



Specialist centre
for foods, tourism,
hospitality and events

Contents

| | |
|--|----|
| Board Chair's Report | 2 |
| CEO's Report | 3 |
| Specialist Centre for Foods, Tourism, Hospitality and Events | 4 |
| Governance | 6 |
| Organisational Structure | 9 |
| Disclosure Index | 19 |
| Activity Table | 22 |
| Liabilities and Disclosures | 24 |
| Financial Summary | 25 |
| 2013 Key Performance Indicators | 26 |
| Environmental Impacts | 27 |
| Human Resources | 29 |
| Compliance | 31 |
| Environmental Sustainability | 33 |
| The Year in Review | 35 |
| Industry Training | 36 |
| Community and Industry Engagement | 38 |
| Publication and Research | 41 |
| Sponsorships | 43 |
| Developing and Expanding International Partnerships | 44 |
| Financial Report | 48 |

FRONT COVER:

Dineshkumar Periyasamy

Cocoa Alliance

Diploma of Food Science and Technology

Specialising in Confectionery Manufacturing



Laura Jimenez
Work Integrated Learning at
Melbourne Farmers' Markets
Bachelor of Tourism and
Hospitality Management

6:00am – Arrive at Coburg Market, help bump in the Melbourne Farmer's Market stall.

7:00am – Source ingredients for breakfast dishes from stallholders and producers. Create today's breakfast special from the beautiful seasonal produce.

10:30pm – Cooking and serving is keeping us busy, the rush is on!

1:30pm – Packing up, just enough time to pick up some specials before the market closes.

trust



leadership





Dr Michele Alan
Board Chair

Board Chair's Report

On behalf of the Board of William Angliss Institute I am pleased to present to you a summary of our achievements in 2013. This Annual Report provides details of our objectives and priorities as well as the educational services that have been provided during the year.

As a specialist provider William Angliss Institute has sought to maintain our position within a very competitive area of the Victorian contestable market. During 2013 the Institute has maintained its educational services delivering 4.489m student contact hours. This was 2% above our target for the year. In comparative terms William Angliss Institute provided 4.59m student contact hours in 2012 and 4.04m in 2011. Within a challenging market it is pleasing that the Institute has been able to adapt and tailor programs to suit both industry and student needs across vocational and higher education.

The Institute has continued to provide skills development and training services in Melbourne, Victoria and across Australia. International education activities remain a strong component of the Institute's revenue mix. International student numbers for 2013 were in line with expectation, a positive trend returning. 2013 saw the first graduating group from the Institute's Tourism CET Centre in Singapore. This partnership with Singapore's Workforce Development Agency (WDA) continues to develop through our sustained presence in

the market and the strengthening connections with current and new industry partners.

As a specialist provider William Angliss Institute has continued to evolve and develop its position as Australia's largest provider of vocational and higher education for the foods, tourism, hospitality and events industries. The Institute remains committed to further developing our partnerships across Victoria and will continue to explore future partnerships nationally and internationally.

For the Institute Board, the Education and *Training Reform Act 2006* amendments, the new constitution and additional governance changes were implemented in 2013. In addition to the governance changes the Institute also had some changes in Board membership. I would like to acknowledge the contribution and commitment from outgoing Board Member Craig Geddes. Craig joined the Board in 2007 and has served several terms on the Board and Chaired the Finance, Audit and Risk Management Committee for the majority of this time.

The Institute Board extends its appreciation and thanks to the Minister for Higher Education and Skills, the Hon. Peter Hall, MLC. To the staff of the Higher Education Skills Group (HESG) we thank you for your continued support and co-operation.

To my fellow Board Members, the Executive team and our valuable staff, I thank you for your commitment and support to achieving our goals and upholding our values throughout a challenging year.

Dr Michele Allan
Board Chair
27 February 2014



Mr Nicholas Hunt
Chief Executive Officer

CEO's Report

In 2013 the William Angliss Institute team demonstrated their commitment for success by achieving both our educational and financial objectives during a challenging year.

As reported by the Board Chair the Institute exceeded our educational delivery by 2% in an exceptionally competitive market. As a specialist centre with a core of industry specific programs the Institute has sought to focus on our core products and partnerships within Victoria, interstate markets and our international programs.

We were delighted to receive a number of significant awards during the year. A few to highlight include:

- Victorian Large Training Provider of the Year Award 2013, The Victorian Training Awards
- Best Education or Training Provider Award, Australian Events Awards 2013
- Excellence in International Education – TAFE, Victorian International Education Awards 2013
- ASPA Awards of Excellence, Best Spa Education Institute (Certificate/ Diploma) 2013
- Best Registered Travel Industry Training Institution 2013, Australian Federation of Travel Agents

Financially, the Institute has reported a result within our budget expectations and one which matches our three year Transitional Plan as we adapt to the new market conditions.

