- Rebecca Niclasen, Inspiration Award, Master Builders Victoria Apprentice of the Year Awards
- Isaiah Ponne, runner up, Creative Victoria Careers and Frontiers Hackathon
- Riley Watts, Best Response to a Design Brief by an Emerging Designer Award & Excellence in Documentation by an Emerging Designer Award, Design Matters National Building Design Awards
- Caitlin Sanderson, Apprentice of the Year - Horticulture, Parks and Gardens, Victorian Landscape Industry Awards
- Elizabeth Smart, second place, Student Entrepreneurial Award, Victorian Tourism Industry Council.



Riley Watts



Archer Houghton

# Holmesglen Awards Festival

Each year, we are pleased to recognise our exemplary learners and staff at our Awards Gala. Sponsors of this year's awards included The Erdi Group, Apprentice Employment Network, Shinewing Australia, Gideon and Shelley Kline, Healthscope, Allianz Care and the Holmesglen Foundation. We extend our sincere thanks for their support.

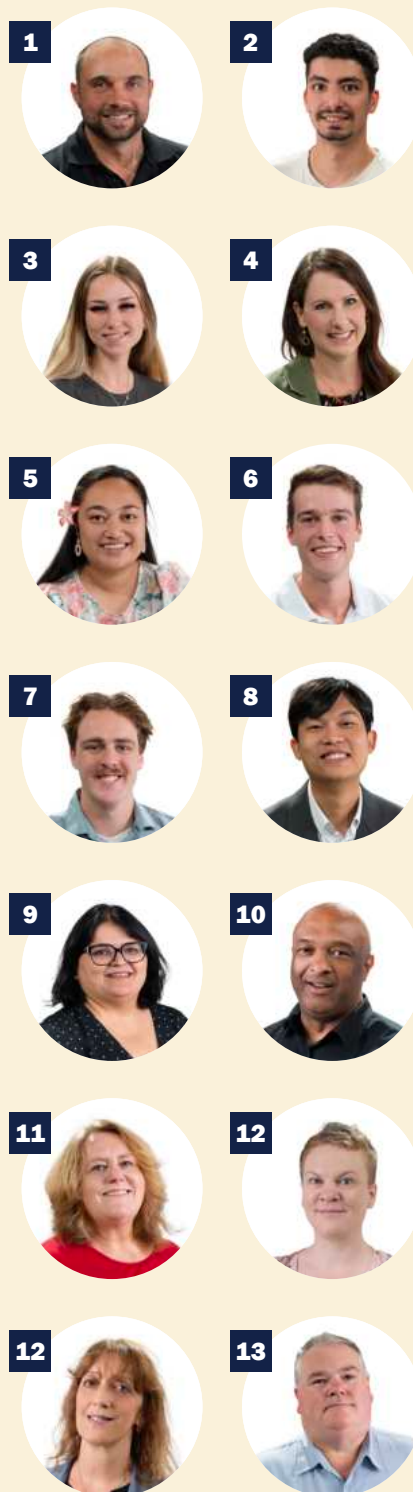
## In 2024, we honoured the following award winners.

1. Darren Wilson, First Nations Student of the Year
  2. Emad Seyam, Individual Achievement of the Year
  3. Rivali Brown, Vocational Student of the Year – VCE
  4. Fiona Perry, Vocational Student of the Year – Certificate
  5. Bernadette Thompson, Vocational Student of the Year – Diploma
  6. Kyle Svikulis, George Kline Apprentice of the Year
  7. Aiden Box, Peter Darvall Higher Education Award
  8. Thanawat Chuwong, International Student of the Year
  9. Mitali Desai, Staff Service Award
  10. Josian Berard, Staff Leadership Award
  11. Susan Lanyon, ASPIRE Award
  12. Allison Kenneally and Heather Barmbagiannis, Staff Innovation Award (joint winners)
  13. Robert Woolley, Teacher/Trainer of the Year
- Epworth Healthcare and Novotel, Industry Appreciation Award (joint recipients).

Staff members Aleta Gilmartin, Craig Teyvaud and Gillian Down, were recognised for their outstanding 30 years of service at the Institute. We also awarded the inaugural Peter Lewinsky Fellowship to Dr Fahri Benli. Established by former Holmesglen Board Chair and current Holmesglen Foundation Chair, Mr Peter Lewinsky AM, the fellowship is aimed at enhancing the skills, knowledge, global awareness and professional networks of our teaching staff.



In November this year, we acknowledged the immense contribution of staff member Julie Hitches with a special celebration to honour her 40 years of service.





# Our financial performance

Our financial sustainability strategy supports us to:

- deliver on our strategic plan
- meet our financial management obligations
- ensure sound financial performance
- achieve a stable and sustainable financial position now and into the future.

In 2024, our revenue improved by 9% compared to the previous year. The increase in revenue was partially offset by an increase in overall expenditure and we recorded a positive net result on a consolidated basis.

| <b>Table 1: Five-year financial summary<br/>(year ending 31 December)</b> | <b>2020</b>    | <b>2021</b>    | <b>2022</b>     | <b>2023</b>      | <b>2024</b>    |
|---|----------------|----------------|-----------------|------------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b>   | <b>\$'000</b>    | <b>\$'000</b>  |
| <b>Financial performance</b>  |                |                |                 |                  |                |
| Revenue from government contributions                                     | 93,655         | 86,540         | 87,019          | 99,135           | 109,133        |
| Income from government contributions                                      | 7,664          | 5,889          | 1,742           | -                | -              |
| Revenue from fees, charges and sales                                      | 58,656         | 50,717         | 51,050          | 56,990           | 61,171         |
| Other income  | 8,632          | 9,642          | 10,545          | 11,267           | 12,273         |
| <b>Total income from transactions</b>                                     | <b>168,607</b> | <b>152,788</b> | <b>150,356</b>  | <b>167,392</b>   | <b>183,027</b> |
| Employee benefits   | 111,035        | 109,160        | 108,135         | 117,053          | 118,418        |
| Depreciation and amortisation   | 16,978         | 16,650         | 13,721          | 11,944           | 10,271         |
| Supplies, services and other operating expenses                           | 37,835         | 32,083         | 38,930          | 47,873           | 49,676         |
| <b>Expenses from transactions</b>   | <b>165,848</b> | <b>157,893</b> | <b>160,786</b>  | <b>176,870</b>   | <b>178,365</b> |
| <b>Net result from transactions</b>                                       | <b>2,759</b>   | <b>(5,105)</b> | <b>(10,430)</b> | <b>(\$9,478)</b> | <b>4,662</b>   |
| Other economic flows included in net result                               | (4,097)        | 4,833          | 10,480          | 11,544           | (2,018)        |
| <b>Net result</b>   | <b>(1,338)</b> | <b>(272)</b>   | <b>50</b>       | <b>2,066</b>     | <b>2,644</b>   |

|                           |                |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Financial position</b> |                |                |                |                |                |
| Total assets              | 568,372        | 602,494        | 654,523        | 659,462        | 657,352        |
| Total liabilities         | 54,469         | 55,482         | 55,000         | 57,873         | 53,119         |
| <b>Net worth</b>          | <b>513,903</b> | <b>547,012</b> | <b>599,523</b> | <b>601,589</b> | <b>604,233</b> |

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| <b>Other financial indicators</b>                        |        |        |        |        |        |
| Operating surplus before depreciation and capital grants | 12,375 | 5,813  | 1,621  | 2,628  | 14,933 |
| Liquidity ratio  | 2.13:1 | 2.19:1 | 2.22:1 | 2.08:1 | 2.19:1 |
| Net cash flow from operations                            | 21,444 | 19,418 | 6,167  | 2,840  | 13,839 |

## Material movements in our financial performance and financial position between 2023 and 2024 included:

- A 9% increase in income due to increased revenue from government contributions and fees and charges. The increase in government contributions was due to an increased grant subsidiary rate in 2024.
- Decreased other economic flows included in net result due to the losses on the revaluation of the Institute's investment properties.

Operational liquidity as measured by our liquidity ratio and net cashflow from operations remain stable, positive and at financially sustainable levels. We have adequate cashflows and reserves to meet our financial obligations as they fall due over the medium to long term. The preparation of our financial statements on a going concern basis continues to be appropriate.

# Our ESG outcomes

Our *Environmental, Social and Governance (ESG) Statement* communicates our values, commitment and strategies to create a positive impact on society and deliver on our responsibilities to the public.

Key achievements against the statement in 2024 are outlined below.

## Environmental

Through our ESG framework, we have established clear priorities to reduce our environmental impact while championing sustainable practices. This commitment extends throughout our entire community, where we actively cultivate environmental consciousness and empower our people to become advocates for sustainability. By embedding these principles into our daily operations and long-term planning, we're working to create lasting positive change as we transition

In 2024, our Environmental Working Group developed and ran Sustainability September to focus our attention on climate change awareness and the Institute's actions to reduce our carbon impact. Each campus hosted tours where staff and learners could learn about our sustainable practices. We also hosted a special edition of our staff Hot Topics Forum featuring a circular economy and zero waste advocate and one of our passionate horticulture teachers, who showcased practical ways of embracing sustainability at home and work.



Solar Panels at Glen Waverley campus

In 2024, we continued to improve our environmental practices across our operations and manage our energy usage, water usage, waste production and CO2 emissions.

## Key achievements

### Energy generation and consumption

- We installed 786 solar panels at Glen Waverley and Chadstone campuses, which will further reduce our reliance on traditional energy sources.
- Initiatives to reduce energy consumption included setting time clocks on our chilled and boiling water facilities, lowering HVAC temperatures in winter and increasing HVAC temperatures in summer.

### Electric/hybrid vehicles

- We continued to increase the proportion of electric and hybrid vehicles in our fleet.
- Alongside the further rollout of solar panels, we also installed five electric vehicle charging stations at Glen Waverley and Chadstone campuses. The charging stations include solar batteries to ensure electric vehicles can be charged at any time.

### Waste

- Numerous campus-based activities were implemented to improve recycling of training related materials to reduce landfill. This includes priority projects that have improved recycling of food waste, construction materials and medical items.
- Focussed staff education was provided to reduce waste contamination and identify what can be recycled.

### Capital works

- All air-conditioning and chiller replacement projects have incorporated a review of opportunities to reduce CO<sub>2</sub> emissions.
- Water recycling plant was installed to support newly commissioned stonemasonry CNC machines to recycle water used to cut the stone.
- All major works project tenders have incorporated requirements to include energy efficient plant and equipment into submissions and recycle demolition waste materials.

### Future Initiatives

In 2025, we will:

- expand our Sustainability September initiative
- continue to support the Environmental Working Group to collaborate on sustainability initiatives and share their practices
- commence implementation of our five-year Environmental Sustainability Strategy and work towards achieving our sustainability targets for 2030
- hold a special professional learning forum for our nursing learners on sustainability in health care and the role of the nurse
- continue to introduce campus-based initiatives for re-cycling, waste management and energy management.

## Environmental performance

### Reporting boundary

The environmental performance results below reflect the energy, waste, water and fuel usage for all activities in 2024. This includes teaching, service and office-based environments and activities across all our owned campuses (Chadstone, Moorabbin, Glen Waverley, Drummond Street and Eildon) and leased premises.

All figures have been based on the most up to date information available at time of preparation. Where data was not available in prior years but has since become available, the prior year figures have been adjusted so that the data is presented on a consistent basis.

The Institute has used workforce FTE for its normalisation indicator in the following disclosures.

| <b>Table 2: Electricity production and consumption (2022, 2023 and 2024)</b>  | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|---|-------------|-------------|-------------|
| <b>EL1 Total electricity consumption segmented by source (MWh)</b>  |             |             |             |
| Purchased directly through an electricity retailer  | 7,185       | 6,991       | 6,808       |
| Not directly purchased, but from outside the organisation   | 194         | 228         | 251         |
| Self-generated  | 215         | 254         | 164         |
| <i>Total electricity consumption</i>  | 7,594       | 7,473       | 7,223       |
| <b>EL2 On-site electricity generated (MWh)</b>  |             |             |             |
| Solar PV  | 215         | 254         | 164         |
| <i>Total on-site electricity generated</i>  | 215         | 254         | 164         |
| <b>EL3 On-site installed capacity (MW)</b>  |             |             |             |
| Solar PV  | 0.82        | 0.82        | 1.25        |
| <i>Total on-site installed capacity</i>   | 0.82        | 0.82        | 1.25        |
| <b>EL4 Total electricity offsets (MWh)</b>  |             |             |             |
| LGCs voluntarily retired  | -           | -           | -           |
| GreenPower  | -           | -           | -           |
| <i>Total electricity offsets</i>  | -           | -           | -           |
| <ul style="list-style-type: none"> <li>Electricity consumption includes electricity at all Institute owned campuses. Data is collected through billing information provided by electricity suppliers. Electricity consumed on leased premises is based on billing information provided by the landlords. Electricity used by our sub-tenants for their activities is not included.</li> <li>Solar generated electricity in 2024 does not include solar charging stations previously included.</li> <li>The Institute has continued to implement energy saving measures during the year. Overall consumption has decreased, despite increased on campus activity.</li> </ul> |             |             |             |

| <b>Table 3: Stationary energy use (2022, 2023 and 2024)</b>  | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|--|-------------|-------------|-------------|
| <b>F1 Total fuel used in buildings and machinery separated by fuel type (MJ)</b>   |             |             |             |
| Buildings (natural gas)  | 44,306,601  | 44,861,610  | 45,626,158  |
| <b>F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (Tonnes CO<sub>2</sub>-e)</b>   |             |             |             |
| Natural gas  | 2,283       | 2,312       | 2,351       |
| <ul style="list-style-type: none"> <li>Stationary fuel includes natural gas, which is used in Institute owned buildings for heating and cooling, and co-generation plant, which is primarily at the Chadstone, Glen Waverley and Moorabbin campuses. Usage data is collected through billing information from fuel suppliers.</li> </ul> |             |             |             |



| <b>Table 4: Transportation energy<br/>(2022, 2023 and 2024)</b>   | <b>2022</b>      | <b>2023</b>      | <b>2024</b>      |
|---|------------------|------------------|------------------|
| <b>T1 Total energy used in transportation (MJ)</b>  |                  |                  |                  |
| Road vehicles   |                  |                  |                  |
| - Petrol  | 1,957,711        | 2,029,428        | 1,293,136        |
| - Diesel  | 1,070,764        | 1,186,024        | 1,117,323        |
| - Plug In Hybrid Electric Vehicles  | Not collected    | 105,199          | 222,252          |
| <i>Total energy used in transportation</i>  | <i>3,028,475</i> | <i>3,320,651</i> | <i>2,632,711</i> |
| <b>T2 Number and proportion of vehicles</b>   |                  |                  |                  |
| Road vehicles   |                  |                  |                  |
| - Petrol  | 37               | 32               | 32               |
| - Diesel  | 28               | 34               | 24               |
| - Plug In Hybrid Electric Vehicles  | 8                | 10               | 13               |
| <i>Total vehicles</i>   | <i>73</i>        | <i>76</i>        | <i>69</i>        |
| <b>T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (Tonnes CO<sub>2</sub>-e)</b> |                  |                  |                  |
| Road vehicles   |                  |                  |                  |
| - Petrol  | 132.4            | 137.2            | 86.6             |
| - Diesel  | 75.4             | 83.5             | 77.0             |
| - Plug In Hybrid Electric Vehicles  | Not collected    | 7.7              | 14.9             |
| <i>Total greenhouse gas emissions from transportation</i>   | <i>207.8</i>     | <i>228.4</i>     | <i>178.5</i>     |
| <b>T4 Air travel</b>  |                  |                  |                  |
| Total distance travelled by air (km)  | 197,133          | 564,164          | 798,016          |
| Total greenhouse gas emissions from air travel (CO <sub>2</sub> -e)   | 52               | 136              | 223              |

| <b>Table 5: Waste and recycling<br/>(2022, 2023 and 2024)</b>   | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|---|-------------|-------------|-------------|
| <b>WR1 Total units of waste disposal by method (kg)</b>   |             |             |             |
| Landfill  | 390,530     | 421,760     | 467,290     |
| Recycled  | 197,350     | 219,620     | 192,760     |
| Total units of waste disposal   | 587,880     | 641,380     | 660,050     |
| <b>WR3 Units of waste disposal per FTE employee (kg/FTE)</b>  | 586         | 642         | 656         |
| <b>WR4 Recycling rate (% of total weight)</b>   | 33.6%       | 34.2%       | 29.0%       |
| <b>WR5 Greenhouse gas emissions associated with waste disposal (Tonnes CO<sub>2</sub>-e)</b>  | 508         | 548         | 685         |
| <ul style="list-style-type: none"> <li>Contracted waste collection services are carried out at the Chadstone, Moorabbin, Glen Waverley and Drummond Street campuses. Organic waste is managed through re-cycling practices.</li> <li>Waste and re-cycling disposal figures are based on information provided by our waste contractor</li> </ul> |             |             |             |

| <b>Table 6: Water consumption<br/>(2022, 2023 and 2024)</b>   | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|---|-------------|-------------|-------------|
| W1 Total units of metered water consumed (kL)   | 33,948      | 35,263      | 39,921      |
| W2 Units of metered water consumed by FTE (kL/FTE)  | 34          | 35          | 40          |
| <ul style="list-style-type: none"> <li>Metered water includes all water supplied to Institute owned metropolitan campuses at Chadstone, Moorabbin, Glen Waverley and Drummond Street. Water consumption is based on billing information provided by the water authorities. Estimates have been used where up to date information was not available.</li> <li>100% of the water used at our Eildon campus comes from rainwater and pump water sourced via pumping rights.</li> </ul> |             |             |             |

| <b>Table 7: Greenhouse gas emissions (2022, 2023 and 2024)</b>  | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|---|-------------|-------------|-------------|
| G1 Total scope one (direct) greenhouse gas emissions (Tonnes CO <sub>2</sub> -e)  | 2,491       | 2,511       | 2,529       |
| G2 Total scope two (indirect electricity) greenhouse gas emissions (Tonnes CO <sub>2</sub> -e)  | 5,734       | 5,608       | 5,242       |
| G3 Total scope three (other indirect greenhouse gas emissions from commercial air travel and waste disposal (Tonnes CO <sub>2</sub> -e) | 560         | 684         | 908         |

| <b>Table 8: Sustainable buildings and infrastructure (2024)</b>   | <b>2024</b>  |
|---|--|
| B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings   | There were no entity owned newly completed buildings or infrastructure projects during the year.   |
| B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease schedule.  | No new entity leases were entered into during the year.  |
| B3 NABERS (National Australian Built Environment Rating System) Energy ratings of newly completed/occupied entity owned office buildings and substantial tenancy fit outs       | There were no entity owned newly completed office buildings and substantial tenancy fit outs completed/occupied during the year.                         |
| B4 Environmental performance ratings achieved for newly completed for entity owned non-office buildings or infrastructure projects or upgrades with a value of over \$1 million | There were no entity owned newly completed non-office buildings or infrastructure projects or upgrades with a value of over \$1 million during the year. |

## Paper usage

Paper usage for 2024 was 7,000 reams consistent with prior years. We continued to use carbon neutral recyclable paper, ensuring our paper is sourced from sustainable plantations using elemental chlorine-free processes. A4 paper accounted for approximately 90% of all our paper usage.

## Sustainable procurement

Sustainable procurement is considered through the implementation of the Victorian Government's Social Procurement Framework, which establishes requirements that apply to departments and agencies when they procure goods, services and construction. Details of our implementation of the Social Procurement Framework are contained in the following section of the Annual Report.

# Social

At the heart of our ESG commitment lies a deep dedication to creating lasting social value. We achieve this through initiatives that break down barriers to education, including targeted scholarships and comprehensive support programs. We measure our success not just in educational outcomes, but in how effectively we nurture an environment where diverse perspectives thrive and our operations generate tangible benefits for the broader community.

## Holmesglen Foundation

The Holmesglen Foundation embodies our commitment to accessible education and skills development, particularly for learners who need financial support to study at the Institute.

In 2024, the Foundation and its Board of Directors continued to build on the student scholarship program. We also continued to cultivate positive connections with donors and supporters to assist with delivering transformational impact to Holmesglen learners. Highlights include the following.

- Over \$825,000 was distributed by the Foundation to Institute programs and learners to ensure access to and equity in our programs.
- 150 scholarships and bursaries up to \$10,000 were given to learners, which was critical to their continued success in a challenging year.
- \$100,000 in philanthropic revenue was raised from donors, foundations and grants.

Through the generous support of donors and foundations, the Holmesglen Foundation was able to deliver a range of scholarships aligned with our values. These included:

### Excellence – Scholarship – Ambition

- George Kline Memorial Scholarships
- HESTA Superannuation Scholarships
- Peter Grundy Scholarships
- Building and Construction Foundation Scholarships
- Holmesglen Foundation Scholarships
- Peter Lewinsky Teaching Fellowship
- Anthony Dalleore Educational Scholarships

### Passion – Respect – Integrity

- McNally Family Foundation Scholarships
- Wilfred & CH Brookes Charitable Foundation Scholarships
- Winter Wishes Campaign
- Summer Smiles Campaign
- Women in Trades Scholarships



International Women's Day Scholarship recipients 2024



Social procurement

We continue to be committed to the Victorian Government’s Social Procurement Framework and use our purchasing power to generate positive social, economic and environmental outcomes that benefit our communities. These outcomes go beyond the monetary value of the goods, services, assets and construction works we procure.

Our Social Procurement Strategy includes the following social and sustainable procurement objectives.

| Procurement objectives                         | Outcomes sought   |
|--|---|
| Opportunities for Victorian Aboriginal people  | <ul style="list-style-type: none"><li>Purchasing from Victorian Aboriginal businesses</li><li>Employment of Victorian Aboriginal people by our suppliers</li></ul>  |
| Opportunities for Victorians with a disability | <ul style="list-style-type: none"><li>Purchasing from Victorian social enterprises and Australian Disability Enterprises</li><li>Employment of Victorians with disability by our suppliers</li></ul>  |
| Women’s equality and safety                    | <ul style="list-style-type: none"><li>Adoption of family violence leave by our suppliers</li><li>Gender equality within our supplier organisations</li></ul>  |
| Opportunities for disadvantaged Victorians     | <ul style="list-style-type: none"><li>Purchasing from Victorian social enterprises</li><li>Job readiness and employment for:<ul style="list-style-type: none"><li>long-term unemployed people</li><li>disengaged youth</li><li>single parents</li><li>migrants and refugees</li><li>workers in transition</li></ul></li></ul> |
| Supporting safe and fair workplaces            | <ul style="list-style-type: none"><li>Purchasing from suppliers that comply with industrial relations laws</li></ul>  |
| Environmentally sustainable business practices | <ul style="list-style-type: none"><li>Adoption of sustainable business practices by our suppliers</li></ul>   |

Our social procurement processes include two approaches:

- direct - where we purchase goods, services or construction from social benefit suppliers who deliver social and sustainable outcomes
- indirect - where we purchase goods, services or construction from other suppliers, use invitations to supply or implement contractual requirements to deliver social and sustainable outcomes.

In 2024, we increased social procurement purchases to 27% of our total goods and services spend and we continued to partner with Supply Nation and Social Traders. We also expanded our partnerships with the social procurement supply network to include Kinaway Chamber of Commerce to further increase procurement from Victorian Aboriginal and Torres Strait Islander businesses. The following table summarises key outcomes achieved over the 2022 to 2024 period.

| Table 9: Social procurement metrics (2022, 2023 and 2024) | 2022     | 2023    | 2024     |
|---|----------|---------|----------|
| Direct approach expenditure (\$'000)                      | \$175    | \$201   | \$254    |
| Number of direct approach suppliers                       | 10       | 20      | 21       |
| Indirect approach expenditure (\$'000)                    | \$11,948 | \$9,168 | \$15,557 |
| Number of indirect approach suppliers                     | 21       | 16      | 21       |
| Total social procurement expenditure (\$'000)             | \$12,124 | \$9,369 | \$15,881 |
| Total number of social procurement suppliers              | 31       | 36      | 39       |
| Percentage of total goods and services expenditure        | 29%      | 15%     | 27%      |

Community engagement

Our community engagement program expanded its reach in 2024 to deliver support for learners and our community partners. Following on from its success in 2023, a further student community markets were held, supporting learners in need with access to fresh produce and grocery items. We also forged new relationships through Local Learning and Employment Networks and established new opportunities for local school students and careers practitioners to participate in immersive tours and tasters to support career planning and pathways.

# Governance

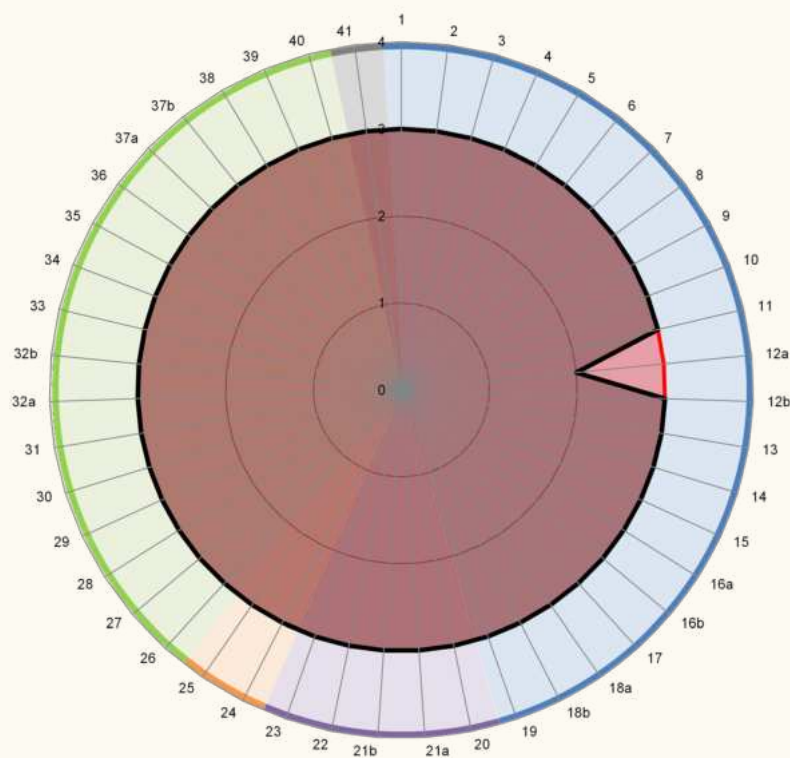
The governance element of our ESG Statement details how we ensure transparency, accountability, and ethical leadership. Our Annual Report contributes to this through clear disclosure of our financial performance and the outcomes of our stakeholder engagement activities and ethical procurement practices.

This Annual Report also demonstrates how we have responsibly managed our resources and operated with integrity and in compliance with our obligations as a Victorian public sector agency.

## Asset Management Accountability Framework (AMAF) maturity assessment

This section summarises our assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements.

Our 2024 assessment is shown below against the 41 requirements of the framework. Our target maturity rating is competence. This means systems and processes are fully in place, consistently applied and systematically meeting the requirements. It also includes evidence of continuous improvement to expand system performance above the minimum requirements.



| Rating | Status         |
|--------|----------------|
| N/A    | Not Applicable |
| 0      | Innocence      |
| 1      | Awareness      |
| 2      | Developing     |
| 3      | Competence     |
| 4      | Optimising     |
| U/A    | Unassessed     |

| Legend      |                    |
|-------------|--------------------|
| <div></div> | Target maturity    |
| <div></div> | Overall assessment |

| <b>Table 10: Summary of AMAF maturity assessment results by requirement category</b> |   |
|--|---|
| <b>Requirement</b>   | <b>Assessment</b>   |
| <b>Leadership and accountability<br/>(requirements 1 to 19)</b>                      | We met our target maturity level under most requirements in this category. Clause 12(a) relates to monitoring asset performance where we assessed our performance as developing. Since 2021 we have updated our Strategic Asset Master Plan and our Asset Management Plan for Campus Buildings (2022 – 2026) to further improve our performance standards and monitoring capability within our available resources. |
| <b>Asset planning<br/>(requirements 20 to 23)</b>                                    | We met our target maturity level in this category.  |
| <b>Asset acquisition<br/>(requirements 24 and 25)</b>                                | We met our target maturity level in this category.  |
| <b>Asset operation<br/>(requirements 26 to 40)</b>                                   | We met our target maturity level in this category.  |
| <b>Asset disposal<br/>(requirement 41)</b>   | We met our target maturity level in this category.  |

# Our people

Our people are highly skilled, passionate, professional and competent individuals who work collaboratively with learners and stakeholders to help achieve our vision.

## Our Code of Conduct and values

In addition to the Victorian Public Sector Code of Conduct, Holmesglen is guided by an internal Code of Conduct and our ASPIRE values. These define how we will behave when delivering our business, engaging with colleagues and supporting our stakeholders. They underpin our purpose and priorities, reflect the beliefs and behaviours that are most important to us, and shape our culture.

## Our People Strategy

Our People Strategy supports and enables our strategic goals by providing a targeted and positive employee experience for all staff. In 2024, staff told us through the People Matter Survey that they felt:

- their work was meaningful, bringing a sense of accomplishment, achievement and the ability to contribute
- able to use their skills and knowledge to help Holmesglen to achieve its goals
- physically and culturally safe and can be themselves at work, highlighting the strong bonds and diverse and inclusive culture we enjoy at Holmesglen.

During 2024, we focussed on the development and implementation of the following to support our people through all stages of the Holmesglen journey.

### Attraction

- Streamlined recruitment practices and revised and modernised recruitment policies, procedures and templates.
- Delivered disability awareness training to promote equitable hiring practices and tailored training sessions for managers on position descriptions and recruitment strategies.
- Enhanced the candidate experience through improvements to our Seek profile, adding FAQs to our website and improving our Holmesglen careers page.
- Provided additional support to hiring managers and produced short trade and occupation focused videos to attract candidate pools for hard to fill roles.

### Belonging

- Holmesglen joined the Pride at TAFE network, which will provide a series of training for TAFE employees in 2025.
- Holmesglen employees and students participated in the annual Midsumma Pride March.
- Professional development opportunities included LGBTIQ+ Ally training, Active Bystander workshops and sessions on supporting neurodivergent students.
- The ASPIRE Leadership and Development programs included training modules that promoted belonging with specific focus on inclusive leadership and First Nations cultural awareness.
- Launched our first Reconciliation Action Plan.
- Continued to progress our Gender Equity Action Plan through the efforts of our Diversity and Inclusion Working Group.

### Contribute

- Continued the design of our Employee Giving program, as a partnership between Community Engagement, the Holmesglen Foundation and Employee Experience. The program aims to provide meaningful opportunities for our people to contribute to the welfare and wellbeing of our learners through volunteering with our charity partners and contributing to our philanthropic efforts.

### Develop

- The 2024 ASPIRE Conference was attended by 930 attendees who engaged in a series of keynotes, interactive workshop and networking opportunities.
- Completed the review and launch of a new ASPIRE Leadership program to increase our focus on developing leadership

capability at Holmesglen. The new program includes the opportunity for participants to network with other leaders through a series of workshops and group online coaching. The program promotes the opportunity for our leaders to collaborate on cross functional projects linked to our strategic plan.

- Delivered the ASPIRE Leadership and Development programs to 58 Holmesglen professional staff that included the celebration and final graduation of all participants of the two programs.
- Completed planning to pilot the new Holmesglen workforce capability framework. The framework will drive all professional and career development programs.
- Completed the initial design of our new staff induction program. The new program incorporates a group induction workshop for new employees and resource guides for managers, mentors, employees and contractors. Further development and piloting of the program will continue into 2025.
- The Faculty of Higher Education and Applied Research conducted two digital capabilities and skills workshops. The workshops provided educators with the skills needed to develop digital curriculum and content for interactive learning and authentic assessments. These workshops provided a comprehensive approach to developing engaging and effective digital learning experiences.
- Twenty-seven teams from across Holmesglen attended our Eildon rural learning centre for professional development, strategic planning and team development activities.

### Live well

- Launched the Fitness Passport with discounted workplace health and fitness programs available to staff and their family.
- Continued to deliver wellbeing resources through the Holmesglen Health e-news and the online Health, Body and Mind Hub.
- Our ASPIRE Leadership and Development programs incorporated the module Leading from the InsideOut, which is devoted to mental health and wellbeing.

### Acknowledge and celebrate

- Awarded 45 ASPIRE hero pins and 159 peer-to-peer certificates to our people in recognition of living our values.
- Awarded 25 service pins to staff in recognition for 15 and 20 years of service. Fifteen service pins were awarded in recognition for 20 years' service and three service pins for 30 years of service.
- Our Eildon campus and Zest and Cilantro restaurants regularly hosted events, lunches and dinners for teams across the Institute to support business planning activities and celebrate their achievements.

### Stay connected

- Continued to seek comprehensive feedback from our staff through the 2024 People Matter Survey followed by dissemination of the outcomes to all staff and locally held workshops.
- The Chief Executive hosted 70 past employees at a lunch in the Holmesglen Conference Centra at the Chadstone Campus on 29 November 2024.
- The Chief Executive delivered four CE forums throughout 2024 to provide all staff with updates on strategic matters, areas of focus and key achievements.

Our focus for 2025 will be to further support staff to build capability and open career pathways across the organisation. We will continue our focus on psychosocial wellbeing and support for managers to address stress prevention.



# Our workforce in 2024

Holmesglen is an inclusive workplace that embraces people's different experiences, backgrounds and perspectives. We encourage employment applications from people with culturally and linguistically diverse backgrounds, First Nations people, those who identify as LGBTIQ+ and people with disability.

Holmesglen is committed to applying merit and equity principles when appointing staff and the principles and practices of equal employment opportunity. We make sure that:

- recruitment decisions are based on merit
- selection decisions are based on a competitive process
- selection criteria are clearly identified and mapped to the requirements of the vacancy
- decisions are free from bias.

All employees participate in regular online training through our learning management system to support understanding of compliance, regulatory and legislative requirements. This training includes modules on occupational health and safety, bullying

and harassment, equal employment opportunity, best practice recruitment, fraud control, information security, privacy, contract management, financial management and budgeting, procurement, risk management, and modern slavery.

In 2024, we expanded our cybersecurity awareness learning resources to help staff identify and respond to cyber threats and risks in their daily work. The LGBTIQ+ awareness module became compulsory for all staff. A new child safety and wellbeing module was developed and rolled out all employees. Induction for all employees includes information about child safety, support and reporting requirements.

## Workforce data

The following tables present our workforce data. We correctly classify employees in workforce data collections and meet the reporting requirements and FTE calculation methodology established by the Department of Jobs, Skills, Industry and Regions.

**Table 11: Performance and Accountability Framework FTE table  
(Years ending 31 December 2023 and 2024)**

| Year ending 31 December 2023 | Full Time    |             | Part Time    |             | Casual      |             | Total        |
|------------------------------|--------------|-------------|--------------|-------------|-------------|-------------|--------------|
|                              | Ongoing      | Fixed Term  | Ongoing      | Fixed Term  | Teacher     | Other       |              |
| PACCT Staff                  | 285.0        | 30.0        | 77.2         | 6.8         | N/A         | 15.4        | 414.4        |
| Executive                    | 12.0         | -           | -            | -           | N/A         | -           | 12.0         |
| Other                        | 5.0          | 6.0         | 1.2          | 1.3         | N/A         | 8.0         | 21.5         |
| Teacher                      | 320.0        | 10.0        | 126.9        | 17.2        | 76.6        | N/A         | 550.7        |
| <b>Total</b>                 | <b>622.0</b> | <b>46.0</b> | <b>205.3</b> | <b>25.3</b> | <b>76.6</b> | <b>23.4</b> | <b>998.6</b> |

| Year ending 31 December 2024 | Full Time    |             | Part Time    |             | Casual      |             | Total          |
|------------------------------|--------------|-------------|--------------|-------------|-------------|-------------|----------------|
|                              | Ongoing      | Fixed Term  | Ongoing      | Fixed Term  | Teacher     | Other       |                |
| PACCT Staff                  | 297.2        | 25.7        | 72.4         | 5.9         | N/A         | 14.5        | 415.7          |
| Executive                    | 11.2         | -           | -            | -           | N/A         | -           | 11.2           |
| Other                        | 7.0          | 6.7         | 1.6          | 0.6         | N/A         | 11.4        | 27.3           |
| Teacher                      | 331.6        | 12.9        | 117.8        | 20.2        | 70.0        | N/A         | 552.5          |
| <b>Total</b>                 | <b>647.0</b> | <b>45.3</b> | <b>191.8</b> | <b>26.7</b> | <b>70.0</b> | <b>25.9</b> | <b>1,006.7</b> |

| Table 12:<br>Workforce disclosures<br>(December 2023 and<br>December 2024) | December 2023         |              |                          |                          |              |                       |             |
|--|-----------------------|--------------|--------------------------|--------------------------|--------------|-----------------------|-------------|
|  | All employees         |              | Ongoing                  |                          |              | Fixed term and casual |             |
|  | Number<br>(headcount) | FTE          | Full-time<br>(headcount) | Part-time<br>(headcount) | FTE          | Number<br>(headcount) | FTE         |
| <b>Gender</b>  |                       |              |                          |                          |              |                       |             |
| Women Executives   | 7                     | 7.0          | 7                        | -                        | 7.0          | -                     | -           |
| Women (total staff)  | 660                   | 538.0        | 321                      | 235                      | 473.6        | 104                   | 64.4        |
| Men Executives   | 4                     | 4.0          | 4                        | -                        | 4.0          | -                     | -           |
| Men (total staff)  | 435                   | 385.0        | 308                      | 71                       | 352.5        | 56                    | 32.5        |
| Self-described Executives  | -                     | -            | -                        | -                        | -            | -                     | -           |
| Self-described (total staff)   | 1                     | 1.0          | 1                        | -                        | 1.0          | -                     | -           |
| <b>Age</b>   |                       |              |                          |                          |              |                       |             |
| 15-24  | 22                    | 18.7         | 6                        | 4                        | 8.6          | 12                    | 10.1        |
| 25-34  | 98                    | 86.6         | 51                       | 20                       | 65.8         | 27                    | 20.8        |
| 35-44  | 226                   | 191.9        | 129                      | 59                       | 167.4        | 38                    | 24.5        |
| 45-54  | 321                   | 278.4        | 206                      | 81                       | 260.8        | 34                    | 17.6        |
| 55-64  | 318                   | 266.9        | 192                      | 93                       | 251.3        | 33                    | 15.6        |
| Over 64  | 111                   | 81.5         | 46                       | 49                       | 73.2         | 16                    | 8.3         |
| <b>Total employees</b>   | <b>1,096</b>          | <b>924.0</b> | <b>630</b>               | <b>306</b>               | <b>827.1</b> | <b>160</b>            | <b>96.9</b> |

| Table 12:<br>Workforce disclosures<br>(December 2023 and<br>December 2024) | December 2024         |              |                          |                          |              |                       |              |
|--|-----------------------|--------------|--------------------------|--------------------------|--------------|-----------------------|--------------|
|  | All employees         |              | Ongoing                  |                          |              | Fixed term and casual |              |
|  | Number<br>(headcount) | FTE          | Full-time<br>(headcount) | Part-time<br>(headcount) | FTE          | Number<br>(headcount) | FTE          |
| <b>Gender</b>  |                       |              |                          |                          |              |                       |              |
| Women Executives   | 8                     | 8.0          | 8                        | -                        | 8.0          | -                     | -            |
| Women (total staff)  | 688                   | 561.1        | 343                      | 237                      | 494.8        | 108                   | 66.2         |
| Men Executives   | 4                     | 4.0          | 4                        | -                        | 4.0          | -                     | -            |
| Men (total staff)  | 480                   | 413.5        | 318                      | 73                       | 361.4        | 89                    | 52.1         |
| Self-described Executives  | -                     | -            | -                        | -                        | -            | -                     | -            |
| Self-described (total staff)   | 1                     | 1.0          | 1                        | -                        | 1.0          | -                     | -            |
| <b>Age</b>   |                       |              |                          |                          |              |                       |              |
| 15-24  | 28                    | 23.3         | 11                       | 2                        | 12.2         | 15                    | 11.1         |
| 25-34  | 120                   | 103.0        | 63                       | 20                       | 75.6         | 37                    | 27.4         |
| 35-44  | 245                   | 203.6        | 133                      | 66                       | 173.4        | 46                    | 30.2         |
| 45-54  | 318                   | 276.3        | 204                      | 74                       | 254.1        | 40                    | 22.2         |
| 55-64  | 335                   | 281.6        | 197                      | 98                       | 258.0        | 40                    | 23.7         |
| Over 64  | 123                   | 87.7         | 54                       | 50                       | 84.0         | 19                    | 3.7          |
| <b>Total employees</b>   | <b>1,169</b>          | <b>975.6</b> | <b>662</b>               | <b>310</b>               | <b>857.2</b> | <b>197</b>            | <b>118.3</b> |

Health, safety and wellbeing

We remain committed to providing and maintaining a safe and healthy working environment for all staff, students, contractors and visitors.

Our Community Safety Advisory Committee and Occupational Health and Safety Committee continue to be key forums to help us meet our obligations under the *Occupational Health and Safety Act 2004*. The Board’s accountabilities to ensure a safe workplace are overseen by its People, Culture and Remuneration Committee. During 2024, the Community Safety Advisory Committee met formally three times, and the Occupational Health and Safety Committee met formally four times to develop, implement and monitor our safety programs and practices in consultation with staff and community members.

In 2024, an extensive health, safety and wellbeing program was delivered, including:

- professional development to 180 leaders, HSRs and other key staff on Psychosocial Risks in the Workplace and organisational consultation process
- annual flu vaccination program for 300 staff
- monthly online Health, Body and Mind Hub covering mental financial, fitness and nutritional health topics
- quarterly Holmesglen Health e-news for all staff
- access to online webinars on superannuation and transition into retirement
- first aid, CPR, mental health first aid, chief warden and emergency warden, and health and safety representative training
- Injury Prevention training for Building, Construction, Design & Engineering and Eildon staff
- RUOK day activities
- Virgin Pulse Destination GO - a walking and activity challenge with 173 staff participating from September to November 2024.

We continue to provide every new starter with comprehensive training on the Institute’s safety and wellbeing practices, as well as available support services.

The following tables present the performance indicators adopted to monitor our performance in occupational health and safety

| Table 13: Staff incident statistics<br>(1 January to 31 December 2022, 2023 and 2024) | 2022 | 2023 | 2024 |
|---|------|------|------|
| Staff hazard or injury reports  | 44   | 61   | 65   |
| Staff hazard or incident reports per 100 full-time equivalent staff                   | 4.5  | 6.1  | 6.4  |

| Table 14: Lost time incidents<br>(1 January to 31 December 2022, 2023 and 2024) | 2022 | 2023 | 2024 |
|---|------|------|------|
| Number of lost time incidents   | 6    | 6    | 8    |
| Lost time standard claims per 100 full-time equivalent staff                    | 0.60 | 0.60 | 0.79 |

| Table 15: Claim costs (1 Jan to 30 Jun 2022, 2023 and 2024),<br>provided by Xchanging Integrated Services | 2022      | 2023      | 2024      |
|---|-----------|-----------|-----------|
| Average estimate  | \$17,458* | \$144,496 | \$145,857 |
| Average paid  | \$14,186  | \$21,727  | \$12,072  |

Slips, trips and falls remain the main contributor to incident reporting for staff. All incidents are investigated to determine cause and make improvements to eliminate the trip/slip hazard. There has been an increase in lost time incidents due to an increase in physical injuries requiring surgery and long recovery times.

Major commercial activities

In 2024, Holmesglen did not undertake any major commercial activity as defined in the TAFE Institute Commercial Guidelines.

# Additional compliance statements

We comply with all relevant legislation and subordinate instruments including, but not limited to, the following:

- *Education and Training Reform Act 2006 (ETRA)*
- *Constitution of Holmesglen Institute Order 2016*
- *Directions of the Minister for Skills and TAFE (or predecessors)*
- *TAFE Institute Commercial Guidelines*
- *TAFE Institute Strategic Planning Guidelines*
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Public Interest Disclosures Act 2012*
- *Carers Recognition Act 2012*
- *Local Jobs First Act 2003*
- *Gender Equality Act 2020*
- *Disability Act 2006*
- *Infringements Act 2006*
- *Public Records Act 1973*

## Freedom of Information Act 1982

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Institute. Holmesglen's Freedom of Information Policy is available on our website.

Holmesglen encourages applicants to use the FOI request template available from the Office of the Victorian Information Commission website. Applications to access documents can be emailed to [foi@holmesglen.edu.au](mailto:foi@holmesglen.edu.au) or sent to Freedom of Information Officer, PO Box 42, Holmesglen VIC 3148. Fees to access information are charged in accordance with the Freedom of Information (Access Charges) Regulations 2004.

In 2024, Holmesglen received 16 valid applications for information under the *Freedom of Information Act 1982*. Documents related to 14 applications were released informally outside of the Act and two

decisions were made under the Act. All FOI decisions were made within the statutory time period and documents were released either in full or in part. The most common reason for seeking to partially exempt documents was the protection of personal privacy in information about persons other than the applicant.

Most requests were received by current or past learners, or from legal representatives of past learners.

## Building Act 1993

We hold all building related plans and documentation for building extensions and building approvals lodged for new buildings by certified building surveyors.

On completion of construction, we have obtained certificates of occupancy and practical completion certificates from the relevant architects, building surveyors and authorities. All building certificates are kept in a database and all hardcopies are located in a fire rated archive. All building consultants and builders who are engaged by us hold current registration as building practitioners and have current insurance cover.

We consider that all buildings across all campuses currently conform to the building regulations that existed at the time of construction of the respective buildings. The Essential Safety Measures are recorded and reported by the McKenzie Group Pty Ltd. We provide a copy of the current Essential Safety Measures for display within all buildings. All new buildings constructed since the promulgation of the Building Act 1993 (including subsequent amendments) comply with the relevant standards.