Within this Annual Report we have reported our results against our key performance indicators. Improvement has continued.

I would like to thank the Board, and in particular our Board Chair, Dr Michele Allan, for the continued support and leadership that she has provided. The Board's team approach and commitment to the Institute has provided sound support and added value to the Executive team throughout the year.

I would also like to thank the staff across all aspects of the Institute's operations. We have asked a lot in the last 12 months and as a group the team has responded well.

At our core remains a focus to ensure we work with the foods, tourism, hospitality and events industries to ensure we are providing skilled individuals and future leaders.

Mr Nicholas Hunt
Chief Executive Officer
27 February 2014

Specialist Centre for Foods, Tourism, Hospitality and Events



Industry leaders in foods, tourism, hospitality and events regard the Institute as the specialist centre for education and training in these areas.

William Angliss Institute is the government endorsed specialist centre for foods, tourism, hospitality and events training and education. Its programs are delivered to more than 18,000 students annually at its Melbourne, Sydney and offshore campuses, as well as at various workplaces in Australia and offshore.

Established in 1940 by prominent Melbourne businessman Sir William Angliss, as Australia's first trade college dedicated to providing training for the food industry, the Institute is now a renowned specialist education and training Institute in the areas of foods, tourism, hospitality and events offering more than 55 nationally accredited course options.

Programs are offered across a wide variety of nationally accredited certificates, diplomas and degree programs. These commercial, industry driven programs attract creative and enthusiastic students from around the globe and deliver job-ready and highly employable graduates.

Continuing growth across Australasia

Along with the main campus in the centre of Melbourne, William Angliss Institute (hereafter known as 'the Institute') also delivers training direct to industry partners through a Sydney campus, offices in Queensland, South Australia, Western Australia and Northern Territory, a Singapore campus, five joint venture campuses in China (Shanghai, Hangzhou, Zhongshan, Nanjing and Tianjin), and through national and international consultancy projects around the world including Malaysia (Kuala Lumpur), Thailand (Bangkok), and Sri Lanka (Colombo).

Areas of Specialisation

With over 55 nationally accredited course options available and a range of flexible learning pathways from short courses through to innovative degree courses, the Institute is regarded by industry leaders as the destination of choice for foods, tourism, hospitality and events education and training.

A suite of training delivery options includes:

- Degree and graduate education
- Apprenticeships and traineeships
- Industry placement programs
- Certificates, diplomas and advanced diplomas
- Compliance training
- Short courses and outreach programs
- VET in Schools and VCAL programs
- Tailored training packages for organisations

Industry expertise and specialist knowledge has positioned the Institute as an active driver of industry benchmarks through representative positions on industry boards. Furthermore, the Institute's consultancy services have been utilised in emerging tourism markets in Australasia.



**Excellence in International
Education- TAFE Victorian
International Education
Award 2013**



**Victorian Large Training
Provider of the Year 2013**

The Institute provides training for the following specialist sectors:



Foods

- Commercial Cookery
- Meat Processing
- Baking
- Patisserie
- Confectionery
- Food Science and Technology



Tourism

- Eco Tourism
- Tour Guiding
- Event Management
- Travel
- Flight Attendant



Hospitality

- Hotel and Resort Management
- Business Management
- Industry Compliance



Events

- Event Management

Training and campus locations in Australia



Governance



Manner of Establishment and the relevant Minister

The Institute is named after the late Sir William Angliss, MLC, whose generous donations enabled the Institute to open as the William Angliss Food Trades School on 18 September 1940. Sir William was elected as the first President of the School Council and remained President until 1954.

The Institute initially provided training in pastry cooking, retail butchery and smallgoods, bread making and baking, cooking and waiting. In the 1960s the school expanded to provide training for the hospitality industry and later to provide training for the tourism industry.

William Angliss Institute was established by an Order in Council under the Victorian Education and Training Act 1990, which was incorporated into the Education and Training Reform Act 2006. The new Constitution of William Angliss Institute of Technical and Further Education Order 2013 was made on 9 April 2013 and came into operation on 15 April 2013.

The Institute is the successor in law to the Board of the William Angliss Institute of Technical and Further Education, which was established under the previous Orders revoked by the new Constitution. The former Board was an incorporated body up to and including 31 December 2012. The Institute is a body corporate by operation of sections 3.1.12 and 6.1.32 of the Education and Training Reform Act 2006 with effect from 1 January 2013. On 15 April 2013 the former Board established under the former Orders was abolished and the Directors of the former Board went out of office. The incoming Board was appointed on 16 April 2013.