We have processes in place to ensure that any alterations or improvements to buildings meet the necessary standards, ensure that they are safe and fit for purpose and comply with the updated disability code. We engage the services of licenced tradespeople such electricians and plumbers who provide the required certificates of compliance, which are stored in a fire rated archive.

| <b>Table 16: Building Act 1993 compliance (2021 – 2024)</b>  | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|--|-------------|-------------|-------------|-------------|
| Building works certified for approval  | 14          | 9           | 1           | 3           |
| Building works in progress subject to mandatory inspections  | 1           | 2           | 1           | 1           |
| New certificate of occupancy / final inspection issued   | 14          | 9           | 1           | -           |
| <b>Essential safety measures</b>   |             |             |             |             |
| All buildings on each campus - owned   | ✓           | ✓           | ✓           | ✓           |
| All buildings on each campus/site - leased   | ✓           | ✓           | ✓           | ✓           |
| <b>Maintenance</b>   |             |             |             |             |
| Combination in-house and external specialist contractors   | ✓           | ✓           | ✓           | ✓           |
| Lift contract – comprehensive/performance-based  | ✓           | ✓           | ✓           | ✓           |
| Mechanical services contract – performance-based   | ✓           | ✓           | ✓           | ✓           |
| Mechanical services/BAS contract – performance-based   | ✓           | ✓           | ✓           | ✓           |
| Waste services contract – performance-based  | ✓           | ✓           | ✓           | ✓           |
| Cleaning services contract – performance-based   | ✓           | ✓           | ✓           | ✓           |
| Other maintenance agreements include those for heating, ventilation, air-conditioning and cooling, catering equipment, hygiene, pest control, industrial cleaning, refrigeration, vehicle fleet maintenance, backflow prevention, trade waste, electrical, plumbing, signage, car parks, and gardening and arboriculture services. | ✓           | ✓           | ✓           | ✓           |



## Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people to make disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act. It also establishes a system for the matters disclosed to be investigated and rectifying action taken.

We do not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. The Institute has policies and procedures in place that promote and facilitate the disclosure of improper conduct to the Independent Broad-based Anti-Corruption Commission (IBAC).

Our Public Interest Disclosures Policy:

- outlines how we will protect a person who makes a disclosure under the Act from detrimental action by officers, learners, employees and contractors of Holmesglen
- ensures that all other requirements of the Act are met.

The policy is made available to all employees on the Policy and Procedure Library.

Officers, learners, employees and contractors of Holmesglen, as well as members of the public, may make a disclosure of improper conduct or detrimental action under the Act to IBAC. IBAC can be contacted at:

Level 1, North Tower  
459 Collins Street  
Melbourne, VIC 3000

Our Public Interest Disclosures Co-ordinator cannot receive disclosures - they must be made directly to IBAC. They are responsible for:

- coordinating responses to the Commission, the Victorian Inspectorate or the Ombudsman
- recording any reported detrimental action against a discloser once a notice is received.

The Public Interest Disclosure Co-ordinator has not been advised by IBAC of any protected disclosures during 2024.

## Carers Recognition Act 2012

We have reviewed the application and operation of the *Carers Recognition Act 2012* and ensure that we meet the applicable obligations of the Act. Carer recognition principles are included in the relevant policies covering flexible working arrangements, part-time work opportunities and a supportive workplace environment.

## Local Jobs First Act 2003

The *Local Jobs First Act 2003* requires departments and public sector bodies to apply the Local Jobs First policy to all projects over:

- \$3 million in metropolitan Melbourne or state-wide
- \$1 million in regional Victoria.

During 2024, we continued implementation of two Local Jobs First – Local Industry Development Plan (LIDP) applicable procurement contracts totalling an estimated \$13,700,000 (excluding GST) over the life of the contracts.

All contracts are metropolitan based and include commitments for standard Victorian created hours and specified local content. Data from completed projects will be included in the relevant future annual report.

### Projects commenced

One new LIDP project was commenced during the year for the Chadstone campus Building 2 Plumbing workshop refurbishment.

### Projects completed

We completed one LIDP applicable contract in 2024. The final report is pending from the supplier.

## National competition policy and competitive neutrality policy Victoria

We continue to comply to the extent applicable, with the principles of the National Competition Policy (and any subsequent reforms), including compliance with the requirements of the Competitive Neutrality Policy Victoria.

We implemented measures to ensure commercial activities and pricing of competitive tender bids for government-funded education and training complied with the policy. We fulfilled our obligations and met our wider responsibilities to the community by applying competitive neutrality in the public interest.

## Victorian public service travel policy

We have policies and procedures in place relating to domestic and international travel to ensure compliance with the Victorian Public Service Travel Policy.

## Statement on compulsory non-academic fees, subscriptions and charges

We charge higher education students a services and amenities fee strictly in accordance with the *Higher Education Support Act 2003* (the Act) and the Administration Guidelines made under the Act. Revenue from this fee is spent strictly in accordance with the Act and for the provision of services and amenities as specified in subsection 19-38(4) of the Act.

| <b>Table 17: Statement of income and expenditure for higher education student services and amenities (as at 31 December 2023 and 31 December 2024)</b> | <b>2023<br/>(\$'000)</b> | <b>2024<br/>(\$'000)</b> |
|--|--------------------------|--------------------------|
| Unspent / (overspent) revenue from previous period   | 0                        | 0                        |
| SA-HELP revenue earned   | 56                       | 56                       |
| Student services fees direct from higher education students  | 201                      | 208                      |
| <b>Total revenue expendable in period</b>  | <b>257</b>               | <b>264</b>               |
| Student services expenses during period  | -257                     | -264                     |
| <b>Unspent / (overspent) student services revenue</b>  | <b>0</b>                 | <b>0</b>                 |
| We did not charge vocational education and training, senior-secondary or non-award learners a non-academic for the year ending 31 December 2024.       |                          |                          |

## Consultancies

In 2024:

- seven consultancies had total fees payable of \$10,000 or greater. Total expenditure incurred during 2024 in relation to these consultancies was \$635,143 (excluding GST). Details of these consultancies is published on Holmesglen's website (<https://www.holmesglen.edu.au/about-us/our-institute/publications-and-reports>).
- four consultancies had total fees payable of less than \$10,000. Total expenditure incurred during 2024 in relation to these consultancies was \$25,858.

## Information and Communication Technology expenditure

Total ICT expenditure for the 2024 reporting period was \$16.2 million, with the details shown below.

| Table 18: ICT expenditure (2024)   |                                       |                         |                     |
|--|---------------------------------------|-------------------------|---------------------|
| Business as Usual ICT expenditure  | Non-Business as Usual ICT expenditure | Operational expenditure | Capital expenditure |
| \$16.2 million   | -                                     | -                       | -                   |
| <b>Note:</b> Total business as usual expenditure includes operational expenditure and capital expenditure. |                                       |                         |                     |

## Government advertising expenditure

| Table 19: Government advertising expenditure for campaigns with a media spend of \$100,000 or greater (2024) |  |                               |                         |                                   |                         |                      |       |
|--|--|-------------------------------|-------------------------|-----------------------------------|-------------------------|----------------------|-------|
| Name of campaign   | Summary  | Start and end dates           | Expenditure (\$ ex GST) |                                   |                         |                      |       |
|  |  |                               | Advertising (media)     | Creative and campaign development | Research and evaluation | Print and collateral | Other |
| Learn More, Do More brand campaign   | This goal of this campaign was to increase awareness of Holmesglen and enrolments in our qualifications. The campaign included translated media for Culturally and Linguistically Diverse audiences. | 1 January to 31 December 2024 | \$ 698,939              | \$111,085                         | \$ 29,700               | -                    | -     |

## Disclosure of emergency procurement

There was no emergency procurement of goods and services during the year.

## Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with disability and recognises that this requires support across the public sector and within the community. We have a disability support team that provides direct educational services to support our students with disability. Support includes providing:

- direct support through our Disability Liaison Officers and Disability Transition Support Officer
- adaptive technologies and specialised equipment
- interpreters and education access support services
- reasonable adjustments to learning requirements
- professional development for staff.

## Additional information available on request

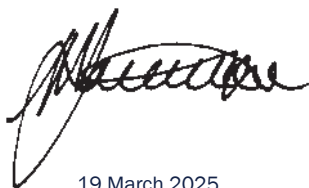
In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

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

Requests to access this information should be made to the Freedom of Information Officer at E: [foi@holmesglen.edu.au](mailto:foi@holmesglen.edu.au).

### Holmesglen Institute Financial Management Compliance Attestation Statement

I, Mary Faraone, on behalf of the Board of Holmesglen Institute, certify that for the period 1 January 2024 to 31 December 2024, Holmesglen Institute has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.



19 March 2025

The Finance, Audit and Risk Management Committee has reviewed this attestation and verified the Institute's compliance assessment.

# Financial Report 2024

**Holmesglen Annual Report 2024**



## Independent Auditor's Report

### To the Board of Holmesglen Institute

|  |  |
|--|--|
| <b>Opinion</b>   | <p>I have audited the consolidated financial report of Holmesglen Institute (the institute) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>consolidated entity and institute balance sheet as at 31 December 2024</li> <li>consolidated entity and institute comprehensive operating statement for the year then ended</li> <li>consolidated entity and institute statement of changes in equity for the year then ended</li> <li>consolidated entity and institute cash flow statement for the year then ended</li> <li>notes to the financial statements, including material accounting policy information</li> <li>declaration by the Board Chair, Chief Executive and Chief Finance and Accounting Officer.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the institute as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| <b>Basis for Opinion</b>                                 | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>  |
| <b>Board's responsibilities for the financial report</b> | <p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>   |
| <b>Other information</b>                                 | <p>The Board is responsible for the other information, which comprises the information in the annual report for the year ended 31 December 2024, but it does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.</p>   |

## OFFICIAL

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**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

---



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

MELBOURNE  
28 March 2025

# HOLMESGLEN INSTITUTE

## FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2024

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

The attached financial statements for Holmesglen Institute and the consolidated entity have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2024 and financial position of the Institute and the consolidated entity as at 31 December 2024.

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

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



M. Gorton Board Chair

Date 19 March 2025

Place Chadstone



M. Paraone Chief Executive

Date 19 March 2025

Place Chadstone



G. Cuvegen Chief Finance and Accounting Officer

Date 19 March 2025

Place Chadstone

OFFICIAL

## FINANCIAL REPORT 31 December 2024

### How this report is structured

Holmesglen Institute has presented its audited general purpose financial statements for the financial year ended 31 December 2024 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

|  |  |
|--|--|
| <b>Financial statements</b>              | Comprehensive operating statement<br>Balance sheet<br>Statement of changes in equity<br>Cash flow statement  |
| <b>Notes to the financial statements</b> | <div><div>1. <b>About this report</b></div><div>1.1 Basis of preparation<br/>1.2 Compliance information</div><div>2. <b>How we earned our funds</b></div><div>2.1 Revenue from government contributions<br/>2.2 Revenue from fees, charges and sales<br/>2.3 Other income</div><div>3. <b>How we expended our funds</b></div><div>3.1 Employee benefits<br/>3.2 Supplies and services<br/>3.3 Other operating expenses<br/>3.4 Depreciation and amortisation expense<br/>3.5 Interest expense</div><div>4. <b>The assets we invested in</b></div><div>4.1 Investment properties<br/>4.2 Property, plant and equipment<br/>4.3 Investments</div><div>5. <b>Balances from operations</b></div><div>5.1 Other non-financial assets<br/>5.2 Receivables and contract assets<br/>5.3 Payables and contract liabilities<br/>5.4 Employee benefits provision</div><div>6. <b>How we financed our operations</b></div><div>6.1 Cash and deposits<br/>6.1.1 Reconciliation of operating result to net cash flows from operating activities<br/>6.2 Borrowings<br/>6.3 Leases</div><div>7. <b>Managing risks and uncertainties</b></div><div>7.1 Financial instruments<br/>7.2 Contingent assets and contingent liabilities<br/>7.3 Fair value determination</div></div> |

How this report is structured

|                                   |     |  |
|-----------------------------------|-----|--|
| Notes to the financial statements | 8.  | <b>Governance</b>  |
|                                   | 8.1 | Responsible persons  |
|                                   | 8.2 | Remuneration of executives                                       |
|                                   | 8.3 | Related parties  |
|                                   | 8.4 | Auditors remuneration  |
|                                   | 9.  | <b>Other disclosures</b>   |
|                                   | 9.1 | Other economic flows included in net result                      |
|                                   | 9.2 | Equity reserves  |
|                                   | 9.3 | Superannuation   |
|                                   | 9.4 | Commitments  |
|                                   | 9.5 | Controlled entities  |
|                                   | 9.6 | Events after reporting date                                      |
|                                   | 9.7 | Application of accounting standards issued but not yet effective |
|                                   | 9.8 | New or amended Accounting standards and Interpretations adopted  |



# HOLMESGLEN INSTITUTE

## Comprehensive Operating Statement for the financial year ended 31 December 2024

|  | Note   | Consolidated<br>2024<br>\$'000 | 2023<br>\$'000 | Institute<br>2024<br>\$'000 | 2023<br>\$'000 |
|--|--------|--------------------------------|----------------|-----------------------------|----------------|
| <b>CONTINUING OPERATIONS</b>                                   |        |                                |                |                             |                |
| <b>Revenue and income from transactions</b>                    |        |                                |                |                             |                |
| Revenue from government contributions                          | 2.1.1  | 109,133                        | 99,135         | 109,133                     | 99,092         |
| Revenue from fees, charges and sales                           | 2.2    | 61,171                         | 56,990         | 62,020                      | 57,875         |
| Other income   | 2.3    | 12,723                         | 11,267         | 11,550                      | 10,179         |
| <b>Total revenue and income from transactions</b>              |        | <b>183,027</b>                 | 167,392        | <b>182,703</b>              | 167,146        |
| <b>Expenses from transactions</b>                              |        |                                |                |                             |                |
| Employee benefits  | 3.1    | 118,418                        | 117,053        | 118,148                     | 116,775        |
| Depreciation and amortisation                                  | 3.4    | 10,271                         | 11,944         | 10,266                      | 11,939         |
| Supplies and services  | 3.2    | 36,462                         | 35,624         | 35,998                      | 35,100         |
| Interest expense   | 3.5    | 124                            | 162            | 124                         | 162            |
| Other operating expenses                                       | 3.3    | 13,090                         | 12,087         | 12,969                      | 11,887         |
| <b>Total expenses from transactions</b>                        |        | <b>178,365</b>                 | 176,870        | <b>177,505</b>              | 175,863        |
| <b>Net result from transactions</b>                            |        | <b>4,662</b>                   | (9,478)        | <b>5,198</b>                | (8,717)        |
| <b>Other economic flows included in net result</b>             |        |                                |                |                             |                |
| Net gain/(loss) on non-financial assets                        | 9.1(a) | (4,569)                        | 10,095         | (5,519)                     | 9,919          |
| Net gain/(loss) on financial instruments                       | 9.1(b) | 2,073                          | 2,272          | 1,934                       | 2,134          |
| Other gains/(losses) from other economic flows                 | 9.1(c) | 478                            | (823)          | 478                         | (823)          |
| <b>Total other economic flows included in net result</b>       |        | <b>(2,018)</b>                 | 11,544         | <b>(3,107)</b>              | 11,230         |
| <b>Net result from continuing operations</b>                   |        | <b>2,644</b>                   | 2,066          | <b>2,091</b>                | 2,513          |
| <b>Net result</b>  |        | <b>2,644</b>                   | 2,066          | <b>2,091</b>                | 2,513          |
| <b>Other economic flows – other comprehensive income</b>       |        |                                |                |                             |                |
| <b>Total other economic flows – Other comprehensive income</b> |        | -                              | -              | -                           | -              |
| <b>Comprehensive result</b>                                    |        | <b>2,644</b>                   | 2,066          | <b>2,091</b>                | 2,513          |

The accompanying notes form part of these financial statements.

# HOLMESGLEN INSTITUTE

## Balance Sheet

as at 31 December 2024

|                                    |        | Consolidated   |                | Institute      |                |
|------------------------------------|--------|----------------|----------------|----------------|----------------|
|                                    | Note   | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>Assets</b>                      |        |                |                |                |                |
| <b>Financial assets</b>            |        |                |                |                |                |
| Cash and deposits                  | 6.1    | 49,268         | 50,439         | 48,691         | 49,340         |
| Contract assets                    | 5.2    | 14,013         | 12,681         | 13,580         | 12,179         |
| Receivables                        | 5.2    | 1,763          | 3,644          | 1,751          | 3,641          |
| Investments                        | 4.3    | 37,803         | 33,521         | 35,452         | 31,431         |
| <b>Total financial assets</b>      |        | <b>102,847</b> | 100,285        | <b>99,474</b>  | 96,591         |
| <b>Non-financial assets</b>        |        |                |                |                |                |
| Other non-financial assets         | 5.1    | 5,581          | 5,916          | 5,552          | 5,888          |
| Property, plant and equipment      | 4.2    | 412,098        | 411,211        | 412,052        | 411,160        |
| Right of use assets                | 6.3    | 2,692          | 3,240          | 2,692          | 3,240          |
| Investment properties              | 4.1    | 134,134        | 138,810        | 116,080        | 121,706        |
| <b>Total non-financial assets</b>  |        | <b>554,505</b> | 559,177        | <b>536,376</b> | 541,994        |
| <b>Total assets</b>                |        | <b>657,352</b> | 659,462        | <b>635,850</b> | 638,585        |
| <b>Liabilities</b>                 |        |                |                |                |                |
| Payables                           | 5.3    | 10,389         | 8,573          | 10,233         | 8,445          |
| Contract liabilities               | 5.3    | 18,297         | 21,723         | 18,220         | 21,698         |
| Borrowings                         | 6.2    | 611            | 2,058          | 611            | 2,058          |
| Lease liabilities                  | 6.3    | 3,062          | 3,913          | 3,062          | 3,913          |
| Employee benefits provision        | 5.4    | 20,760         | 21,606         | 20,751         | 21,589         |
| <b>Total liabilities</b>           |        | <b>53,119</b>  | 57,873         | <b>52,877</b>  | 57,703         |
| <b>Net assets</b>                  |        | <b>604,233</b> | 601,589        | <b>582,973</b> | 580,882        |
| <b>Equity</b>                      |        |                |                |                |                |
| Contributed capital                | 9.2(a) | 122,807        | 122,807        | 122,807        | 122,807        |
| Physical asset revaluation reserve | 9.2(b) | 301,408        | 301,408        | 301,408        | 301,408        |
| Accumulated surplus/(deficit)      | 9.2(c) | 180,018        | 177,374        | 158,758        | 156,667        |
| <b>Net worth</b>                   |        | <b>604,233</b> | 601,589        | <b>582,973</b> | 580,882        |

Commitments for expenditure 9.4

The accompanying notes form part of these financial statements.

## HOLMESGLEN INSTITUTE

### Statement of Changes in Equity for the year ended 31 December 2024

|   |        | Physical asset<br>revaluation<br>reserve | Accumulated<br>surplus | Contributed<br>Capital | Total          |
|---|--------|--|------------------------|------------------------|----------------|
| Consolidated                                  | Note   | \$'000                                   | \$'000                 | \$'000                 | \$'000         |
| <b>At 1 January 2023</b>                      | 9.2    | 301,408                                  | 175,308                | 122,807                | 599,523        |
| Net result for the year                       |        | -  | 2,066                  | -                      | 2,066          |
| Changes in physical asset revaluation surplus | 9.2(b) | -  | -                      | -                      | -              |
| <b>Year ended 31 December 2023</b>            | 9.2    | 301,408                                  | 177,374                | 122,807                | 601,589        |
| Changes in physical asset revaluation surplus | 9.2(b) | -  | -                      | -                      | -              |
| Net result for the year                       |        | -  | 2,644                  | -                      | 2,644          |
| <b>Year ended 31 December 2024</b>            | 9.2    | <b>301,408</b>                           | <b>180,018</b>         | <b>122,807</b>         | <b>604,233</b> |

|   |        | Physical asset<br>revaluation<br>surplus | Accumulated<br>surplus | Contributed<br>Capital | Total          |
|---|--------|--|------------------------|------------------------|----------------|
| Institute                                     | Note   | \$'000                                   | \$'000                 | \$'000                 | \$'000         |
| <b>At 1 January 2023</b>                      | 9.2    | 301,408                                  | 154,154                | 122,807                | 578,369        |
| Net result for the year                       |        | -  | 2,513                  | -                      | 2,513          |
| Changes in physical asset revaluation surplus | 9.2(b) | -  | -                      | -                      | -              |
| <b>Year ended 31 December 2023</b>            | 9.2    | 301,408                                  | 156,667                | 122,807                | 580,882        |
| Changes in physical asset revaluation surplus | 9.2(b) | -  | -                      | -                      | -              |
| Net result for the year                       |        | -  | 2,091                  | -                      | 2,091          |
| <b>Year ended 31 December 2024</b>            | 9.2    | <b>301,408</b>                           | <b>158,758</b>         | <b>122,807</b>         | <b>582,973</b> |

The accompanying notes form part of these financial statements.

# HOLMESGLEN INSTITUTE

## Cash Flow Statement for the year ended 31 December 2024

|   |       | Consolidated     |                | Institute        |                |
|---|-------|------------------|----------------|------------------|----------------|
|   | Note  | 2024<br>\$'000   | 2023<br>\$'000 | 2024<br>\$'000   | 2023<br>\$'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |       |                  |                |                  |                |
| <b>Receipts</b>   |       |                  |                |                  |                |
| Government contributions  |       | 108,230          | 99,488         | 108,230          | 99,164         |
| Receipts from fees, charges and sales                             |       | 71,126           | 66,356         | 69,230           | 64,730         |
| Goods and services tax recoverable                                |       | 5,670            | 4,831          | 5,572            | 4,739          |
| Interest received   |       | 2,515            | 2,299          | 2,486            | 2,270          |
| Dividends received  |       | 2,117            | 846            | 1,990            | 780            |
| Other receipts  |       | 5,979            | 5,911          | 7,431            | 7,263          |
| <b>Total receipts from operating activities</b>                   |       | <b>195,637</b>   | 179,731        | <b>194,939</b>   | 178,946        |
| <b>Payments</b>   |       |                  |                |                  |                |
| Payments to suppliers   |       | (53,281)         | (54,116)       | (52,611)         | (53,291)       |
| Payments to employees   |       | (118,773)        | (114,592)      | (118,508)        | (114,403)      |
| Interest and other finance costs paid                             |       | (124)            | (145)          | (124)            | (162)          |
| Goods and services tax paid                                       |       | (9,620)          | (8,038)        | (9,458)          | (7,892)        |
| <b>Total payments from operating activities</b>                   |       | <b>(181,798)</b> | (176,891)      | <b>(180,701)</b> | (175,748)      |
| <b>Net cash flows from/(used in) operating activities</b>         | 6.1.1 | <b>13,839</b>    | 2,840          | <b>14,238</b>    | 3,198          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |       |                  |                |                  |                |
| Payments for property, plant and equipment                        |       | (9,778)          | (3,848)        | (9,777)          | (3,796)        |
| Payments/proceeds from financial assets                           |       | (1,905)          | 3,099          | (1,783)          | 3,099          |
| <b>Net cash provided by/(used in) investing activities</b>        |       | <b>(11,683)</b>  | (749)          | <b>(11,560)</b>  | (697)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |       |                  |                |                  |                |
| Repayment of lease liabilities                                    |       | (1,630)          | (1,497)        | (1,630)          | (1,497)        |
| Repayment of government loan                                      |       | (1,697)          | (814)          | (1,697)          | (814)          |
| <b>Net cash provided by/(used) in financing activities</b>        |       | <b>(3,327)</b>   | (2,311)        | <b>(3,327)</b>   | (2,311)        |
| <b>Net increase (decrease) in cash and cash equivalents</b>       |       | <b>(1,171)</b>   | (220)          | <b>(649)</b>     | 190            |
| Cash and cash equivalents at the beginning of the financial year  |       | 50,439           | 50,659         | 49,340           | 49,150         |
| <b>Cash and cash equivalents at the end of the financial year</b> | 6.1   | <b>49,268</b>    | 50,439         | <b>48,691</b>    | 49,340         |

The accompanying notes form part of these financial statements.

# HOLMESGLEN INSTITUTE

## Notes to the financial statements

### 1. About this report

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Holmesglen Institute is a statutory body corporate established pursuant to an Act made by the Victorian Government under the *Education and Training Reform Act 2006 Section 3.1.12 4(a)*. Holmesglen Institute is a Technical and Further Education (TAFE) provider based predominantly in Chadstone Victoria.

Its registered office and principal address is:

Holmesglen Institute  
Cnr Batesford and Warrigal Road  
Holmesglen, Victoria, 3148

#### 1.1 Basis of preparation

These financial statements are presented in Australian dollars. The functional and presentation currency of Holmesglen Institute (the Institute) and the consolidated entities is Australian dollars. These financial statements have been prepared in accordance with the historical cost convention, unless a different measurement basis is specifically disclosed in the notes. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

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

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

- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring the Institute's satisfaction of a performance obligation (refer Note 2.2); and
- AASB 16 *Leases* and the requirement to determine the lease term to the extent that extension options are certain (refer to note 6.3).

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

- the fair value of land, buildings and plant and equipment (refer to note 7.3);
- the loss rate used in calculating the allowance for expected credit losses (refer to note 5.2); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 5.4).

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

These financial statements cover the Institute and its controlled entities as an individual reporting entity and include all controlled activities of the Institute.

#### **Goods and Services Tax (GST)**

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

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



## 1. About this report

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### 1.1 Basis of preparation (continued)

#### **Basis of consolidation**

In accordance with AASB 10 *Consolidated Financial Statements*, the Institute consolidates its controlled entities on the basis that control exists when an entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of entities are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In preparing consolidated financial statements for the Institute, all material transactions and balances between consolidated entities are eliminated.

#### **Funding risk**

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

The Institute has substantial economic dependency on Government for operating and capital contributions.

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

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

### 1.2 Compliance information

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

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

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

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 2. HOW WE EARNED OUR FUNDS

|  | Consolidated   |               | Institute      |               |
|--|----------------|---------------|----------------|---------------|
|  | 2024           | 2023          | 2024           | 2023          |
|  | \$'000         | \$'000        | \$'000         | \$'000        |
| <b>2.1 Government contributions</b>                |                |               |                |               |
| <b>2.1.1 Revenue from government contributions</b> |                |               |                |               |
| <b>Government contributions</b>                    |                |               |                |               |
| State government – contestable - DJSIR             | 71,945         | 60,195        | 71,945         | 60,195        |
| State government – other contributions -DJSIR      | 31,329         | 32,572        | 31,329         | 32,572        |
| Commonwealth Government contributions              | 5,190          | 4,835         | 5,190          | 4,835         |
| Other  | 669            | 1,533         | 669            | 1,490         |
| <b>Total government contributions</b>              | <b>109,133</b> | <b>99,135</b> | <b>109,133</b> | <b>99,092</b> |

### Revenue and income from government grants

The Institute is required to determine whether the government grants received should be accounted for as revenue per AASB 15 or income per AASB 1058.

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

### Revenue from government grants

The Institute's revenue streams are predominately for transactions relating to the delivery of courses to students and education services to clients. In all cases, the total transaction price for these services is allocated amongst the various performance obligations based on the consideration specified in the contract. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time as the Institute satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.3).

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

### Income from government grants

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

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

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

## 2. HOW WE EARNED OUR FUNDS

### 2.1.1 Revenue from government contributions (continued)

| Revenue Type                           | Nature  | Performance obligation and timing of recognition  |
|--|---|---|
| State government – contestable         | Refers to Victorian state government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers. | <p>The funding agreement for these contributions outlines the performance obligations to provide education services to eligible students and relevant terms and conditions. These contributions are recognised as revenue from contracts with customers in line with the requirements of AASB 15.</p> <p>Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.</p>  |
| State government – other contributions | Refers to funding such as specific-purpose grants for community service obligations, free TAFE practical placement and student support services and the additional costs of public TAFE provision.  | <p>In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The Institute recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract. Where performance obligations are sufficiently specific, the revenue is recorded in accordance with AASB 15.</p> <p>Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.</p> |
| Commonwealth government contributions  | Refers to funding from the Commonwealth government for commonwealth supported places for eligible higher education programs.  | <p>This funding is provided on a per eligible student basis with specific performance obligations tied to delivery of units over the course duration.</p> <p>Revenue is recognised over the period of the agreement as units are delivered in accordance with AASB 15.</p>  |

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 2. HOW WE EARNED OUR FUNDS

|   | Consolidated  |               | Institute     |               |
|---|---------------|---------------|---------------|---------------|
|   | 2024          | 2023          | 2024          | 2023          |
|   | \$'000        | \$'000        | \$'000        | \$'000        |
| <b>2.2 Revenue from fees, charges and sales</b>       |               |               |               |               |
| Student fees and charges                              | 11,335        | 10,715        | 11,335        | 10,715        |
| Student fees and charges (Fee Help)                   | 4,019         | 4,150         | 4,019         | 4,150         |
| Fee for service – government                          | 8,344         | 6,844         | 8,344         | 6,844         |
| Fee for service – international operations – onshore  | 14,878        | 13,816        | 14,878        | 13,816        |
| Fee for service – international operations – offshore | 1,001         | 919           | 1,001         | 919           |
| Fee for service – training programs                   | 17,044        | 15,691        | 17,044        | 15,691        |
| <b>Total revenue fees and charges</b>                 | <b>56,621</b> | <b>52,135</b> | <b>56,621</b> | <b>52,135</b> |
| <b>Other non-course fees and charges</b>              |               |               |               |               |
| Other (car parking fees, management fees etc)         | 2,460         | 2,141         | 3,309         | 3,026         |
| Sale of goods   | 2,090         | 2,714         | 2,090         | 2,714         |
| <b>Total non-course fees and charges</b>              | <b>4,550</b>  | <b>4,855</b>  | <b>5,399</b>  | <b>5,740</b>  |
| <b>Total revenue from fees, charges and sales</b>     | <b>61,171</b> | <b>56,990</b> | <b>62,020</b> | <b>57,875</b> |

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

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Revenue recognised over time                      | 56,621        | 52,135        | 56,621        | 52,135        |
| Revenue recognised at a point in time             | 4,550         | 4,855         | 5,399         | 5,740         |
| <b>Total revenue from fees, charges and sales</b> | <b>61,171</b> | <b>56,990</b> | <b>62,020</b> | <b>57,875</b> |

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

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

Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent and student accommodation revenue is recognised as the Institute provides the accommodation or use of the space to the student or the public.

## HOLMESGLEN INSTITUTE

Notes to the financial statements

### 2. HOW WE EARNED OUR FUNDS

#### 2.2 Revenue from fees, charges and sales (continued)

The Institute uses actual student contact hours, performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

| Revenue Type  | Nature  | Performance obligation and timing of recognition   |
|---|---|--|
| Student fees and charges                                      | The Institute provides educational services to eligible domestic students. Student fees and charges includes student tuition fees and course materials received or to be received from eligible students for the provision of these services. | <p>Student tuition fees are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.</p> <p>Any fee waivers are recognised as a reduction in the amount of revenue recognised.</p> <p>Where student fees and charges has been received in respect of services to be delivered in the following year, any non-refundable portion of the fees is recognised as revenue in the year of receipt and the balance as a contract liability.</p> |
| Fee for service – government                                  | This relates to course fees provided to State government agencies (excluding revenue/income recognised in note 2.1.1).  | Fee for service revenue is recognised as the performance obligations are satisfied under the relevant training contract or enrolment terms. Where fee for service revenue has been received in respect of programs or services to be delivered in the following year, such amounts are recognised as contract liabilities.   |
| Fee for service – international onshore and offshore programs | The Institute provides educational services to international students who are not eligible for a government funded subsidy or other funding.  | Fee for service revenue is recognised as the performance obligations are satisfied under the relevant training contract or enrolment terms. Where fee for service revenue has been received in respect of programs or services to be delivered in the following year, such amounts are recognised as contract liabilities.   |
| Fee for service – other training programs                     | The Institute provides educational services to domestic students who are not eligible for a government funded subsidy and other private organisation funding.   | Fee for service revenue is recognised as the performance obligations are satisfied under the relevant training contract or enrolment terms. Where fee for service revenue has been received in respect of programs or services to be delivered in the following year, such amounts are recognised as contract liabilities.   |
| Other non course fees and charges                             | Other non course fees and charges include the provision of catering, restaurant sales, car parking fees and management fees.  | Revenue from other non course fees and charges is recognised by the Institute at the time of sale and when the control of goods passes to the customer which is at the time that the goods are physically transferred. Items sold do not have any warranty attached to them.   |



# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 2. HOW WE EARNED OUR FUNDS

|  | Consolidated |        | Institute |        |
|--|--------------|--------|-----------|--------|
|  | 2024         | 2023   | 2024      | 2023   |
|  | \$'000       | \$'000 | \$'000    | \$'000 |

### 2.2 Revenue from fees, charges and sales (continued)

#### Revenue recognised in relation to contract liabilities

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

|                          |               |               |               |               |
|--------------------------|---------------|---------------|---------------|---------------|
| Student fees and charges | 3,187         | 3,102         | 3,187         | 3,102         |
| Fee for service          | 9,163         | 7,092         | 9,163         | 7,092         |
| Other                    | 9,373         | 10,461        | 9,348         | 10,435        |
|                          | <b>21,723</b> | <b>20,655</b> | <b>21,698</b> | <b>20,629</b> |

#### Transaction price allocated to remaining performance obligations

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

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

| Consolidated                      | 2025<br>\$'000 | 2026<br>\$'000 | 2027<br>\$'000 |
|-----------------------------------|----------------|----------------|----------------|
| Revenue expected to be recognised | 18,297         | -              | -              |

| Institute                         | 2025<br>\$'000 | 2026<br>\$'000 | 2027<br>\$'000 |
|-----------------------------------|----------------|----------------|----------------|
| Revenue expected to be recognised | 18,220         | -              | -              |

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

#### Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- federal government assistance (VET Student Loan); and/or
- invoice to a third party (e.g. a student's employer or workers' compensation provider).

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

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 2. HOW WE EARNED OUR FUNDS

|                                       | Consolidated   |                | Institute      |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>2.3 Other income</b>               |                |                |                |                |
| Dividends/Distributions               | 2,188          | 943            | 2,056          | 885            |
| Interest income                       | 2,502          | 2,333          | 2,475          | 2,303          |
| Rental income - Investment properties | 6,388          | 6,307          | 4,862          | 4,816          |
| Rental income - other                 | 1,534          | 1,536          | 2,133          | 2,136          |
| Donations, bequests and contributions | 111            | 148            | 24             | 39             |
| <b>Total other income</b>             | <b>12,723</b>  | <b>11,267</b>  | <b>11,550</b>  | <b>10,179</b>  |

| Other Income Type                               | Nature   | Performance obligation and timing of recognition   |
|---|--|--|
| Dividends/Distributions                         | The Institute receives distributions from the Victorian Funds Management Corporation (VFMC).                                       | Distributions are recognised when the Institute's right to receive payment is established.   |
| Interest  | Interest income includes interest received on the Institute's operating bank account and deposits with the central banking system. | Interest income is recognised taking into account the effective interest rates applicable to the financial asset.  |
| Rental income - Investment properties and other | The Institute receives rental income for land and buildings leased out to students and commercial tenants.                         | The performance obligations are outlined in the relevant rental agreement and include the obligation to provide the land and buildings for the stipulated rental payments over a period of time. Rental income is recognised on a time proportional basis and is brought to account when the Institute's right to receive the rental is established. |
| Donations, bequests and contributions           | From time to time, benefactors may provide donations or gifts to further the objectives of the Institute.                          | Donations and bequests do not generally contain performance obligations that are sufficiently specific.<br><br>Donations, bequests and contributions are recognised when received and the amount can be reliably measured.   |

# HOLMESGLEN INSTITUTE

## Notes to the financial statements

### 3. HOW WE EXPENDED OUR FUNDS

| Note                                     | Consolidated   |                | Institute      |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>3.1 Employee benefits</b>             |                |                |                |                |
| Salaries, wages, overtime and allowances | 98,837         | 96,999         | 98,611         | 96,767         |
| Superannuation                           | 10,727         | 10,117         | 10,701         | 10,093         |
| Payroll tax                              | 6,346          | 5,853          | 6,328          | 5,838          |
| Long service leave                       | 1,490          | 3,484          | 1,493          | 3,479          |
| Termination benefits                     | 363            | -              | 363            | -              |
| Other                                    | 655            | 600            | 652            | 598            |
| <b>Total employee benefits</b>           | <b>118,418</b> | <b>117,053</b> | <b>118,148</b> | <b>116,775</b> |

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

All assumptions are reviewed at the end of each reporting date.

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

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Institute recognises termination benefits when it's committed to terminating the employment of a current employee. Benefits that are payable greater than 12 months after balance sheet date are discounted to present value.

### 3.2 Supplies and services

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| Purchase of supplies and consumables               | 4,912         | 4,680         | 4,912         | 4,680         |
| Communication expenses                             | 526           | 716           | 526           | 716           |
| Utilities  | 3,277         | 2,645         | 2,927         | 2,272         |
| Minor equipment                                    | 840           | 2,168         | 840           | 2,168         |
| Fees and charges                                   | 6,325         | 7,229         | 6,309         | 7,203         |
| Contract and other services                        | 15,302        | 12,756        | 15,291        | 12,746        |
| Building repairs and maintenance                   | 5,040         | 5,201         | 4,953         | 5,087         |
| Cost of goods sold/distributed (ancillary trading) | 240           | 229           | 240           | 228           |
| <b>Total supplies and services</b>                 | <b>36,462</b> | <b>35,624</b> | <b>35,998</b> | <b>35,100</b> |

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

### 3.3 Other operating expenses

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| Marketing and promotional expenses               | 1,935         | 2,499         | 1,934         | 2,499         |
| Audit fees and services                          | 204           | 250           | 179           | 227           |
| Bad and impaired credit losses from transactions | 383           | 585           | 383           | 585           |
| Staff development                                | 985           | 890           | 985           | 890           |
| Travel and motor vehicle expenses                | 548           | 548           | 548           | 548           |
| Hiring costs/lease payments                      | 993           | 579           | 993           | 579           |
| Work placements                                  | 4,651         | 3,673         | 4,651         | 3,673         |
| Other expenses                                   | 3,391         | 3,063         | 3,296         | 2,886         |
| <b>Total other operating expenses</b>            | <b>13,090</b> | <b>12,087</b> | <b>12,969</b> | <b>11,887</b> |

Other operating expenses generally represent day-to-day running costs of the Institute. They are reported in the financial year they are incurred.

Audit fees and services relate to costs associated with internal audit services, as well as remuneration to the Victorian Auditor-General's Office for the audit of the financial statements. Refer to Note 8.4 for further information.

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 3. HOW WE EXPENDED OUR FUNDS

| Note   | Consolidated   |                | Institute      |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>3.4 Depreciation and amortisation expense</b> |                |                |                |                |
| Buildings  | 6,594          | 6,525          | 6,594          | 6,525          |
| Leasehold improvement                            | -              | 11             | -              | 11             |
| Plant and equipment                              | 1,023          | 1,082          | 1,023          | 1,082          |
| Motor vehicles                                   | 27             | 90             | 22             | 85             |
| Computer equipment                               | 1,232          | 1,702          | 1,232          | 1,702          |
| Right of use assets                              | 1,107          | 1,107          | 1,107          | 1,107          |
| Leased motor vehicles                            | 288            | 212            | 288            | 212            |
| <b>Total depreciation</b>                        | <b>10,271</b>  | 10,729         | <b>10,266</b>  | 10,724         |
| <b>Amortisation</b>                              |                |                |                |                |
| Leased computer equipment                        | -              | 448            | -              | 448            |
| Software   | -              | 767            | -              | 767            |
| <b>Total amortisation</b>                        | <b>-</b>       | 1,215          | <b>-</b>       | 1,215          |
| <b>Total depreciation and amortisation</b>       | <b>10,271</b>  | 11,944         | <b>10,266</b>  | 11,939         |

All buildings, plant and equipment and other non-financial physical assets that have a finite useful live are depreciated. The exceptions to this rule include cultural assets, land and investment properties.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The depreciation rates used are contained below.

| Class of assets     | Rates 2024       | Rates 2023      | Method        |
|---------------------|------------------|-----------------|---------------|
| Buildings           | 1.79% to 20%     | 1.79% to 11.11% | Straight line |
| Plant and equipment | 6.67% to 33.33%  | 6.33% to 50%    | Straight line |
| Motor vehicles      | 6.67% to 20%     | 20% to 25%      | Straight line |
| Computer equipment  | 14.29% to 33.33% | 14.2% to 50%    | Straight line |
| Right of use assets | Lease term       | Lease term      | Straight line |

The estimated useful lives and depreciation methods are reviewed at the end of each year and adjustments are made where appropriate.

## 3.5 Interest expense

|                                |            |            |            |            |
|--------------------------------|------------|------------|------------|------------|
| Interest on lease liabilities  | 124        | 162        | 124        | 162        |
| <b>Total interest expenses</b> | <b>124</b> | <b>162</b> | <b>124</b> | <b>162</b> |

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 4. THE ASSETS WE INVESTED IN

|  |      | Consolidated   |                | Institute      |                |
|--|------|----------------|----------------|----------------|----------------|
|  | Note | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>4.1 Investment properties</b>             |      |                |                |                |                |
| <b>At Fair value</b>                         |      |                |                |                |                |
| Opening balance at 1 January                 |      | 138,810        | 128,912        | 121,706        | 111,985        |
| Net gain/ (loss) from fair value adjustments |      | (4,676)        | 9,898          | (5,626)        | 9,721          |
| <b>Closing balance at 31 December</b>        |      | <b>134,134</b> | 138,810        | <b>116,080</b> | 121,706        |

Investment properties represent properties held to earn rentals or for capital appreciation. Investment properties exclude properties held to meet service delivery objectives of the Institute.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Institute.

Subsequent to initial recognition, investment properties are re-valued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement. Fair value is determined based on a market comparable approach that reflects recent transaction prices for similar properties. These properties are neither depreciated nor tested for impairment.

The fair value of the Consolidated entity's investment properties at 31 December 2024 has been calculated on the basis of an independent valuation carried out by independent valuers. Fair value is determined based on a market comparable approach that reflects recent transaction prices for similar properties. There has been no additions or disposals during the 2024 year. Refer to Note 7.3 for further information.



# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 4. THE ASSETS WE INVESTED IN

### 4.2 Property, plant and equipment

| Institute   | Land<br>\$'000 | Buildings<br>\$'000 | Leasehold<br>Improvement<br>\$'000 | Assets under<br>construction<br>\$'000 | Plant &<br>Equipment<br>\$'000 | Cultural Assets<br>\$'000 | Motor Vehicles<br>\$'000 | Computer<br>Equipment<br>\$'000 | Total<br>\$'000 |
|---|----------------|---------------------|------------------------------------|--|--------------------------------|---------------------------|--------------------------|---------------------------------|-----------------|
| <b>At 1 January 2023</b>  |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| - Cost  | -              | -                   | 91                                 | 3,846                                  | 940                            | -                         | 1,625                    | 79                              | <b>6,581</b>    |
| - Valuation   | 173,610        | 231,258             | -                                  | -                                      | 3,267                          | 579                       | -                        | 3,308                           | <b>412,022</b>  |
| Accumulated depreciation  | -              | -                   | (80)                               | -                                      | (30)                           | -                         | (1,481)                  | (2)                             | <b>(1,593)</b>  |
| <b>Net book amount</b>  | <b>173,610</b> | <b>231,258</b>      | <b>11</b>                          | <b>3,846</b>                           | <b>4,177</b>                   | <b>579</b>                | <b>144</b>               | <b>3,385</b>                    | <b>417,010</b>  |
| <b>Year ended 31 December 2023</b>                                  |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| Opening net book amount   | 173,610        | 231,258             | 11                                 | 3,846                                  | 4,177                          | 579                       | 144                      | 3,385                           | <b>417,010</b>  |
| Additions   | -              | 3                   | -                                  | 2,878                                  | 547                            | -                         | -                        | 368                             | <b>3,796</b>    |
| Disposals   | -              | -                   | -                                  | -                                      | (16)                           | -                         | (18)                     | (103)                           | <b>(137)</b>    |
| Depreciation expense  | -              | (6,525)             | (11)                               | -                                      | (1,082)                        | -                         | (86)                     | (1,702)                         | <b>(9,406)</b>  |
| Transfer from assets under construction                             | -              | 2,369               | -                                  | (2,588)                                | 116                            | -                         | -                        | -                               | <b>(103)</b>    |
| <b>Closing net book amount</b>                                      | <b>173,610</b> | <b>227,105</b>      | <b>-</b>                           | <b>4,136</b>                           | <b>3,742</b>                   | <b>579</b>                | <b>40</b>                | <b>1,948</b>                    | <b>411,160</b>  |
| <b>At 31 December 2023</b>  |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| - Cost  | -              | 168                 | 91                                 | 4,136                                  | 1,604                          | -                         | 1,163                    | 334                             | <b>7,496</b>    |
| - Valuation   | 173,610        | 233,462             | -                                  | -                                      | 3,245                          | 579                       | -                        | 3,232                           | <b>414,128</b>  |
| Accumulated depreciation  | -              | (6,525)             | (91)                               | -                                      | (1,107)                        | -                         | (1,123)                  | (1,618)                         | <b>(10,464)</b> |
| <b>Net book amount</b>  | <b>173,610</b> | <b>227,105</b>      | <b>-</b>                           | <b>4,136</b>                           | <b>3,742</b>                   | <b>579</b>                | <b>40</b>                | <b>1,948</b>                    | <b>411,160</b>  |
| <b>Consolidated at 31 December 2023</b>                             |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| Opening net book amount   | -              | -                   | -                                  | -                                      | -                              | -                         | 56                       | -                               | <b>56</b>       |
| Depreciation expense  | -              | -                   | -                                  | -                                      | -                              | -                         | (5)                      | -                               | <b>(5)</b>      |
| <b>Net book value at the end of the financial year Consolidated</b> | <b>173,610</b> | <b>227,105</b>      | <b>-</b>                           | <b>4,136</b>                           | <b>3,742</b>                   | <b>579</b>                | <b>91</b>                | <b>1,948</b>                    | <b>411,211</b>  |
| <b>Year ended 31 December 2024</b>                                  |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| Opening net book amount   | 173,610        | 227,105             | -                                  | 4,136                                  | 3,742                          | 579                       | 40                       | 1,948                           | <b>411,160</b>  |
| Additions   | -              | 1,890               | -                                  | 5,173                                  | 1,421                          | -                         | 160                      | 1,133                           | <b>9,777</b>    |
| Disposals   | -              | -                   | -                                  | -                                      | (10)                           | -                         | -                        | (4)                             | <b>(14)</b>     |
| Depreciation expense  | -              | (6,594)             | -                                  | -                                      | (1,023)                        | -                         | (22)                     | (1,232)                         | <b>(8,871)</b>  |
| Reclassified to expense account                                     | -              | -                   | -                                  | -                                      | -                              | -                         | -                        | -                               | <b>-</b>        |
| Transfer from assets under construction                             | -              | 2,632               | -                                  | (4,069)                                | 1,274                          | -                         | 163                      | -                               | <b>-</b>        |
| <b>Closing net book amount</b>                                      | <b>173,610</b> | <b>225,033</b>      | <b>-</b>                           | <b>5,240</b>                           | <b>5,404</b>                   | <b>579</b>                | <b>341</b>               | <b>1,845</b>                    | <b>412,052</b>  |
| <b>At 31 December 2024</b>  |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| - Cost  | -              | 1,043               | 91                                 | 5,240                                  | 4,295                          | -                         | 1,080                    | 1,462                           | <b>13,211</b>   |
| - Valuation   | 173,610        | 237,109             | -                                  | -                                      | 3,204                          | 579                       | -                        | 3,231                           | <b>417,733</b>  |
| Accumulated depreciation  | -              | (13,119)            | (91)                               | -                                      | (2,095)                        | -                         | (739)                    | (2,848)                         | <b>(18,892)</b> |
| <b>Net book value at the end of the financial year Institute</b>    | <b>173,610</b> | <b>225,033</b>      | <b>-</b>                           | <b>5,240</b>                           | <b>5,404</b>                   | <b>579</b>                | <b>341</b>               | <b>1,845</b>                    | <b>412,052</b>  |
| <b>Consolidated at 31 December 2024</b>                             |                |                     |                                    |  |                                |                           |                          |                                 |                 |
| Opening net book amount   | -              | -                   | -                                  | -                                      | -                              | -                         | 51                       | -                               | <b>51</b>       |
| Depreciation expense  | -              | -                   | -                                  | -                                      | -                              | -                         | (5)                      | -                               | <b>(5)</b>      |
| <b>Net book value at the end of the financial year Consolidated</b> | <b>173,610</b> | <b>225,033</b>      | <b>-</b>                           | <b>5,240</b>                           | <b>5,404</b>                   | <b>579</b>                | <b>387</b>               | <b>1,845</b>                    | <b>412,098</b>  |

## 4. THE ASSETS WE INVESTED IN

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### 4.2 Property, plant and equipment (continued)

#### Initial recognition

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

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

The institute's property, plant and equipment assets are used for educational purposes. They are classified as educational assets for Government Finance Statistics (GFS) reporting requirements.