During the period 1 January 2013 to 31 December 2013 the relevant office was held by the Hon. Peter Hall, MLC, Minister for Higher Education and Skills.

Objectives of the Institute

The objectives of the Institute are:

- to perform its functions for the public benefit by:
 - operating its businesses, delivering educational services and utilising assets that it manages on the State's behalf as efficiently as possible
 - ensuring that it is sustainable in the medium to long term
 - ensuring that its procedures, policies and practices are consistent with prudent commercial practice
 - endeavoring to maximise its contribution to the economy and wellbeing of the communities and industries served by the Institute and the State as a whole
- to facilitate student learning, knowledge acquisition, skills for employment and vocational education and training through excellent teaching, innovation and educational leadership that delivers quality outcomes
- to facilitate and develop higher education through excellent teaching, innovation and educational leadership that delivers quality outcomes
- to collaborate as part of a strong public training provider network which is mutually and commercially beneficial to enable the institute to offer or provide educational services that meet the needs of industry partners and communities, including persons and groups that have particular education needs
- any other objective set out in an Order in Council or Ministerial Order relating to the Institute

- to perform its functions with a particular focus on the foods, tourism and hospitality industries in Victoria, Australia and internationally

Functions of the Institute

The functions of the Institute are:

- A TAFE Institute may perform all or any of the following functions:
 - to provide the communities and industries served by the Institute with efficient and effective technical and further education programs and services
 - to provide the communities and industries served by the Institute with efficient and effective adult, community and further education programs and services which are responsive to the needs of the community and to consult with the relevant Regional Councils about the provision of these programs and services
 - to provide vocational education and training
 - to offer and conduct courses of study leading to the conferral of higher education awards
 - to confer vocational training awards
 - to confer higher education awards
 - to provide facilities or services for study, research or education
 - to undertake research, development, education, training delivery or other services on a commercial basis for other organisations
 - to aid or engage in the development or promotion of institute research or the application or use of the results of that research
 - to prepare, publish or distribute or license the use of literary or artistic work, audio or audio-visual material or computer software

- to seek or encourage gifts to the Institute or for Institute purposes
- to provide facilities for use by the community
- any other function conferred on the institute by or under the Education and Training Reform Act or any Order in Council or Ministerial Order
- A TAFE institute may perform any function referred to above within and outside Victoria and outside Australia

Powers of the Institute

The powers of the Institute are:

- The powers of the Institute are subject to, and must be exercised in accordance with, the functions, duties and obligations conferred or imposed on the Institute by—
 - the Education Training and Reform Act and other laws
 - the William Angliss Institute Constitution
 - Ministerial and Government directions and guidelines under the Education and Training Reform Act and other legislation, laws and conventions
 - the general administrative, social and economic directives and policies established by the Government of Victoria from time to time

Duties of the Board

The Board must:

- take all reasonable steps for the advancement of the objectives of the Institute and the Board under the Education and Training Reform Act 2006 and the Constitution of the William Angliss Institute of Technical and Further Education Order 2013
- operate in accordance with the economic and social objectives and public sector management policy

- established from time to time by the Government of Victoria
- meet at intervals prescribed in the Constitution of the William Angliss Institute of Technical and Further Education Order 2013
 - provide all assistance and information as the Minister, the Secretary or the Deputy Secretary may reasonably require from the Board
 - ensure the safe custody and proper use of the common seal of the Institute
 - these duties are in addition to and do not take away from the duties imposed on the Board by the ACT, other provision of this Constitution and any other duties imposed by any other Act of law.

Strategic Themes

William Angliss Institute has established a 10 year vision of its strategic priorities. In looking to 2020 the seven strategic priorities are:

- Enhanced program flexibility
- Broadening our scope, integration and specialisations
- Developing and expanding international partnerships
- Developing a national operating network
- Becoming a recognised part of higher education
- Developing an applied research capability
- Investment in facilities and infrastructure

In order for William Angliss Institute to achieve its strategic priorities and educational and financial objectives an internal analysis has been completed and three key themes have been identified that are essential in building William Angliss Institute's capability to respond to changes in the market place and changes

in government policy. The three key themes of the 2012 – 2016 Strategic Plan are:

- Product Leadership
- Resource and Capability Leadership
- Process Leadership

Institute Values

Personal Responsibility:

Accountability, responsiveness, integrity, respect impartiality & human rights

Inspiration:

Passionate, stimulating and optimistic

Empowerment:

Nurturing, encouragement, confidence

Community:

Sharing partnership and connections

Expertise:

Leadership, dedication, excellence

Nature and Range of Service

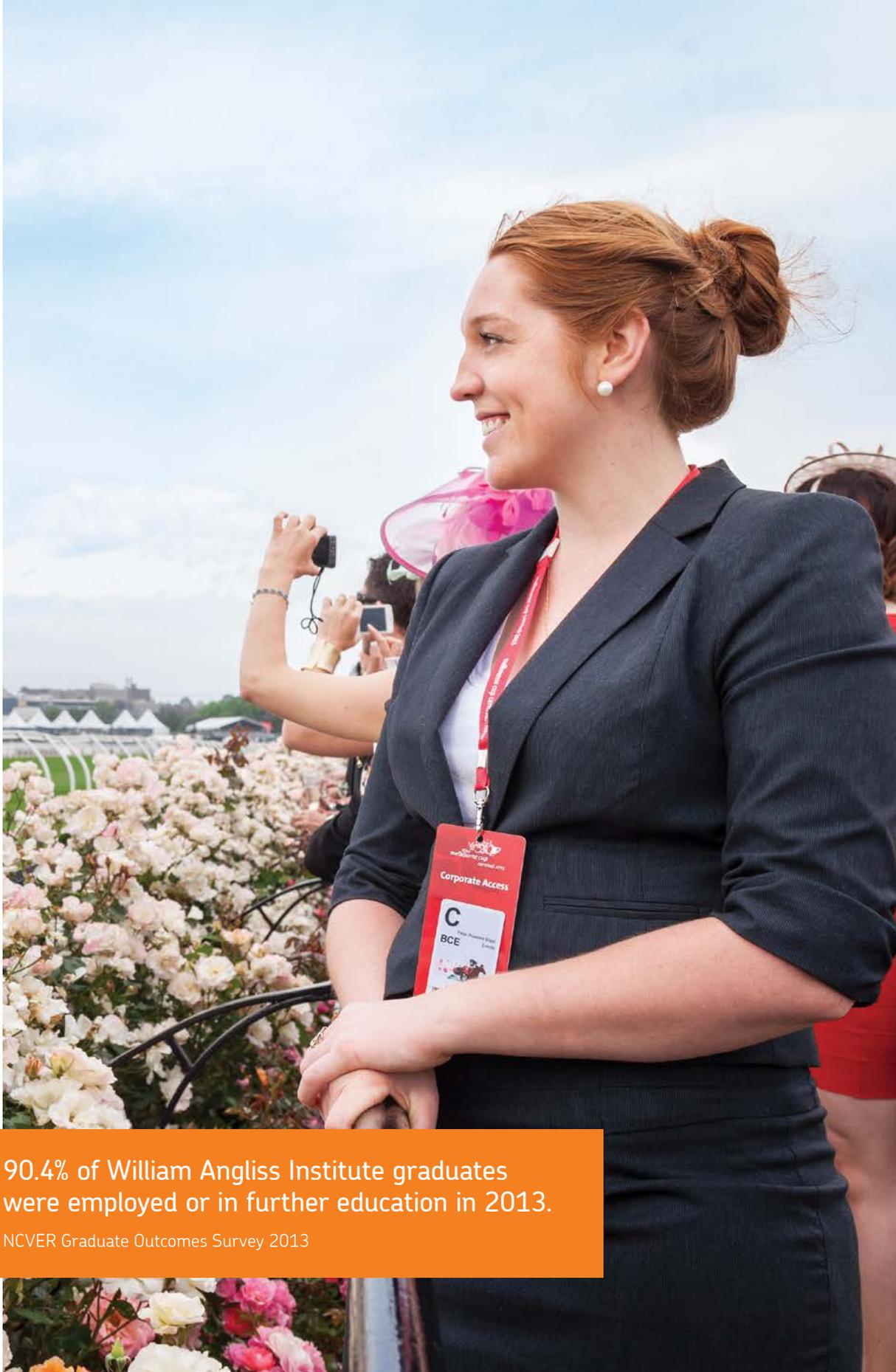
As a specialist training provider to the foods, tourism and hospitality industries, the Institute currently offers a range of educational, training, product development, project management and consultancy services in Australia and overseas. The Institute's areas of delivery are designed to meet the needs of students, employers, clients and industry by responding to industry trends and prevailing market conditions

These services are funded through:

- A contract with the Department of Education and Early Childhood Development
- Full-fee paying students
- Industry or government client payments

Activities and Programs

In 2013 course enrolments were 23,999 across the Institute's foods, tourism hospitality and events programs.