#### Subsequent measurement

Property, plant and equipment is subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use. Non financial assets are summarised by asset category.

Non-specialised land, non-specialised buildings and cultural assets are valued using the market approach. These assets are compared to recent comparable sales to determine their fair value.

For specialised land the market approach is used and is then adjusted for community service obligation (CSO). This adjustment is made to reflect the specialised nature of the land being valued.

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

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

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

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

A formal revaluation of land and building assets (including land improvements) was conducted for the year ended 31 December 2022 by the Valuer-General Victoria.

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

#### Impairment

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

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

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

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less cost of disposal. There has been no property, plant and equipment impairments during the 2024 year.

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 4. THE ASSETS WE INVESTED IN

| Note  | Consolidated   |                | Institute      |                |
|---|----------------|----------------|----------------|----------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>4.3 Investments</b>  |                |                |                |                |
| <b>Current investments</b>  |                |                |                |                |
| <b>Financial assets at fair value through profit and loss:</b>    |                |                |                |                |
| Victorian Funds Management Corporation (VFMC) managed investments |                |                |                |                |
| Opening balance at 1 January                                      | 33,521         | 30,444         | 31,431         | 28,543         |
| Additions   | 2,026          | 832            | 1,904          | 781            |
| Gain/(loss) on revaluation of financial assets                    | 2,256          | 2,245          | 2,117          | 2,107          |
| <b>Total current investments</b>                                  | <b>37,803</b>  | <b>33,521</b>  | <b>35,452</b>  | <b>31,431</b>  |

The Institute's investments with the VFMC are measured at fair value through profit or loss (FVTPL) in accordance with AASB 9 *Financial Instruments*. The fair value of these investments has been determined on the basis of their market value at 31 December 2024.

## 5. BALANCES FROM OPERATIONS

| Note  | Consolidated   |                | Institute      |                |
|---|----------------|----------------|----------------|----------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>5.1 Other non-financial assets</b>           |                |                |                |                |
| <b>Current</b>                                  |                |                |                |                |
| Inventory                                       | 52             | 58             | 52             | 58             |
| Prepayments                                     | 5,529          | 5,858          | 5,500          | 5,830          |
| <b>Total current other non-financial assets</b> | <b>5,581</b>   | <b>5,916</b>   | <b>5,552</b>   | <b>5,888</b>   |

**Inventory** includes goods and other items held for sale or for distribution. This balance is measured at cost.

**Prepayments** represent payments made in advance of the receipt of the goods and services.

# HOLMESGLEN INSTITUTE

## Notes to the financial statements

### 5. BALANCES FROM OPERATIONS

|                                     | Note | Consolidated   |                | Institute      |                |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
|                                     |      | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| 5.2 Receivables and contract assets |      |                |                |                |                |
| 5.2.1 Receivables                   |      |                |                |                |                |
| Receivables - Current               |      |                |                |                |                |
| Trade receivables                   |      | 1,763          | 3,644          | 1,751          | 3,641          |
| Statutory                           |      |                |                |                |                |
| GST input tax credit recoverable    |      | -              | -              | -              | -              |
| Total receivables                   |      | 1,763          | 3,644          | 1,751          | 3,641          |

**Receivables** consist of:

- Trade receivables include debtors in relation to goods and services. Trade receivables represent an unconditional right to receive payment, and
- Statutory receivables which predominantly include amounts owing from the Victorian Government and GST input tax credits recoverable.

Receivables are stated inclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost. These are measured using the effective interest method less an allowance for impairment.

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

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

In respect of trade receivables, the Institute is not exposed to any significant credit risk to any single counterpart or any group of counterparties having a similar characteristic. Based on historical and current information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

## HOLMESGLEN INSTITUTE

### Notes to the financial statements

## 5. BALANCES FROM OPERATIONS

### 5.2 Receivables and contract assets (continued)

#### Ageing analysis of contractual receivables

|                   | Carrying amount | Not past due and not impaired | Past due but not impaired |            |                   |           |
|-------------------|-----------------|-------------------------------|---------------------------|------------|-------------------|-----------|
|                   |                 |                               | Less than 1 month         | 1-3 months | 3 months - 1 year | 1-5 years |
| Consolidated      | \$'000          | \$'000                        | \$'000                    | \$'000     | \$'000            | \$'000    |
| <b>2024</b>       |                 |                               |                           |            |                   |           |
| Trade receivables | 1,763           | 490                           | 477                       | 766        | 30                | -         |
| <b>Total</b>      | <b>1,763</b>    | <b>490</b>                    | <b>477</b>                | <b>766</b> | <b>30</b>         | <b>-</b>  |
| <b>2023</b>       |                 |                               |                           |            |                   |           |
| Trade receivables | 3,644           | 2,448                         | 810                       | 203        | 183               | -         |
| <b>Total</b>      | <b>3,644</b>    | <b>2,448</b>                  | <b>810</b>                | <b>203</b> | <b>183</b>        | <b>-</b>  |
| <b>Institute</b>  |                 |                               |                           |            |                   |           |
| <b>2024</b>       |                 |                               |                           |            |                   |           |
| Trade receivables | 1,751           | 484                           | 477                       | 766        | 24                | -         |
| <b>Total</b>      | <b>1,751</b>    | <b>484</b>                    | <b>477</b>                | <b>766</b> | <b>24</b>         | <b>-</b>  |
| <b>2023</b>       |                 |                               |                           |            |                   |           |
| Trade receivables | 3,641           | 2,448                         | 810                       | 203        | 180               | -         |
| <b>Total</b>      | <b>3,641</b>    | <b>2,448</b>                  | <b>810</b>                | <b>203</b> | <b>180</b>        | <b>-</b>  |

Note: The disclosure above excludes statutory receivables. The average credit period on receivables is 30 days.

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

|                              | Note | Consolidated   |                | Institute      |                |
|------------------------------|------|----------------|----------------|----------------|----------------|
|                              |      | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>5.2.2 Contract assets</b> |      |                |                |                |                |
| <b>Contractual - Current</b> |      |                |                |                |                |
| Contract assets              | 1.3  | 14,547         | 13,109         | 14,114         | 12,607         |
| Expected credit losses       | 1.3  | (534)          | (428)          | (534)          | (428)          |
| <b>Total contract assets</b> |      | <b>14,013</b>  | <b>12,681</b>  | <b>13,580</b>  | <b>12,179</b>  |

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

#### Impairment

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

The movement in the allowance for impairment in respect of contract assets during the year is shown below.

#### Movement in the allowance for credit losses

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Balance at the beginning of the year                       | 428        | 750        | 428        | 750        |
| Increase /(decrease) in provision recognised in net result | 106        | (322)      | 106        | (322)      |
| <b>Balance at the end of the year</b>                      | <b>534</b> | <b>428</b> | <b>534</b> | <b>428</b> |



# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 5. BALANCES FROM OPERATIONS

|  |      | Consolidated   |                | Institute      |                |
|--|------|----------------|----------------|----------------|----------------|
|  | Note | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>5.3 Payables and contract liabilities</b> |      |                |                |                |                |
| <b>5.3.1 Payables</b>                        |      |                |                |                |                |
| <b>Contractual</b>                           |      |                |                |                |                |
| Supplies and services                        |      | 9,894          | 8,397          | 9,767          | 8,280          |
| <b>Statutory</b>                             |      |                |                |                |                |
| GST payable to the ATO                       |      | 495            | 176            | 466            | 165            |
| <b>Total current payables</b>                |      | <b>10,389</b>  | <b>8,573</b>   | <b>10,233</b>  | <b>8,445</b>   |

Payables consist of:

- Contractual payables such as accounts payable creditors. Accounts payable represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid, and
- Statutory payables such as goods and services tax and fringe benefit tax payable.

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

Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments.

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

### Maturity Analysis of contractual payables

|                       | Carrying<br>amount<br>\$'000 | Nominal<br>amount<br>\$'000 | Less than 1<br>month<br>\$'000 | 1-3 months<br>\$'000 | 3 months -<br>1 year<br>\$'000 | 1-5 years<br>\$'000 | 5+ years<br>\$'000 |
|-----------------------|------------------------------|-----------------------------|--------------------------------|----------------------|--------------------------------|---------------------|--------------------|
| <b>Consolidated</b>   |                              |                             |                                |                      |                                |                     |                    |
| <b>2024</b>           |                              |                             |                                |                      |                                |                     |                    |
| Supplies and services | 9,895                        | 9,895                       | 9,129                          | 353                  | 413                            | -                   | -                  |
| <b>Total</b>          | <b>9,895</b>                 | <b>9,895</b>                | <b>9,129</b>                   | <b>353</b>           | <b>413</b>                     | <b>-</b>            | <b>-</b>           |
| <b>2023</b>           |                              |                             |                                |                      |                                |                     |                    |
| Supplies and services | 8,397                        | 8,397                       | 7,748                          | 347                  | 302                            | -                   | -                  |
| <b>Total</b>          | <b>8,397</b>                 | <b>8,397</b>                | <b>7,748</b>                   | <b>347</b>           | <b>302</b>                     | <b>-</b>            | <b>-</b>           |
| <b>Institute</b>      |                              |                             |                                |                      |                                |                     |                    |
| <b>2024</b>           |                              |                             |                                |                      |                                |                     |                    |
| Supplies and services | 9,767                        | 9,767                       | 9,072                          | 350                  | 345                            | -                   | -                  |
| <b>Total</b>          | <b>9,767</b>                 | <b>9,767</b>                | <b>9,072</b>                   | <b>350</b>           | <b>345</b>                     | <b>-</b>            | <b>-</b>           |
| <b>2023</b>           |                              |                             |                                |                      |                                |                     |                    |
| Supplies and services | 8,280                        | 8,280                       | 7,637                          | 342                  | 302                            | -                   | -                  |
| <b>Total</b>          | <b>8,280</b>                 | <b>8,280</b>                | <b>7,637</b>                   | <b>342</b>           | <b>302</b>                     | <b>-</b>            | <b>-</b>           |

Note: The disclosures above exclude statutory payables.

The average credit period is 30 days. No interest is charged on the other payables. The carrying amounts of trade and other payables are considered to be the same as their fair values.

|  |      | Consolidated   |                | Institute      |                |
|--|------|----------------|----------------|----------------|----------------|
|  | Note | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>5.3.2 Contract liabilities</b>              |      |                |                |                |                |
| Student fees                                   |      | 12,151         | 10,682         | 12,150         | 10,682         |
| Fee for service                                |      | 977            | 840            | 977            | 840            |
| Government contributions - other contributions |      | 4,278          | 9,822          | 4,278          | 9,822          |
| Other  |      | 891            | 379            | 815            | 354            |
| <b>Total current contract liabilities</b>      | 2.2  | <b>18,297</b>  | <b>21,723</b>  | <b>18,220</b>  | <b>21,698</b>  |

### Contract liabilities

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

## HOLMESGLEN INSTITUTE

Notes to the financial statements

### 5. BALANCES FROM OPERATIONS

| Note  | Consolidated   |                | Institute      |                |
|---|----------------|----------------|----------------|----------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>5.4 Employee benefits provision</b>                |                |                |                |                |
| <b>Current Provisions</b>                             |                |                |                |                |
| <b>Employee benefits</b>                              |                |                |                |                |
| <b>Annual leave</b>                                   |                |                |                |                |
| Unconditional and expected to settle within 12 months | 4,642          | 4,570          | 4,635          | 4,560          |
| <b>Long service leave</b>                             |                |                |                |                |
| Unconditional and expected to settle within 12 months | 912            | 784            | 912            | 784            |
| Unconditional and expected to settle after 12 months  | 9,860          | 9,993          | 9,860          | 9,993          |
| <b>Sub total</b>                                      | <b>15,414</b>  | <b>15,347</b>  | <b>15,407</b>  | <b>15,337</b>  |
| <b>Provision for on costs</b>                         |                |                |                |                |
| <b>Annual leave</b>                                   |                |                |                |                |
| Unconditional and expected to settle within 12 months | 832            | 823            | 832            | 821            |
| <b>Long service leave</b>                             |                |                |                |                |
| Unconditional and expected to settle within 12 months | 170            | 141            | 170            | 141            |
| Unconditional and expected to settle after 12 months  | 1,845          | 1,800          | 1,845          | 1,800          |
| <b>Total current provisions</b>                       | <b>18,261</b>  | <b>18,111</b>  | <b>18,254</b>  | <b>18,099</b>  |
| <b>Non-current Provisions</b>                         |                |                |                |                |
| <b>Long service leave</b>                             |                |                |                |                |
| Conditional and expected to settle after 12 months    | 2,106          | 2,961          | 2,104          | 2,957          |
| <b>Long service leave - on costs</b>                  |                |                |                |                |
| Conditional and expected to settle after 12 months    | 393            | 534            | 393            | 533            |
| <b>Total non-current provisions</b>                   | <b>2,499</b>   | <b>3,495</b>   | <b>2,497</b>   | <b>3,490</b>   |
| <b>Total provisions</b>                               | <b>20,760</b>  | <b>21,606</b>  | <b>20,751</b>  | <b>21,589</b>  |

The leave obligations cover the Institute's liabilities for long service leave and annual leave as at 31 December 2024.

#### Total current provisions

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to prorata payments in certain circumstances. The entire amount of the provision is presented as current, since the Institute does not have an unconditional right to defer settlement for any of these obligations. The Institute expects all employees to take the full amount of accrued leave within the next 12 months

#### Non-current provisions

The non-current provisions amounts reflect leave that is not expected to be taken or paid within the next 12 months. This includes conditional LSL as the Institute has the right to defer the settlement of the entitlement until the employee has completed the required years of service.

## 5. BALANCES FROM OPERATIONS

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### 5.4 Employee benefits provision (continued)

**Unconditional LSL** is disclosed as a current liability, even where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of the current LSL liability are measured at:

- nominal value (undiscounted value) – component that is expected to be wholly settled within 12 months; and
- present value (discounted value) – component that is not expected to be wholly settled within 12 months.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Institute does not have an unconditional right to defer settlement for any of these obligations. Based on past experience, the Institute does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

**Conditional LSL** is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in the bond interest rate for which it is then recognised as an other economic flow. The discount rate is advised by the Department of Treasury and Finance.

## HOLMESGLEN INSTITUTE

### Notes to the financial statements

## 6. HOW WE FINANCED OUR OPERATIONS

| Note                                | Consolidated   |                | Institute      |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>6.1 Cash and deposits</b>        |                |                |                |                |
| Cash at bank and on hand            | 9,606          | 12,533         | 9,029          | 11,434         |
| Central Banking System (CBS) - cash | 39,662         | 37,906         | 39,662         | 37,906         |
| <b>Total cash and deposits</b>      | <b>49,268</b>  | <b>50,439</b>  | <b>48,691</b>  | <b>49,340</b>  |

Cash and deposits includes cash on hand, cash at bank including central banking system. These items are held for the purpose of meeting short term cash commitments rather than for investment purposes. They are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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

|   |                |         |                |         |
|---|----------------|---------|----------------|---------|
| <b>Net result for the year</b>                              | <b>2,644</b>   | 2,066   | <b>2,091</b>   | 2,513   |
| <b>Non cash movements:</b>                                  |                |         |                |         |
| Depreciation and amortisation of non-current assets         | 10,271         | 11,944  | 10,266         | 11,939  |
| Net (gain) / loss on sale of non-current assets             | (235)          | (242)   | (235)          | (242)   |
| Net (gain) / loss on disposal of financial investments      | (2,256)        | (2,245) | (2,117)        | (2,107) |
| Fair value (gain) loss on other non- financial assets       | 4,804          | (9,853) | 5,753          | (9,677) |
| Net (gain)/loss on financial liabilities at amortised cost  | 183            | (27)    | 183            | (27)    |
| Reclassification from assets under construction to expenses | -              | 103     | -              | 103     |
| <b>Total non-cash flows in operating result</b>             | <b>12,767</b>  | (320)   | <b>13,850</b>  | (11)    |
| <b>Movements in operating assets and liabilities</b>        |                |         |                |         |
| Decrease / (increase) in receivables                        | 1,881          | (2,703) | 1,890          | (2,707) |
| Decrease / (increase) in contract assets                    | (1,332)        | 785     | (1,401)        | 486     |
| Decrease / (increase) in other assets                       | 335            | (1,822) | 336            | (1,825) |
| Increase / (decrease) in payables                           | 1,497          | 377     | 1,487          | 313     |
| Increase / (decrease) in contract liabilities               | (3,107)        | 1,245   | (3,177)        | 1,234   |
| Increase / (decrease) in employee benefits                  | (846)          | 3,212   | (838)          | 3,195   |
| <b>Total movement in operating assets and liabilities</b>   | <b>(1,572)</b> | 1,094   | <b>(1,703)</b> | 696     |
| <b>Net cash flow from/(used in) operating activities</b>    | <b>13,839</b>  | 2,840   | <b>14,238</b>  | 3,198   |

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

## 6. HOW WE FINANCED OUR OPERATIONS

|                                   | Note | Consolidated |              | Institute  |              |
|-----------------------------------|------|--------------|--------------|------------|--------------|
|                                   |      | 2024         | 2023         | 2024       | 2023         |
|                                   |      | \$'000       | \$'000       | \$'000     | \$'000       |
| <b>6.2 Borrowings</b>             |      |              |              |            |              |
| <b>Current</b>                    |      |              |              |            |              |
| Advances from Government          |      | 644          | 815          | 644        | 815          |
| <b>Non-Current</b>                |      |              |              |            |              |
| Advances from Government          |      | -            | 1,458        | -          | 1,458        |
| Impact of revaluing to fair value |      | (33)         | (215)        | (33)       | (215)        |
| <b>Total borrowings</b>           |      | <b>611</b>   | <b>2,058</b> | <b>611</b> | <b>2,058</b> |

Advances from Government are initially measured at fair value being the cost of the financial liability. Where applicable, the borrowings are adjusted for transaction costs unless the Institute designated the financial liability at fair value through profit or loss.

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

### Maturity analysis of borrowings

|                          | Carrying amount<br>\$'000 | Nominal amount<br>\$'000 | Less than 1 month<br>\$'000 | 1-3 months<br>\$'000 | 3 months - 1 year<br>\$'000 | 1-5 years<br>\$'000 | +5 years<br>\$'000 |
|--------------------------|---------------------------|--------------------------|-----------------------------|----------------------|-----------------------------|---------------------|--------------------|
| <b>Consolidated</b>      |                           |                          |                             |                      |                             |                     |                    |
| <b>2024</b>              |                           |                          |                             |                      |                             |                     |                    |
| Advances from Government | 611                       | 611                      |                             |                      | 611                         |                     | -                  |
| <b>Total</b>             | <b>611</b>                | <b>611</b>               | -                           | -                    | <b>611</b>                  | -                   | -                  |
| <b>2023</b>              |                           |                          |                             |                      |                             |                     |                    |
| Advances from Government | 2,058                     | 2,058                    | 815                         | -                    | 815                         | 428                 | -                  |
| <b>Total</b>             | <b>2,058</b>              | <b>2,058</b>             | <b>815</b>                  | -                    | <b>815</b>                  | <b>428</b>          | -                  |
| <b>Institute</b>         |                           |                          |                             |                      |                             |                     |                    |
| <b>2024</b>              |                           |                          |                             |                      |                             |                     |                    |
| Advances from Government | 611                       | 611                      |                             |                      | 611                         |                     | -                  |
| <b>Total</b>             | <b>611</b>                | <b>611</b>               | -                           | -                    | <b>611</b>                  | -                   | -                  |
| <b>2023</b>              |                           |                          |                             |                      |                             |                     |                    |
| Advances from Government | 2,058                     | 2,058                    | 815                         | -                    | 815                         | 428                 | -                  |
| <b>Total</b>             | <b>2,058</b>              | <b>2,058</b>             | <b>815</b>                  | -                    | <b>815</b>                  | <b>428</b>          | -                  |

The fair values are not materially different to their carrying amounts.

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

## 6. HOW WE FINANCED OUR OPERATIONS

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### 6.3 Leases

#### Policy

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

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

#### As a lessee

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

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- any costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives.

The right of use asset is subsequently depreciated using the straight-line method over its useful life. The estimated useful lives are based on the term of the lease agreement. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate.

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

- fixed payments;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Institute is reasonably certain to exercise.

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

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



## 6. HOW WE FINANCED OUR OPERATIONS

### 6.3 Leases (continued)

#### Right of use assets

|                                    | Property<br>\$'000 | Computer<br>Equipment<br>\$'000 | Vehicles<br>\$'000 | Total<br>\$'000 |
|------------------------------------|--------------------|---------------------------------|--------------------|-----------------|
| <b>Consolidated</b>                |                    |                                 |                    |                 |
| Balance at 1 January 2024          | 2,130              | -                               | 1,110              | 3,240           |
| Additions                          | -                  | -                               | 974                | 974             |
| Disposals                          | -                  | -                               | (128)              | (128)           |
| Depreciation                       | (1,107)            | -                               | (287)              | (1,394)         |
| <b>Balance at 31 December 2024</b> | <b>1,023</b>       | <b>-</b>                        | <b>1,669</b>       | <b>2,692</b>    |

#### Consolidated

|                                    |              |          |              |              |
|------------------------------------|--------------|----------|--------------|--------------|
| Balance at 1 January 2023          | 3,237        | 449      | 942          | 4,628        |
| Additions                          | -            | -        | 424          | 424          |
| Disposals                          | -            | -        | (45)         | (45)         |
| Depreciation                       | (1,107)      | (449)    | (211)        | (1,767)      |
| <b>Balance at 31 December 2023</b> | <b>2,130</b> | <b>-</b> | <b>1,110</b> | <b>3,240</b> |

#### Institute

|                                    |              |          |              |              |
|------------------------------------|--------------|----------|--------------|--------------|
| Balance at 1 January 2024          | 2,130        | -        | 1,110        | 3,240        |
| Additions                          | -            | -        | 974          | 974          |
| Disposals                          | -            | -        | (128)        | (128)        |
| Depreciation                       | (1,107)      | -        | (287)        | (1,394)      |
| <b>Balance at 31 December 2024</b> | <b>1,023</b> | <b>-</b> | <b>1,669</b> | <b>2,692</b> |

#### Institute

|                                    |              |          |              |              |
|------------------------------------|--------------|----------|--------------|--------------|
| Balance at 1 January 2023          | 3,237        | 449      | 942          | 4,628        |
| Additions                          | -            | -        | 424          | 424          |
| Disposals                          | -            | -        | (45)         | (45)         |
| Depreciation                       | (1,107)      | (449)    | (211)        | (1,767)      |
| <b>Balance at 31 December 2023</b> | <b>2,130</b> | <b>-</b> | <b>1,110</b> | <b>3,240</b> |

#### Lease liabilities

|   | Consolidated   |                | Institute      |                |
|---|----------------|----------------|----------------|----------------|
| Note  | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Maturity analysis- contractual undiscounted cash flows          |                |                |                |                |
| Less than one year  | 2,028          | 1,955          | 2,028          | 1,955          |
| One to five years   | 1,181          | 2,101          | 1,181          | 2,101          |
| <b>Total undiscounted lease liabilities as at 31 December</b>   | <b>3,209</b>   | <b>4,056</b>   | <b>3,209</b>   | <b>4,056</b>   |
| Lease liabilities included in the Balance Sheet at 31 December: |                |                |                |                |
| Current   | 1,934          | 1,874          | 1,934          | 1,874          |
| Non-current   | 1,128          | 2,039          | 1,128          | 2,039          |
| <b>Total lease liabilities</b>                                  | <b>3,062</b>   | <b>3,913</b>   | <b>3,062</b>   | <b>3,913</b>   |

#### Short-term and low value leases

The Institute has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than \$10,000). Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

# HOLMESGLEN INSTITUTE

## Notes to the financial statements

### 7. MANAGING RISKS AND UNCERTAINTIES

| Note | Consolidated   |                | Institute      |                |
|------|----------------|----------------|----------------|----------------|
|      | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |

#### 7.1 Financial instruments

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

##### Categories of financial instruments

##### Contractual financial assets

##### Financial assets measured at amortised cost

|                   |        |        |        |        |
|-------------------|--------|--------|--------|--------|
| Cash and deposits | 49,268 | 50,439 | 48,691 | 49,340 |
| Trade receivables | 1,763  | 3,644  | 1,751  | 3,641  |

##### Financial assets measured at fair value through profit and loss

|             |        |        |        |        |
|-------------|--------|--------|--------|--------|
| Investments | 37,803 | 33,521 | 35,452 | 31,431 |
|-------------|--------|--------|--------|--------|

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| <b>Total contractual financial assets</b> | <b>88,834</b> | <b>87,604</b> | <b>85,894</b> | <b>84,412</b> |
|---|---------------|---------------|---------------|---------------|

##### Contractual financial liabilities

##### Financial liabilities measured at amortised cost

|                                       |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|
| Payables                              | 9,894 | 8,397 | 9,767 | 8,280 |
| Lease liabilities                     | 3,062 | 3,913 | 3,062 | 3,913 |
| Borrowings (Advances from Government) | 611   | 2,058 | 611   | 2,058 |

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| <b>Total contractual financial liabilities</b> | <b>13,567</b> | <b>14,368</b> | <b>13,440</b> | <b>14,251</b> |
|--|---------------|---------------|---------------|---------------|

Note: The total amounts disclosed exclude statutory amounts.

##### Categories of financial instruments

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

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

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

The Institute recognises the following financial assets in this category:

- Cash and deposits, and
- Receivables (excluding statutory receivables).

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

The Institute recognises the following liabilities in this category:

- Payables (excluding statutory payables),
- Lease liabilities, and
- Borrowings (Advances from Government).

## 7. MANAGING RISKS AND UNCERTAINTIES

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### 7.1 Financial instruments (continued)

#### **Derecognition of financial assets**

A financial asset is derecognised when:

- The rights to receive cash flows have expired; or
- The Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Institute has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has transferred control of the asset without transferring the risks and rewards of the asset.

Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Institute's continuing involvement in the asset.

#### **Impairment of financial assets**

Under AASB 9, the expected credit loss allowances are measured on either of the following basis;

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

The Institute measures loss allowances at an amount equal to lifetime ECLs.

**Reclassification of financial instruments:** Subsequent to initial recognition, reclassifications of financial liabilities are not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Institute's business model for managing its financial assets has changed such that its previous model would no longer apply. There has been no reclassifications for the current year.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.1 Financial instruments (continued)

#### 7.1.1 Net holding gain/(loss) on financial instrument by category

| Net holding gain/(loss) on financial instrument by category     | Net holding gain/(loss) |                | Total interest income/(expense) |                | Fee income/(expense) |                | Total          |                |
|---|-------------------------|----------------|---------------------------------|----------------|----------------------|----------------|----------------|----------------|
|   | 2024<br>\$'000          | 2023<br>\$'000 | 2024<br>\$'000                  | 2023<br>\$'000 | 2024<br>\$'000       | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>Consolidated</b>   |                         |                |                                 |                |                      |                |                |                |
| Financial assets measured at amortised cost                     | -                       | -              | 2,502                           | 2,333          | -                    | -              | 2,502          | 2,333          |
| Financial assets measured at fair value through profit and loss | 2,256                   | 2,245          | -                               | -              | 2,188                | 943            | 4,444          | 3,188          |
| <b>Total financial assets</b>                                   | <b>2,256</b>            | <b>2,245</b>   | <b>2,502</b>                    | <b>2,333</b>   | <b>2,188</b>         | <b>943</b>     | <b>6,946</b>   | <b>5,521</b>   |
| Financial liabilities at amortised cost                         | (183)                   | 27             | -                               | -              | -                    | -              | (183)          | 27             |
| <b>Total financial liabilities</b>                              | <b>(183)</b>            | <b>27</b>      | <b>-</b>                        | <b>-</b>       | <b>-</b>             | <b>-</b>       | <b>(183)</b>   | <b>27</b>      |
|   |                         |                |                                 |                |                      |                | -              |                |
| <b>Institute</b>  |                         |                |                                 |                |                      |                |                |                |
| Financial assets measured at amortised cost                     | -                       | -              | 2,475                           | 2,303          | -                    | -              | 2,475          | 2,303          |
| Financial assets measured at fair value through profit and loss | 2,117                   | 2,107          | -                               | -              | 2,056                | 885            | 4,173          | 2,992          |
| <b>Total financial assets</b>                                   | <b>2,117</b>            | <b>2,107</b>   | <b>2,475</b>                    | <b>2,303</b>   | <b>2,056</b>         | <b>885</b>     | <b>6,648</b>   | <b>5,295</b>   |
| Financial liabilities at amortised cost                         | (183)                   | 27             | -                               | -              | -                    | -              | (183)          | 27             |
| <b>Total financial liabilities</b>                              | <b>(183)</b>            | <b>27</b>      | <b>-</b>                        | <b>-</b>       | <b>-</b>             | <b>-</b>       | <b>(183)</b>   | <b>27</b>      |

The net holding gains or losses disclosed above are determined as follows:

- Financial assets measured at amortised cost: The net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, minus any impairment recognised.
- Financial assets measured at fair value through profit and loss: The net gain or loss is calculated as the movement in the fair value of the financial asset.
- Financial liabilities measured at amortised cost: The net gain or loss is calculated by taking the interest expense, plus or minus for any foreign exchange gains or losses.

## 7. MANAGING RISKS AND UNCERTAINTIES

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### 7.1 Financial instruments (continued)

#### 7.1.2 Financial risk management objectives and policies

The Institute is exposed to a variety of financial risks, which includes market risk, credit risk and liquidity risk.

The Institute's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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

The primary responsibility for the identification and management of financial risks rests with the Finance Audit and Risk Management Committee of the Institute with oversight by the Board.

##### Interest rate risk

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

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

There has been no significant change in the organisation's exposure, or its objectives, policies and processes for managing interest rate risk.

##### Liquidity risk

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they fall due. Liquidity risk is managed through regular monitoring of the Institute's current and projected cash flow requirements and ensuring that funds held for operational liquidity requirements are invested in cash or cash equivalents. The Institute's maximum exposure to liquidity risk is the carrying amounts of the liabilities in the balance sheet.

##### Equity price risk

Equity price risk is the risk that the investments' value will change due to changes in market prices caused by factors specific to the investment or its issuers, or factors affecting similar investments traded on relevant markets. This risk is managed by the Victorian Funds Management Corporation (VFMC) for funds held on behalf of the Institute and its controlled entities.

##### Market risk

Market risk is the risk that market rates and prices will impact on the Institute's managed investments with the VFMC and that this will have an adverse effect on the net result or net worth of the Institute. This risk is managed by the Victorian Funds Management Corporation (VFMC) for funds held on behalf of the Institute and its controlled entities.

##### Foreign currency risk

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

##### Treasury operational risk

Treasury operational risk is the risk that the Institute loses funds as a result of a failure in systems, people or procedures. Treasury operational risk includes fraud and theft. The Institute has an extensive internal control framework to minimise treasury operational risk including rules, policies and procedures for governance, risk management, financial management including investment and bank account delegations, and fraud and corruption control.

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.1 Financial instruments (continued)

#### 7.1.2 Financial risk management objectives and policies (continued)

##### Credit risk

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

Credit risk is monitored on a regular basis to ensure that the Institute is not exposed to significant bad debts or impairment. Credit risk is monitored by actively assessing the liquidity of counterparties.

The trade receivables balances at 31 December 2024 and 31 December 2023 largely relate to debtors who engage the Institute to provide training services or short courses. These balances do not include any counterparties with external credit ratings.

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

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

The carrying amount of contractual financial assets recorded in the financial statements represents the Institute's maximum exposure to credit risk. There are no material financial assets which are individually determined to be impaired.

##### Credit quality of contractual financial assets that are neither past due nor impaired

|   | Financial<br>Institutions<br>(AA- rating)<br>\$'000 | Government<br>agencies (AA<br>rating)<br>\$'000 | Other<br>counter-<br>party<br>\$'000 | Total<br>\$'000 |
|---|---|---|--------------------------------------|-----------------|
| <b>Consolidated</b>                       |   |   |                                      |                 |
| <b>2024</b>                               |   |   |                                      |                 |
| Cash and deposits                         | 9,606   | -   | -                                    | 9,606           |
| Central Banking System (CBS) - cash       | 39,662  | -   | -                                    | 39,662          |
| Receivables <sup>1</sup>                  | -   | -   | 1,763                                | 1,763           |
| Investments and other financial assets    | -   | 37,803  | -                                    | 37,803          |
| <b>Total contractual financial assets</b> | <b>49,268</b>                                       | <b>37,803</b>                                   | <b>1,763</b>                         | <b>88,834</b>   |
| <b>2023</b>                               |   |   |                                      |                 |
| Cash and deposits                         | 12,533  | -   | -                                    | 12,533          |
| Central banking system (CBS) - cash       | 37,906  | -   | -                                    | 37,906          |
| Receivables <sup>1</sup>                  | -   | -   | 3,644                                | 3,644           |
| Investments and other financial assets    | -   | 33,521  | -                                    | 33,521          |
| <b>Total contractual financial assets</b> | <b>50,439</b>                                       | <b>33,521</b>                                   | <b>3,644</b>                         | <b>87,604</b>   |
| <b>Institute</b>                          |   |   |                                      |                 |
| <b>2024</b>                               |   |   |                                      |                 |
| Cash and deposits                         | 9,029   | -   | -                                    | 9,029           |
| Central Banking System (CBS) - cash       | 39,662  | -   | -                                    | 39,662          |
| Receivables <sup>1</sup>                  | -   | -   | 1,751                                | 1,751           |
| Investments and other financial assets    | -   | 35,452  | -                                    | 35,452          |
| <b>Total contractual financial assets</b> | <b>48,691</b>                                       | <b>35,452</b>                                   | <b>1,751</b>                         | <b>85,894</b>   |
| <b>2023</b>                               |   |   |                                      |                 |
| Cash and deposits                         | 11,434  | -   | -                                    | 11,434          |
| Central banking system (CBS) - cash       | 37,906  | -   | -                                    | 37,906          |
| Receivables <sup>1</sup>                  | -   | -   | 3,641                                | 3,641           |
| Investments and other financial assets    | -   | 31,431  | -                                    | 31,431          |
| <b>Total contractual financial assets</b> | <b>49,340</b>                                       | <b>31,431</b>                                   | <b>3,641</b>                         | <b>84,412</b>   |

Notes:

1. The total amounts disclosed exclude statutory amounts.

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.1 Financial instruments (continued)

#### 7.1.2 Financial risk management objectives and policies (continued)

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

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

In measuring expected credit losses, trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2024 and the past 48 months before 31 December 2023, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Institute has identified the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period. Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Institute's view of economic conditions over the expected lives of the receivables.

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

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

#### Interest rate exposure of financial instruments

|  | Weighted average effective rate |      | Total carrying amount per balance sheet |               | Floating interest rate |               | Fixed interest rate |              | Non-interest bearing |               |
|--|---------------------------------|------|---|---------------|------------------------|---------------|---------------------|--------------|----------------------|---------------|
|  | 2024                            | 2023 | 2024                                    | 2023          | 2024                   | 2023          | 2024                | 2023         | 2024                 | 2023          |
| Consolidated                                   | %                               | %    | \$'000                                  | \$'000        | \$'000                 | \$'000        | \$'000              | \$'000       | \$'000               | \$'000        |
| <b>Financial assets</b>                        |                                 |      |   |               |                        |               |                     |              |                      |               |
| Cash and deposits                              | 4.70                            | 4.49 | 9,606                                   | 12,533        | 9,606                  | 12,533        | -                   | -            | -                    | -             |
| Central Banking System (CBS) - cash            | 4.53                            | 3.94 | 39,662                                  | 37,906        | 39,662                 | 37,906        | -                   | -            | -                    | -             |
| Receivables                                    |                                 |      |   |               |                        |               |                     |              |                      |               |
| Trade receivables                              |                                 |      | 1,763                                   | 3,644         | -                      | -             | -                   | -            | 1,763                | 3,644         |
| Managed investments                            |                                 |      | 37,803                                  | 33,521        | -                      | -             | -                   | -            | 37,803               | 33,521        |
| <b>Total financial assets</b>                  |                                 |      | <b>88,834</b>                           | <b>87,604</b> | <b>49,268</b>          | <b>50,439</b> | <b>-</b>            | <b>-</b>     | <b>39,566</b>        | <b>37,165</b> |
| <b>Financial liabilities</b>                   |                                 |      |   |               |                        |               |                     |              |                      |               |
| Payables                                       |                                 |      | 9,894                                   | 8,397         | -                      | -             | -                   | -            | 9,894                | 8,397         |
| Lease Liabilities                              | 3.64                            | 2.34 | 3,062                                   | 3,913         | -                      | -             | 3,062               | 3,913        | -                    | -             |
| Advances from Government                       |                                 |      | 611                                     | 2,058         | -                      | -             | -                   | -            | 611                  | 2,058         |
| <b>Total contractual financial liabilities</b> |                                 |      | <b>13,567</b>                           | <b>14,368</b> | <b>-</b>               | <b>-</b>      | <b>3,062</b>        | <b>3,913</b> | <b>10,505</b>        | <b>10,455</b> |



# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.1 Financial instruments (continued)

#### 7.1.2 Financial risk management objectives and policies (continued)

##### Interest rate exposure of financial instruments (continued)

| Institute                                      | Weighted average effective rate |      | Total carrying amount per balance sheet |               | Floating interest rate |               | Fixed interest rate |              | Non-interest bearing |               |
|--|---------------------------------|------|---|---------------|------------------------|---------------|---------------------|--------------|----------------------|---------------|
|  | 2024                            | 2023 | 2024                                    | 2023          | 2024                   | 2023          | 2024                | 2023         | 2024                 | 2023          |
|  | %                               | %    | \$'000                                  | \$'000        | \$'000                 | \$'000        | \$'000              | \$'000       | \$'000               | \$'000        |
| <b>Financial assets</b>                        |                                 |      |   |               |                        |               |                     |              |                      |               |
| Cash and deposits                              | 4.70                            | 4.49 | 9,029                                   | 11,434        | 9,029                  | 11,434        | -                   | -            | -                    | -             |
| Central Banking System (CBS) - cash            | 4.53                            | 3.94 | 39,662                                  | 37,906        | 39,662                 | 37,906        | -                   | -            | -                    | -             |
| Receivables                                    |                                 |      |   |               |                        |               |                     |              |                      |               |
| Trade receivables                              |                                 |      | 1,751                                   | 3,641         | -                      | -             | -                   | -            | 1,751                | 3,641         |
| Managed investments                            |                                 |      | 35,452                                  | 31,431        | -                      | -             | -                   | -            | 35,452               | 31,431        |
| <b>Total financial assets</b>                  |                                 |      | <b>85,894</b>                           | <b>84,412</b> | <b>48,691</b>          | <b>49,340</b> | <b>-</b>            | <b>-</b>     | <b>37,203</b>        | <b>35,072</b> |
| <b>Financial liabilities</b>                   |                                 |      |   |               |                        |               |                     |              |                      |               |
| Payables                                       |                                 |      | 9,767                                   | 8,280         | -                      | -             | -                   | -            | 9,767                | 8,280         |
| Lease Liabilities                              | 3.64                            | 2.34 | 3,062                                   | 3,913         | -                      | -             | 3,062               | 3,913        | -                    | -             |
| Advances from Government                       |                                 |      | 611                                     | 2,058         | -                      | -             | -                   | -            | 611                  | 2,058         |
| <b>Total contractual financial liabilities</b> |                                 |      | <b>13,440</b>                           | <b>14,251</b> | <b>-</b>               | <b>-</b>      | <b>3,062</b>        | <b>3,913</b> | <b>10,378</b>        | <b>10,338</b> |

##### Interest rate risk sensitivity

A possible change of 1% (2023: 1% ) in interest rates at the reporting date would have increased (decreased) equity and results by the amount shown below. This analysis assumes that all other variables remain constant.

|                                     | Interest rate risk |               |              |              |              |              |            |            |            |            |
|-------------------------------------|--------------------|---------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|
|                                     | Carrying amount    |               | Result       |              | Equity       |              | Result     |            | Equity     |            |
|                                     |                    |               |              |              |              |              |            |            |            |            |
| Consolidated                        | 2024               | 2023          | 2024         | 2023         | 2024         | 2023         | 2024       | 2023       | 2024       | 2023       |
|                                     | \$'000             | \$'000        | \$'000       | \$'000       | \$'000       | \$'000       | \$'000     | \$'000     | \$'000     | \$'000     |
| Central Banking System (CBS) - cash | 39,662             | 37,906        | (397)        | (379)        | (397)        | (379)        | 397        | 379        | 397        | 379        |
| <b>Total impact</b>                 | <b>39,662</b>      | <b>37,906</b> | <b>(397)</b> | <b>(379)</b> | <b>(397)</b> | <b>(379)</b> | <b>397</b> | <b>379</b> | <b>397</b> | <b>379</b> |
| <b>Institute</b>                    |                    |               |              |              |              |              |            |            |            |            |
| Central Banking System (CBS) - cash | 39,662             | 37,906        | (397)        | (379)        | (397)        | (379)        | 397        | 379        | 397        | 379        |
| <b>Total impact</b>                 | <b>39,662</b>      | <b>37,906</b> | <b>(397)</b> | <b>(379)</b> | <b>(397)</b> | <b>(379)</b> | <b>397</b> | <b>379</b> | <b>397</b> | <b>379</b> |

##### Equity price risk sensitivity

A possible change of 10% (2023: 10% ) in equity price risk at the reporting date would have increased (decreased) equity and results by the amount shown below. This analysis assumes that all other variables remain constant.

|                     | Equity price risk |               |                |                |                |                |              |              |              |              |
|---------------------|-------------------|---------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|
|                     | Carrying amount   |               | Result         |                | Equity         |                | Result       |              | Equity       |              |
|                     |                   |               |                |                |                |                |              |              |              |              |
| Consolidated        | 2024              | 2023          | 2024           | 2023           | 2024           | 2023           | 2024         | 2023         | 2024         | 2023         |
|                     | \$'000            | \$'000        | \$'000         | \$'000         | \$'000         | \$'000         | \$'000       | \$'000       | \$'000       | \$'000       |
| Managed investments | 37,803            | 33,521        | (3,780)        | (3,352)        | (3,780)        | (3,352)        | 3,780        | 3,352        | 3,780        | 3,352        |
| <b>Total impact</b> | <b>37,803</b>     | <b>33,521</b> | <b>(3,780)</b> | <b>(3,352)</b> | <b>(3,780)</b> | <b>(3,352)</b> | <b>3,780</b> | <b>3,352</b> | <b>3,780</b> | <b>3,352</b> |
| <b>Institute</b>    |                   |               |                |                |                |                |              |              |              |              |
| Managed investments | 35,452            | 31,431        | (3,545)        | (3,143)        | (3,545)        | (3,143)        | 3,545        | 3,143        | 3,545        | 3,143        |
| <b>Total impact</b> | <b>35,452</b>     | <b>31,431</b> | <b>(3,545)</b> | <b>(3,143)</b> | <b>(3,545)</b> | <b>(3,143)</b> | <b>3,545</b> | <b>3,143</b> | <b>3,545</b> | <b>3,143</b> |

## 7. MANAGING RISKS AND UNCERTAINTIES

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### 7.2 Contingent assets and contingent liabilities

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

#### **Contingent assets**

Contingent assets are possible assets that arise from past events. The existence of contingent assets will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events. These are classified as either quantifiable or non-quantifiable. The Institute has no contingent assets at 31 December 2024 (2023: Nil).

#### **Contingent liabilities**

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There are a small number of legal matters outstanding at year end arising from the Institute's ordinary course of business, none of which are expected to have a material impact on the Institute. There is a lack of certainty around the likely timing and value of cash outflow, as a result no amounts have been provided for in the financial statements.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair value.

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through profit and loss;
- land, buildings, plant and equipment, vehicles; and
- investment properties.

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

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

Fair value estimation

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

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

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

(a) Fair value determination of financial assets and liabilities

The Institute currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2024 reporting period.

These financial instruments include:

| Financial assets  | Financial liabilities    |
|-------------------|--------------------------|
| Cash and deposits | Payables                 |
| Receivables       | Advances from government |
| Investments       | Lease Liabilities        |

The fair value of these financial instruments are the same as their carrying amount.

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.3 Fair value determination (continued)

Below is the fair value hierarchy information of financial assets measured using level 1 hierarchy.

|  | Consolidated                         |   |          |          | Institute                            |   |          |          |
|--|--------------------------------------|---|----------|----------|--------------------------------------|---|----------|----------|
|  | Carrying<br>amount at 31<br>December | Fair value measurement at end of<br>reporting period using: |          |          | Carrying<br>amount at 31<br>December | Fair value measurement at end of<br>reporting period using: |          |          |
|  |                                      | Level 1   | Level 2  | Level 3  |                                      | Level 1   | Level 2  | Level 3  |
| 2024                                   | \$'000                               | \$'000  | \$'000   | \$'000   | \$'000                               | \$'000  | \$'000   | \$'000   |
| <b>Financial assets</b>                |                                      |   |          |          |                                      |   |          |          |
| Investments and other financial assets |                                      |   |          |          |                                      |   |          |          |
| Managed investments                    | 37,803                               | 37,803  | -        | -        | 35,452                               | 35,452  | -        | -        |
| <b>Total financial assets</b>          | <b>37,803</b>                        | <b>37,803</b>   | <b>-</b> | <b>-</b> | <b>35,452</b>                        | <b>35,452</b>   | <b>-</b> | <b>-</b> |
|  |                                      |   |          |          |                                      |   |          |          |
| 2023                                   |                                      |   |          |          |                                      |   |          |          |
| <b>Financial assets</b>                |                                      |   |          |          |                                      |   |          |          |
| Investments and other financial assets |                                      |   |          |          |                                      |   |          |          |
| Managed investments                    | 33,521                               | 33,521  | -        | -        | 31,431                               | 31,431  | -        | -        |
| <b>Total financial assets</b>          | <b>33,521</b>                        | <b>33,521</b>   | <b>-</b> | <b>-</b> | <b>31,431</b>                        | <b>31,431</b>   | <b>-</b> | <b>-</b> |

## HOLMESGLEN INSTITUTE

Notes to the financial statements

### 7. MANAGING RISKS AND UNCERTAINTIES

#### 7.3 Fair value determination (continued)

##### (b) Fair value determination of non-financial assets

The Institute subsequently measures property, plant and equipment at fair value. Below are the relevant fair value information relating to those assets.

##### Fair value measurement hierarchy of property, plant and equipment

|   | Consolidated                   |                      |                                |                            | Institute                      |                      |                                |                            |
|---|--------------------------------|----------------------|--------------------------------|----------------------------|--------------------------------|----------------------|--------------------------------|----------------------------|
|   | Carrying amount at 31 December | Level 1              | Level 2                        | Level 3                    | Carrying amount at 31 December | Level 1              | Level 2                        | Level 3                    |
|   | \$'000                         | Quoted prices \$'000 | Observable price inputs \$'000 | Unobservable inputs \$'000 | \$'000                         | Quoted prices \$'000 | Observable price inputs \$'000 | Unobservable inputs \$'000 |
| <b>2024</b>                             |                                |                      |                                |                            |                                |                      |                                |                            |
| Specialised land                        | 127,200                        | -                    | -                              | 127,200                    | 127,200                        | -                    | -                              | 127,200                    |
| Non-specialised land                    | 46,410                         | -                    | 46,410                         | -                          | 46,410                         | -                    | 46,410                         | -                          |
| <b>Total land at fair value</b>         | <b>173,610</b>                 | <b>-</b>             | <b>46,410</b>                  | <b>127,200</b>             | <b>173,610</b>                 | <b>-</b>             | <b>46,410</b>                  | <b>127,200</b>             |
| Specialised buildings                   | 222,541                        | -                    | -                              | 222,541                    | 222,541                        | -                    | -                              | 222,541                    |
| Non-specialised buildings               | 2,492                          | -                    | 2,492                          | -                          | 2,492                          | -                    | 2,492                          | -                          |
| <b>Total buildings at fair value</b>    | <b>225,033</b>                 | <b>-</b>             | <b>2,492</b>                   | <b>222,541</b>             | <b>225,033</b>                 | <b>-</b>             | <b>2,492</b>                   | <b>222,541</b>             |
| Plant and equipment                     | 5,404                          | -                    | -                              | 5,404                      | 5,404                          | -                    | -                              | 5,404                      |
| Cultural assets                         | 579                            | -                    | 579                            | -                          | 579                            | -                    | 579                            | -                          |
| Vehicles                                | 387                            | -                    | -                              | 387                        | 341                            | -                    | -                              | 341                        |
| Computer equipment                      | 1,845                          | -                    | -                              | 1,845                      | 1,845                          | -                    | -                              | 1,845                      |
| Right of use assets                     | 2,692                          | -                    | 2,692                          | -                          | 2,692                          | -                    | 2,692                          | -                          |
| <b>Total other assets at fair value</b> | <b>10,907</b>                  | <b>-</b>             | <b>3,271</b>                   | <b>7,636</b>               | <b>10,861</b>                  | <b>-</b>             | <b>3,271</b>                   | <b>8,169</b>               |
| <b>2023</b>                             |                                |                      |                                |                            |                                |                      |                                |                            |
| Specialised land                        | 127,200                        | -                    | -                              | 127,200                    | 127,200                        | -                    | -                              | 127,200                    |
| Non-specialised land                    | 46,410                         | -                    | 46,410                         | -                          | 46,410                         | -                    | 46,410                         | -                          |
| <b>Total land at fair value</b>         | <b>173,610</b>                 | <b>-</b>             | <b>46,410</b>                  | <b>127,200</b>             | <b>173,610</b>                 | <b>-</b>             | <b>46,410</b>                  | <b>127,200</b>             |
| Specialised buildings                   | 224,524                        | -                    | -                              | 224,524                    | 224,524                        | -                    | -                              | 224,524                    |
| Non-specialised buildings               | 2,581                          | -                    | 2,581                          | -                          | 2,581                          | -                    | 2,581                          | -                          |
| <b>Total buildings at fair value</b>    | <b>227,105</b>                 | <b>-</b>             | <b>2,581</b>                   | <b>224,524</b>             | <b>227,105</b>                 | <b>-</b>             | <b>2,581</b>                   | <b>224,524</b>             |
| Plant and equipment                     | 3,742                          | -                    | -                              | 3,742                      | 3,742                          | -                    | -                              | 3,742                      |
| Cultural assets                         | 579                            | -                    | 579                            | -                          | 579                            | -                    | 579                            | -                          |
| Vehicles                                | 91                             | -                    | -                              | 91                         | 40                             | -                    | -                              | 40                         |
| Computer equipment                      | 1,948                          | -                    | -                              | 1,948                      | 1,948                          | -                    | -                              | 1,948                      |
| Right of use assets                     | 3,240                          | -                    | -                              | 3,240                      | 3,240                          | -                    | -                              | 3,240                      |
| <b>Total other assets at fair value</b> | <b>9,600</b>                   | <b>-</b>             | <b>579</b>                     | <b>9,021</b>               | <b>9,549</b>                   | <b>-</b>             | <b>579</b>                     | <b>8,970</b>               |

##### Fair value measurement hierarchy of investment properties

|                                    |                |          |                |          |                |          |                |          |
|------------------------------------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|
| <b>2024</b>                        |                |          |                |          |                |          |                |          |
| Investment properties              | 134,134        | -        | 134,134        | -        | 116,080        | -        | 116,080        | -        |
| <b>Total investment properties</b> | <b>134,134</b> | <b>-</b> | <b>134,134</b> | <b>-</b> | <b>116,080</b> | <b>-</b> | <b>116,080</b> | <b>-</b> |
| <b>2023</b>                        |                |          |                |          |                |          |                |          |
| Investment properties              | 138,810        | -        | 138,810        | -        | 121,706        | -        | 121,706        | -        |
| <b>Total investment properties</b> | <b>138,810</b> | <b>-</b> | <b>138,810</b> | <b>-</b> | <b>121,706</b> | <b>-</b> | <b>121,706</b> | <b>-</b> |

## 7. MANAGING RISKS AND UNCERTAINTIES

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### 7.3 Fair value determination (continued)

#### Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value in accordance with Financial Reporting Direction (FRD) 103 *Non-financial Physical Assets*. A full revaluation of Institute's assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes. Independent valuers are used to conduct scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value.

An independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2022. At 31 December 2024, management conducted an assessment of the fair value of the land and buildings using the Valuer-General Victoria indices. No revaluation was required for 2024 as there was no material movements.

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

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

For the majority of the Institute's specialised buildings, current replacement cost is used adjusted for the associated depreciation. As depreciation adjustments are considered significant unobservable inputs, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Institute's specialised land and specialised buildings was performed by the Valuer-General Victoria at 31 December 2022. A formal revaluation occurred during the 2022 year.

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

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

**Plant and equipment** is valued at current replacement cost. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.3 Fair value determination (continued)

There were no other changes in valuation techniques throughout the period to 31 December 2024.

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

#### Reconciliation of level 3 fair value movements - property, plant and equipment

|                                 | Specialised land <sup>(a)</sup> |                | Specialised buildings <sup>(a)</sup> |                | Plant and equipment |                | Motor Vehicles |                | Computer Equipment |                | Leasehold improvements |                |
|---------------------------------|---------------------------------|----------------|--------------------------------------|----------------|---------------------|----------------|----------------|----------------|--------------------|----------------|------------------------|----------------|
|                                 | 2024<br>\$'000                  | 2023<br>\$'000 | 2024<br>\$'000                       | 2023<br>\$'000 | 2024<br>\$'000      | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000     | 2023<br>\$'000 | 2024<br>\$'000         | 2023<br>\$'000 |
| <b>Consolidated</b>             |                                 |                |                                      |                |                     |                |                |                |                    |                |                        |                |
| Opening balance                 | 127,200                         | 127,200        | 224,524                              | 228,588        | 3,742               | 4,177          | 91             | 200            | 1,948              | 3,385          | -                      | 11             |
| Additions                       | -                               | -              | 4,522                                | 2,372          | 2,695               | 663            | 323            | -              | 1,133              | 368            | -                      | -              |
| Transfers in / (out) of Level 3 | -                               | -              | -                                    | -              | (10)                | (16)           | -              | (18)           | (4)                | (103)          | -                      | -              |
| Depreciation                    | -                               | -              | (6,505)                              | (6,436)        | (1,023)             | (1,082)        | (27)           | (91)           | (1,232)            | (1,702)        | -                      | (11)           |
| Revaluation                     | -                               | -              | -                                    | -              | -                   | -              | -              | -              | -                  | -              | -                      | -              |
| <b>Closing Balance</b>          | <b>127,200</b>                  | <b>127,200</b> | <b>222,541</b>                       | <b>224,524</b> | <b>5,404</b>        | <b>3,742</b>   | <b>387</b>     | <b>91</b>      | <b>1,845</b>       | <b>1,948</b>   | <b>-</b>               | <b>-</b>       |
| <b>Institute</b>                |                                 |                |                                      |                |                     |                |                |                |                    |                |                        |                |
| Opening balance                 | 127,200                         | 127,200        | 224,524                              | 228,588        | 3,742               | 4,177          | 40             | 144            | 1,948              | 3,385          | -                      | 11             |
| Additions                       | -                               | -              | 4,522                                | 2,372          | 2,695               | 663            | 323            | -              | 1,133              | 368            | -                      | -              |
| Transfers in/ (out) of Level 3  | -                               | -              | -                                    | -              | (10)                | (16)           | -              | (18)           | (4)                | (103)          | -                      | -              |
| Depreciation                    | -                               | -              | (6,505)                              | (6,436)        | (1,023)             | (1,082)        | (22)           | (86)           | (1,232)            | (1,702)        | -                      | (11)           |
| Revaluation                     | -                               | -              | -                                    | -              | -                   | -              | -              | -              | -                  | -              | -                      | -              |
| <b>Closing Balance</b>          | <b>127,200</b>                  | <b>127,200</b> | <b>222,541</b>                       | <b>224,524</b> | <b>5,404</b>        | <b>3,742</b>   | <b>341</b>     | <b>40</b>      | <b>1,845</b>       | <b>1,948</b>   | <b>-</b>               | <b>-</b>       |

#### Description of significant unobservable inputs to Level 3 valuations

| 2024 and 2023         | Valuation technique      | Significant unobservable inputs                           |
|-----------------------|--------------------------|---|
| Specialised land      | Market approach          | Community service obligation (CSO)                        |
| Specialised buildings | Current replacement cost | Useful life of buildings and direct cost per square metre |
| Plant and equipment   | Current replacement cost | Useful life of plant and equipment                        |
| Motor Vehicles        | Current replacement cost | Useful life of vehicles                                   |
| Computer equipment    | Current replacement cost | Useful life of computer equipment                         |

#### Reconciliation of level 3 fair value movements - investment property

|                                 | Consolidated   |                 | Institute      |                 |
|---------------------------------|----------------|-----------------|----------------|-----------------|
|                                 | 2024<br>\$'000 | 2023<br>\$'000  | 2024<br>\$'000 | 2023<br>\$'000  |
| <b>Opening balance</b>          |                |                 |                |                 |
| Additions                       | -              | -               | -              | -               |
| Transfers in / (out) of Level 3 | -              | (44,440)        | -              | (44,440)        |
| Depreciation                    | -              | -               | -              | -               |
| <b>Closing Balance</b>          | <b>-</b>       | <b>(44,440)</b> | <b>-</b>       | <b>(44,440)</b> |

As at 31 December 2024, all investment properties are valued using level 2 inputs. In the 2023 year, an investment property was transferred from level 3 hierarchy to level 2 hierarchy. This was due to a change in valuation technique.



## 8. GOVERNANCE

### 8.1 Responsible persons

#### Responsible persons

In accordance with the Financial Reporting Directions, the following disclosures are made regarding responsible persons and executive officers for the reporting period.

#### Minister

The relevant Minister for the year was The Hon. Gayle Tierney. The Minister held the following ministerial positions during the year.

- Minister for Skills and TAFE: 1 January 2024 to 31 December 2024
- Minister for Regional Development: 1 January 2024 to 18 December 2024
- Minister for Water: 18 December 2024 to 31 December 2024

The Ministers Remuneration is disclosed in the State's Annual Financial Report. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

#### Accountable Officer

M. Faraone (Chief Executive)

#### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Institute during the reporting period was in the range: \$470,000 - \$479,999 (\$450,000 - \$459,999 in 2023).

#### Members of the Board of Holmesglen Institute

|                                     |   |
|-------------------------------------|---|
| M. Gorton AM, Chair                 | K. Bellion                                |
| M. Faraone, Chief Executive         | C. Karamzalis                             |
| A. Barker                           | I. Hamm                                   |
| K. Corry (term ended 31.8.2024)     | J. Allison                                |
| D. Imber                            | K. Bouns (appointed 1.11.2024)            |
| A. Chow                             | A. Forbes Nicholson (appointed 10.7.2024) |
| G. D'Rosario (term ended 19.4.2024) |   |
| M Chaudhry                          |   |

#### Responsible Persons' Remuneration

| The number of responsible persons are shown in their income bands:                       | 2024<br>No    | 2023<br>No    |
|--|---------------|---------------|
| <b>Income range (\$)</b>   |               |               |
| 0 - 9,999  | 1             | -             |
| 10,000 - 19,999  | 1             | 2             |
| 20,000 - 29,999  | 1             | -             |
| 30,000 - 39,999  | 1             | 1             |
| 40,000 - 49,999  | 8             | 8             |
| 80,000 - 89,999  | 1             | 1             |
| 450,000 - 459,999  | -             | 1             |
| 470,000 - 479,999  | 1             | -             |
| <b>Total number</b>  | <b>14</b>     | <b>13</b>     |
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Total remuneration received by the responsible persons from the reporting entity.</b> | <b>985</b>    | <b>945</b>    |

## 8. GOVERNANCE

### 8.2 Remuneration of executives

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

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

- Short-term employee benefits include wages, salaries and annual leave. They are usually paid on a regular basis. It also includes non-monetary benefits such as allowances and subsidised goods.
- Post-employment benefits include employer superannuation contributions.
- Other long-term benefits include long service leave, other long service benefits or deferred compensation.
- Termination benefits include employment termination payments such as severance packages.

|   | Consolidated |              | Institute    |              |
|---|--------------|--------------|--------------|--------------|
|   | 2024         | 2023         | 2024         | 2023         |
|   | \$'000       | \$'000       | \$'000       | \$'000       |
| <b>Remuneration</b>                               |              |              |              |              |
| Short-term benefits                               | 2,280        | 2,467        | 2,280        | 2,467        |
| Post-employment benefits                          | 236          | 246          | 236          | 246          |
| Other long-term benefits                          | 125          | 56           | 125          | 56           |
| Terminations benefits                             | -            | 133          | -            | 133          |
| <b>Total remuneration</b>                         | <b>2,641</b> | <b>2,902</b> | <b>2,641</b> | <b>2,902</b> |
| <b>Total number of executive officers</b>         | <b>12</b>    | <b>13</b>    | <b>12</b>    | <b>13</b>    |
| <b>Total annualised employee equivalent (AEE)</b> | <b>10</b>    | <b>11</b>    | <b>10</b>    | <b>11</b>    |

Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks per year.

# HOLMESGLEN INSTITUTE

## Notes to the financial statements

### 8. GOVERNANCE

#### 8.3 Related parties

Related parties of the Institute and the consolidated group include:

- all key management personnel and their close family members and personal business interests;
- all entities that are controlled and consolidated into the Institute's consolidated financial statements; and
- all public sector entities that are controlled and consolidated into the whole of the state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis. The following entities have been consolidated into the Institute's financial statements in accordance with AASB 10:

- Holmesglen International Training Services Pty Ltd,
- Glenuc Pty Ltd, and
- Holmesglen Foundation.

#### Significant transactions with government related entities:-

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| The Institute received funding from the Victorian Government as follows:- |                |                |
| State Government - contestable and fee concessions                        | 71,945         | 60,195         |
| State Government - other contributions                                    | 31,329         | 32,572         |
| <b>Total</b>  | <b>103,274</b> | <b>92,767</b>  |

The Institute's borrowings at year end include the balance of the Greener Government Loan received from the state government. Refer note 6.2.

#### Related party transactions

|   | Transaction values for year ended<br>31 December |                |
|---|--|----------------|
|   | 2024<br>\$'000                                   | 2023<br>\$'000 |
| Distribution from the Holmesglen Foundation to the Institute  | 825  | 840            |
| Rent paid by Holmesglen Foundation to the Institute           | 600  | 600            |
| Management fee paid by Holmesglen Foundation to the Institute | 105  | 102            |
| <b>Total</b>  | <b>1,530</b>                                     | <b>1,542</b>   |

Key management personnel of the Institute includes the portfolio minister and the members of the Holmesglen Institute Board, the Accountable Officer and the Institute's Senior Executive Team, which includes:-

- G.Cuvegen, Chief Financial Officer (1 April 2024 to 31 December 2024)
- E. Spangher, Acting Chief Financial Officer (1 January 2024 to 31 March 2024)
- S. Hunter-Fisher, Executive Director, Engagement and Support (18 March 2024 to 31 December 2024)
- Z. Vlahandonis, Acting Executive Director, Engagement and Support (1 January 2024 to 18 March 2024)
- S. McKinnon, Executive Director, People, Global Relations and Industry Engagement (1 January 2024 to 31 December 2024)
- P. Culpán, Executive Director, Corporate and Commercial Services (1 January 2024 to 31 December 2024)
- M. Courtier, Executive Director, Education and Applied Research (1 January 2024 to 31 December 2024)

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 8. GOVERNANCE

### 8.3 Related parties (continued)

Key management personnel of the entities consolidated into the Institute's financial statements include:

| Entity   | Key management personnel | Position title |
|--|--------------------------|----------------|
| Holmesglen International Training Services Pty Ltd | M. Faraone               | Director       |
| Glenuc Pty Ltd                                     | M. Faraone               | Director       |
|  | P. Lewinsky              | Director       |
|  | A. Barker                | Director       |
|  | H. Piterman              | Director       |
|  | R. Casey                 | Director       |
|  | A. Brookes               | Director       |

#### Compensation of Key management personnel

| Remuneration                 | Consolidated   |                | Institute      |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Short-term employee benefits | 2,301          | 2,265          | 2,231          | 2,265          |
| Post-employment benefits     | 225            | 213            | 218            | 213            |
| Other long-term benefits     | 104            | 39             | 103            | 39             |
| Termination benefits         | -              | 133            | -              | 133            |
| <b>Total remuneration</b>    | <b>2,630</b>   | <b>2,650</b>   | <b>2,552</b>   | <b>2,650</b>   |

#### Transactions and balances with key management personnel and other related parties

Members of the Institute's Board were also members of a Board where the Institute conducted arm's length transactions in the ordinary course of business. The following related party transactions occurred for the period ended 31 December:

| Nature of relationship                                   | Revenue        |                | Expenditure    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Peninsula Health - clinical placement                    | -              | -              | 126            | 191            |
| Peninsula Health - training services                     | -              | 22             | -              | -              |
| Victorian TAFE Association - membership and license fees | -              | -              | 171            | 190            |
| <b>Total</b>   | <b>-</b>       | <b>22</b>      | <b>297</b>     | <b>381</b>     |

### 8.4 Auditors remuneration

|   | Consolidated   |                | Institute      |                |
|---|----------------|----------------|----------------|----------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Remuneration of Victorian Auditor General's Office for:         |                |                |                |                |
| Audit of the parents financial statements                       | 145            | 140            | 145            | 140            |
| Audit of the financial statements of subsidiaries               | 30             | 28             | 5              | 5              |
| <b>Total remuneration of Victorian Auditor-General's Office</b> | <b>175</b>     | <b>168</b>     | <b>150</b>     | <b>145</b>     |
| Remuneration of other auditors :                                |                |                |                |                |
| Internal audit services   | 29             | 82             | 29             | 82             |
| <b>Total remuneration of other auditors</b>                     | <b>29</b>      | <b>82</b>      | <b>29</b>      | <b>82</b>      |
| <b>Total Remuneration of Auditors</b>                           | <b>204</b>     | <b>250</b>     | <b>179</b>     | <b>227</b>     |

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

## 9. OTHER DISCLOSURES

| Note   | Consolidated   |                | Institute      |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>9.1 Other economic flows included in net result</b>               |                |                |                |                |
| <b>(a) Net gain/(loss) on non-financial assets</b>                   |                |                |                |                |
| Revaluation of investment properties                                 | (4,676)        | 9,897          | (5,626)        | 9,721          |
| Net gain/(loss) on disposal of leased assets                         | (128)          | (44)           | (128)          | (44)           |
| Net gain/(loss) on disposal of physical assets                       | 235            | 242            | 235            | 242            |
| <b>Total net gain/(loss) on non-financial assets and liabilities</b> | <b>(4,569)</b> | <b>10,095</b>  | <b>(5,519)</b> | <b>9,919</b>   |
| <b>(b) Net gain/(loss) on financial instruments</b>                  |                |                |                |                |
| Net gain/(loss) realised on revaluation of financial investments     | 2,256          | 2,245          | 2,117          | 2,107          |
| <b>Subtotal net gain/(loss) on financial investments</b>             | <b>2,256</b>   | <b>2,245</b>   | <b>2,117</b>   | <b>2,107</b>   |
| Net gain/(loss) on financial liabilities at amortised cost           | (183)          | 27             | (183)          | 27             |
| <b>Total net gain/(loss) on financial instruments</b>                | <b>2,073</b>   | <b>2,272</b>   | <b>1,934</b>   | <b>2,134</b>   |
| <b>(c) Other gains/(losses) from other economic flows</b>            |                |                |                |                |
| Net gain/(loss) arising from revaluation of leave liabilities        | 478            | (823)          | 478            | (823)          |
| <b>Total net gain/(loss) from other economic flows</b>               | <b>478</b>     | <b>(823)</b>   | <b>478</b>     | <b>(823)</b>   |

Net gain/(loss) from the revaluation of leave liabilities are changes in bond and discount rates.

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

- gains and losses from revaluations of investments properties
- gains and losses from disposal of physical assets
- gains and losses from disposal of financial investments; and
- gains and losses on financial liabilities at amortised cost

This classification is consistent with the whole of government reporting format and is allowed under AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 9. OTHER DISCLOSURES

|   | Note | Consolidated   |                | Institute      |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2024           | 2023           | 2024           | 2023           |
|   |      | \$'000         | \$'000         | \$'000         | \$'000         |
| <b>9.2 Equity reserves</b>  |      |                |                |                |                |
| <b>(a) Contributed Capital</b>  |      |                |                |                |                |
| Balance at 1 January  |      | 122,807        | 122,807        | 122,807        | 122,807        |
| <b>Balance at 31 December</b>   |      | <b>122,807</b> | <b>122,807</b> | <b>122,807</b> | <b>122,807</b> |
| <b>(b) Reserves</b>   |      |                |                |                |                |
| <b>Composition of Reserves</b>  |      |                |                |                |                |
| <b>Physical asset revaluation surplus</b>   |      |                |                |                |                |
| Land  |      | 169,685        | 169,685        | 169,685        | 169,685        |
| Buildings   |      | 128,853        | 128,853        | 128,853        | 128,853        |
| Plant and Equipment   |      | 2,870          | 2,870          | 2,870          | 2,870          |
| <b>Balance at 31 December</b>   |      | <b>301,408</b> | <b>301,408</b> | <b>301,408</b> | <b>301,408</b> |
| <b>Movements in Reserves</b>  |      |                |                |                |                |
| Balance at 1 January  |      | 301,408        | 301,408        | 301,408        | 301,408        |
| Revaluation increment/(decrement) on non-current assets   |      | -              | -              | -              | -              |
| <b>Balance at 31 December</b>   |      | <b>301,408</b> | <b>301,408</b> | <b>301,408</b> | <b>301,408</b> |
| The asset revaluation reserve for land and buildings comprises increments/(decrements) arising from asset revaluations. The last formal asset revaluation was 31 December 2022. |      |                |                |                |                |
| <b>Land</b>   |      |                |                |                |                |
| Balance at 1 January  |      | 169,685        | 169,685        | 169,685        | 169,685        |
| Revaluation increment on non-current assets   |      | -              | -              | -              | -              |
| <b>Balance at 31 December</b>   |      | <b>169,685</b> | <b>169,685</b> | <b>169,685</b> | <b>169,685</b> |
| <b>Buildings</b>  |      |                |                |                |                |
| Balance at 1 January  |      | 128,853        | 128,853        | 128,853        | 128,853        |
| Revaluation increment/(decrement) on non-current assets   |      | -              | -              | -              | -              |
| <b>Balance at 31 December</b>   |      | <b>128,853</b> | <b>128,853</b> | <b>128,853</b> | <b>128,853</b> |
| The asset revaluation reserve for plant and equipment comprises increments/(decrements) arising from asset revaluations. The last valuation was 31 December 2022.               |      |                |                |                |                |
| <b>Plant and Equipment</b>  |      |                |                |                |                |
| Balance at 1 January  |      | 2,870          | 2,870          | 2,870          | 2,870          |
| Revaluation increment on non-current assets   |      | -              | -              | -              | -              |
| <b>Balance at 31 December</b>   |      | <b>2,870</b>   | <b>2,870</b>   | <b>2,870</b>   | <b>2,870</b>   |
| <b>(c) Accumulated surplus / (deficit)</b>  |      |                |                |                |                |
| Balance at 1 January  |      | 177,374        | 175,308        | 156,667        | 154,154        |
| Net operating result for the year   |      | 2,644          | 2,066          | 2,091          | 2,513          |
| <b>Balance at 31 December</b>   |      | <b>180,018</b> | <b>177,374</b> | <b>158,758</b> | <b>156,667</b> |
| <b>Total equity</b>   |      | <b>604,233</b> | <b>601,589</b> | <b>582,973</b> | <b>580,882</b> |

# HOLMESGLEN INSTITUTE

## Notes to the financial statements

### 9. OTHER DISCLOSURES

|  | Consolidated |        | Institute |        |
|--|--------------|--------|-----------|--------|
|  | 2024         | 2023   | 2024      | 2023   |
|  | \$'000       | \$'000 | \$'000    | \$'000 |

#### 9.3 Superannuation

Employees of the Institute are entitled to receive superannuation benefits and the Institute contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

The Institute does not recognise any defined benefit liability in respect of the plans because it has no legal or constructive obligation to pay future benefits relating to its employees. The Institute's only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements. This is in accordance with FRD 112 *Defined Benefit Superannuation Obligations*.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Institute.

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

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| <b>Paid Contributions for the Year</b>      |              |              |              |              |
| <b>Defined benefit plans:</b>               |              |              |              |              |
| State Superannuation Fund – revised and new | 89           | 151          | 89           | 151          |
| <b>Total defined benefit plans</b>          | <b>89</b>    | <b>151</b>   | <b>89</b>    | <b>151</b>   |
| <b>Defined contribution plans:</b>          |              |              |              |              |
| VicSuper/Aware                              | 5,490        | 5,224        | 5,490        | 5,224        |
| Other                                       | 4,260        | 4,042        | 4,234        | 4,022        |
| <b>Total defined contributions plans</b>    | <b>9,750</b> | <b>9,266</b> | <b>9,724</b> | <b>9,246</b> |
| <b>Total paid contribution for the year</b> | <b>9,839</b> | <b>9,417</b> | <b>9,813</b> | <b>9,397</b> |
| <b>Contribution Outstanding at Year End</b> |              |              |              |              |
| Various Funds                               | 979          | 851          | 975          | 847          |
| <b>Total</b>                                | <b>979</b>   | <b>851</b>   | <b>975</b>   | <b>847</b>   |

#### Defined contribution plans

Contributions to defined contribution plans are expensed when they become payable.

#### Defined benefit plans

The expenses recognised represents the contributions made by the Institute to the superannuation plan in respect of current services of current Institute staff which are based on the relevant rules of each plan.



# HOLMESGLEN INSTITUTE

Notes to the financial statements

## 9. OTHER DISCLOSURES

| Note | Consolidated |        | Institute |        |
|------|--------------|--------|-----------|--------|
|      | 2024         | 2023   | 2024      | 2023   |
|      | \$'000       | \$'000 | \$'000    | \$'000 |

### 9.4 Commitments

#### 9.4.1 Expenditure commitments

##### (a) Capital expenditure commitments payable

Capital expenditure contracted for at balance date but not recognised as liabilities is as follows:

##### Property, Plant and Equipment

Payable:

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| - Within one year                                   | 4,237        | 2,299        | 4,237        | 2,299        |
| - Later than one year but not later than five years | -            | -            | -            | -            |
| <b>Total capital commitments (GST inclusive)</b>    | <b>4,237</b> | <b>2,299</b> | <b>4,237</b> | <b>2,299</b> |
| GST reclaimable                                     | (385)        | (209)        | (385)        | (209)        |
| <b>Total capital commitments (GST exclusive)</b>    | <b>3,852</b> | <b>2,090</b> | <b>3,852</b> | <b>2,090</b> |

##### (b) Non-cancellable lease commitments - short term and low value leases

The Institute has no material short term and low value lease commitments in 2024 and 2023.

##### (c) Other expenditure commitments

Commitments for contracts relating to property service agreements (e.g. cleaning, waste management and security services) and licence agreements in existence at the reporting date but not recognised as liabilities,

Payable:

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| - Within one year  | 6,491         | 9,502         | 6,491         | 9,502         |
| - Later than one year but not later than five years        | 11,821        | 4,117         | 11,821        | 4,117         |
| <b>Total other expenditure commitments (GST inclusive)</b> | <b>18,312</b> | <b>13,619</b> | <b>18,312</b> | <b>13,619</b> |
| GST reclaimable  | (1,665)       | (1,238)       | (1,665)       | (1,238)       |
| <b>Total other expenditure commitments (GST exclusive)</b> | <b>16,647</b> | <b>12,381</b> | <b>16,647</b> | <b>12,381</b> |

#### 9.4.2 Lease receivable

##### Operating lease receivables

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| - Within one year                                   | 6,443         | 6,581         | 5,674         | 5,827         |
| - Later than one year but not later than five years | 21,251        | 22,446        | 20,573        | 21,245        |
| - Later than five years                             | 57,373        | 61,561        | 57,373        | 61,561        |
| <b>Total lease receivable</b>                       | <b>85,067</b> | <b>90,588</b> | <b>83,620</b> | <b>88,633</b> |
| GST payable on the above                            | 8,507         | 9,059         | 8,362         | 8,863         |
| <b>Net operating lease receivable</b>               | <b>93,574</b> | <b>99,647</b> | <b>91,982</b> | <b>97,496</b> |

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

9. OTHER DISCLOSURES

9.5 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities:

| Name of entity                                     | Class of shares | Country of incorporation | Equity holding | Equity holding |
|--|-----------------|--------------------------|----------------|----------------|
|  |                 |                          | 2024           | 2023           |
| Holmesglen International Training Services Pty Ltd | Ordinary        | Australia                | 100%           | 100%           |
| Glenuc Pty Ltd                                     | Ordinary        | Australia                | 100%           | 100%           |
| Holmesglen Foundation                              | N/A             |                          |                |                |

9.6 Events after reporting date

The policy with disclosing subsequent events is when events occur between the end of the reporting period and the date when the financial statements are authorised for issue:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions which existed at the reporting date; or
- disclosure is made where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

The following non-adjusting subsequent event has been identified for the current year.

The new TAFE teachers Multi Enterprise Agreement 2025 received in-principle approval in February 2025. If the agreement is approved by the Fair Work Commission, the first salary and allowance increase would apply from November 2024. This is the formal commencement date for the new agreement. These increases, as well as other entitlements which are effective from a date prior to the formal commencement of this new agreement, will be made progressively in the months after the agreement formally commences. The estimated impact on the 2024 Annual Report is an expense increase of \$5 million.

No further subsequent events have been identified for the 2024 year (2023 nil).

9.7 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2024 reporting period. The Institute is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 17 *Insurance Contracts* : AASB 17 replaces AASB 4 *Insurance Contracts* , AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026. The Institute is currently in the process of assessing the potential impact of this new accounting standard. The Institute is not expecting this standard to have a material impact on the Institute.
- In June 2024, the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements*, which replaces AASB 101 *Presentation of Financial Statements*.

This standard aims to improve the comparability of financial data with a focus on information about financial performance in the comprehensive operating statement.

The key presentation and disclosure requirements established by AASB 18 are

- The presentation of newly defined subtotals in the statement of profit and loss,
- The disclosure of management-defined performance measures, and
- Enhanced requirements for grouping information (E.g. aggregation and disaggregation).

This new accounting standard will not impact the next reporting period. Holmesglen Institute has not undertaken an assessment as to the impact of these changes at this stage.

## 9. OTHER DISCLOSURES

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### 9.7 Application of standards issued but not yet effective (continued)

In December 2022, the AASB published amendments to AASB 13 *Fair Value Measurement*. The amendments are contained in amending standard AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*.

The amendments provide additional guidance to not-for-profit (NFP) public sector entities determining fair value of assets not held primarily for their ability to generate cash inflows. These amendments are required to be applied prospectively for annual periods beginning on or after 1 January 2024.

In October 2024, the Assistant Treasurer released an updated FRD 103 *Non-financial physical assets*. This FRD requires Victorian public sector entities to defer the application of the amending standard until the next scheduled asset revaluation. This deferral is only eligible for non-financial physical assets within the scope of AASB 116 *Property, Plant and Equipment* and AASB 16 *Leases*. The Institute will adopt these amendments as part of the next formal property, plant and equipment (PPE) revaluation. The amendments had no impact on the 2024 investment property revaluation.

### 9.8 New or amended Accounting Standards and Interpretations adopted

The following Australian Accounting Standards and interpretations are mandatory for the 31 December 2024 reporting period.

In March 2020, the AASB issued AASB 2020-1 - *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current*, which makes amendments to AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

In December 2022, the AASB issued AASB 2022-6 - *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*, which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The above amendments did not have an impact on the Institute's financial statements

## Independent Auditor's Report

### To the Board of Holmesglen Institute

|   |   |
|---|---|
| <b>Opinion</b>  | <p>I have audited the accompanying statement of performance for Holmesglen Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> <li>statement of performance for the year ended 31 December 2024</li> <li>declaration by Board Chair, Chief Executive and Chief Finance and Accounting Officer.</li> </ul> <p>In my opinion, the statement of performance for Holmesglen Institute in respect of the year ended 31 December 2024 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</p>   |
| <b>Basis for Opinion</b>  | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the statement of performance</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the statement of performance in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| <b>Board's responsibilities for the statement of performance</b>                | <p>The Board are responsible for the preparation and fair presentation of the statement of performance, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>   |
| <b>Auditor's responsibilities for the audit of the statement of performance</b> | <p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the statement of performance based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the statement of performance as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to</p>   |

## OFFICIAL

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influence the decisions of users taken on the basis of this statement of performance.

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

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

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

---



MELBOURNE  
28 March 2025

Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

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**HOLMESGLEN INSTITUTE**

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

In our opinion, the accompanying Statement of Performance of Holmesglen Institute, in respect of the 2024 financial year is presented fairly.

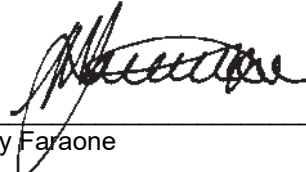
The Statement outlines the performance indicators as determined by the Minister. It also includes the pre-determined targets, the actual results for the year and an explanation of any significant variance between the actual results and performance targets.

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



Michael Gorton  
Board Chair

Date 19 March 2025  
Place Chadstone



Mary Faraone  
Chief Executive

Date 19 March 2025  
Place Chadstone



Gulay Cuvegen  
Chief Finance and Accounting Officer

Date 19 March 2025  
Place Chadstone

# Statement of performance

Statement of performance for year ending 31 December 2024

| Indicator  | Description and methodology   | Measure | 2024 Target* | 2024 Actual | Explanation of variances   | Prior year result |
|--|---|---------|--------------|-------------|--|-------------------|
| <b>Training revenue diversity</b>  | Breakdown of training revenue by:   | %       |              |             | No significant variances between the actual results and our targets                      |                   |
|  | Government funded   |         | 55.9%        | 57.8%       |  | 54.8%             |
|  | Fee for service   |         | 30.2%        | 30.7%       |  | 32.7%             |
|  | Student fees and charges  |         | 13.9%        | 11.4%       |  | 12.5%             |
| <b>Employment costs as a proportion of training revenue</b>  | Employment and third-party training delivery costs as a proportion of training revenue<br><br>(Employment costs – Mental Health Levy - workforce reduction expenses + third-party training delivery costs) / Training revenue | %       | 96.8%        | 86.9%       | Target exceeded due to decreased employee expenses and increased training revenue        | 98.6%             |
| <b>Training revenue per teaching FTE</b>   | Training revenue (excl. revenue delivered by third parties) per teaching FTE<br><br>Training revenue (excl. revenue delivered by third parties) / Teaching FTEs   | \$      | \$217,350    | \$242,965   | Target exceeded due to a lower than budgeted teaching FTE and increased training revenue | \$215,462         |
| <b>Operating margin percentage</b>   | Operating margin percentage<br><br>EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)   | %       | -7.65%       | 2.5%        | Target exceeded due to decreased employee expenses and increased training revenue        | -5.6%             |
| *The 2024 targets are based on the performance measures outlined in the Institute's Statement of Corporate Intent. |   |         |              |             |  |                   |

# Disclosure index

| Item  | Source             | Summary Of Reporting Requirement  | Page        |
|---|--------------------|---|-------------|
| <b>Report of Operations</b>                   |                    |   |             |
| <b>Charter and Purpose</b>                    |                    |   |             |
| 1.  | FRD 22             | Manner of establishment and the relevant Minister                         | 5           |
| 2.  | FRD 22             | Purpose, functions, powers and duties.                                    | 5           |
| 3.  | FRD 22             | Key initiatives and projects  | 7-10, 13-18 |
| 4.  | FRD 22             | Nature and range of services provided                                     | 5, 8-10     |
| <b>Management and Structure</b>               |                    |   |             |
| 5.  | FRD 22             | Organisational structure  | 5-6         |
| <b>Financial and Other Information</b>        |                    |   |             |
| 6.  | FRD 10             | Disclosure Index  | 89-90       |
| 7.  | FRD 22             | Employment and conduct principles   | 22          |
| 8.  | FRD 29             | Workforce data disclosures  | 22-23       |
| 9.  | FRD 22             | Occupational health and safety policy                                     | 24          |
| 10.   | FRD 22             | Summary of the financial results for the year                             | 12          |
| 11.   | FRD 22             | Significant changes in financial position during the year                 | 12          |
| 12.   | FRD 22             | Summary of operational and budgetary objectives                           | 5, 7, 88    |
| 13.   | FRD 22             | Major changes or factors affecting performance                            | 12          |
| 14.   | FRD 22             | Subsequent events.  | 83          |
| 15.   | FRD 22             | Application and operation of the Freedom of Information Act 1982          | 25          |
| 16.   | FRD 22             | Compliance with building and maintenance provisions of Building Act 1993  | 25          |
| 17.   | FRD 22             | Statement on National Competition Policy                                  | 26          |
| 18.   | FRD 22             | Application and operation of the Public Interest Disclosures Act 2012     | 26          |
| 19.   | FRD 22             | Application and operation of the Carers Recognition Act 2012 (Carers Act) | 26          |
| 20.   | FRD 22             | Details of consultancies over \$10 000                                    | 27          |
| 21.   | FRD 22             | Details of consultancies under \$10 000                                   | 27          |
| 22.   | FRD 22             | Disclosure of government advertising expenditure                          | 27          |
| 23.   | FRD 22             | Disclosure of ICT expenditure   | 27          |
| 24.   | FRD 22             | Asset Management Accountability Framework (AMAF) maturity assessment      | 19-20       |
| 25.   | FRD 22             | Summary of Environmental Performance                                      | 13-16       |
| 26.   | FRD 22             | Statement of availability of other information                            | 28          |
| 27.   | FRD 25             | Local Jobs First  | 26          |
| 28.   | SD 5.2             | Specific requirements under Standing Direction 5.2                        | 4, 32, 87   |
| 29.   | CG 10<br>Clause 27 | Summary of Major Commercial Activities                                    | 24          |
| 30.   | CG 12<br>Clause 33 | TAFE Institute Controlled Entities  | 6           |
| <b>Compliance Attestation and Declaration</b> |                    |   |             |
| 31.   | SD 5.1.4           | Financial Management Compliance Attestation Statement                     | 28          |
| 32.   | SD 5.2.3           | Declaration in report of operations                                       | 4           |
| Disclosure Index continues on next page       |                    |   |             |



| Item   | Source        | Summary Of Reporting Requirement   | Page                |
|--|---------------|--|---------------------|
| <b>Report of Operations</b>  |               |  |                     |
| <b>Financial Statements</b>  |               |  |                     |
| <b>Declaration</b>   |               |  |                     |
| 33.  | SD 5.2.2      | Declaration in financial statements  | 32                  |
| <b>Other requirements under standing Directions 5.2</b>  |               |  |                     |
| 34.  | SD 5.2.1(a)   | Compliance with Australian accounting standards and other authoritative pronouncements   | 4, 32, 39-40, 83-84 |
| 35.  | SD 5.2.1(a)   | Compliance with Standing Directions  | 4, 32               |
| <b>Other Disclosures as required by Financial Reporting Directions in notes to the Financial Statements</b>  |               |  |                     |
| 36.  | FRD 11        | Disclosure of ex-gratia expenses   | NA                  |
| 37.  | FRD 21        | Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report | 75, 77-78           |
| 38.  | FRD 103       | Non-financial physical assets  | 36, 49-51           |
| 39.  | FRD 110       | Cash flow statements   | 38                  |
| 40.  | FRD 112       | Defined benefit superannuation obligations   | 81                  |
| <b>Note:</b> References to FRDs have been removed from the Disclosure Index when specific FRDs do not contain requirements that are in the nature of disclosure. |               |  |                     |
| <b>Compliance with other Legislation, Subordinate Instruments and Policies</b>   |               |  |                     |
| 41.  | Legislation   | Compliance statement   | 25                  |
| 42.  | ETRA s3.2.8   | Statement about compulsory non-academic fees, subscriptions and charges payable in 2024  | 26                  |
| 43.  | Policy        | Statement of compliance with the Victorian Public Service Travel Policy  | 26                  |
| 44.  | KPIs          | Key Performance Indicators   | 88                  |
| 45.  | PAEC and VAGO | Overseas operations:   | 10                  |



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