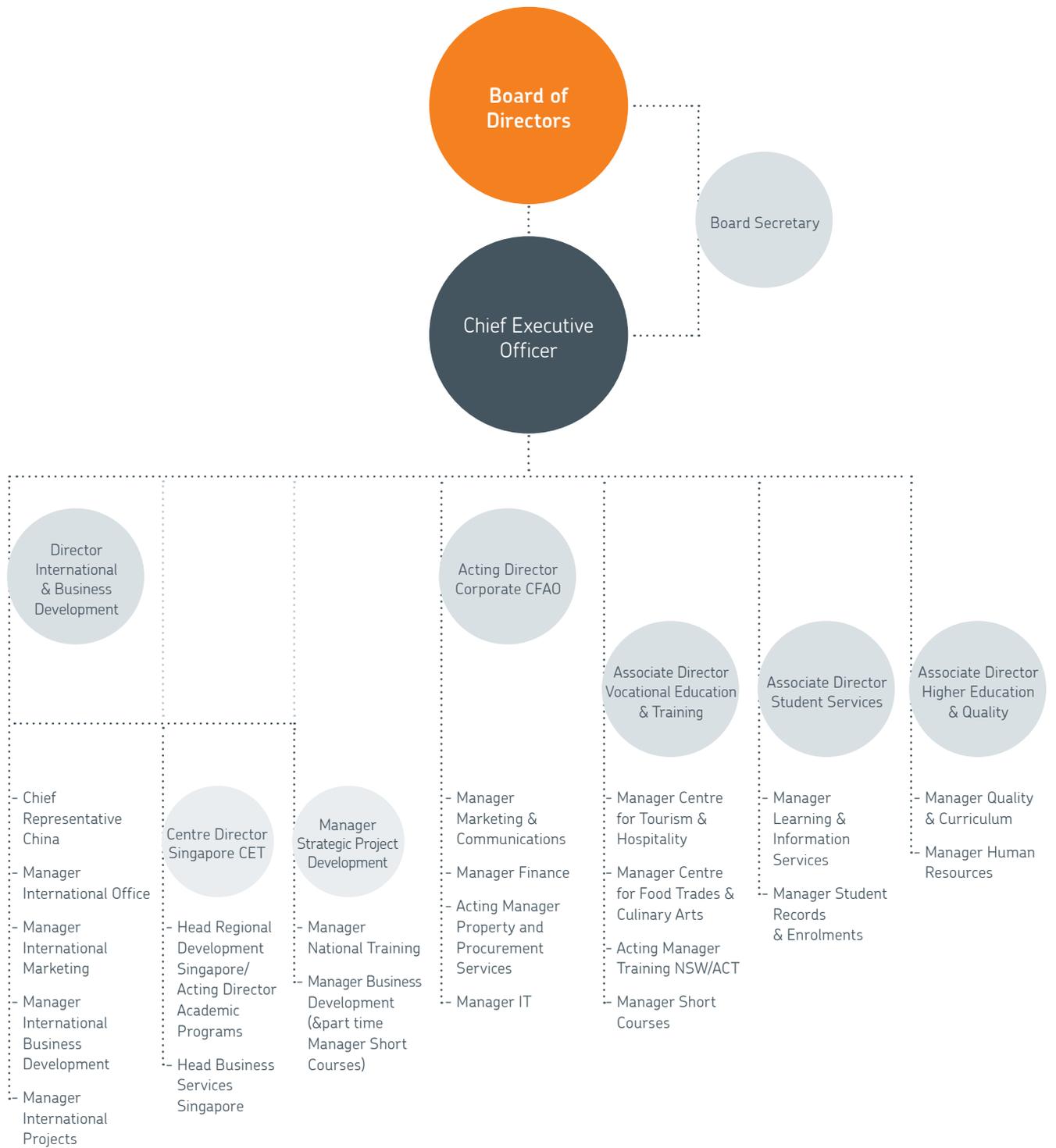


90.4% of William Angliss Institute graduates were employed or in further education in 2013.

NCVER Graduate Outcomes Survey 2013

Grace Collins
Peter Rowlands Major Events
Bachelor of Tourism and Hospitality Management

Organisational Structure



Board Members – Knowledge, Skills and Qualifications



Board Chair

Dr Michele Allan

Board Chair appointed 16 April 2013
(Former Board – appointed Board
President August 2009 to 15 April 2013)
(Former Board – appointed June 2008)

Current roles include Chair – Grains and Legumes Nutrition Council, Independent Non-Executive Director – Grain Technology Australia Limited, Independent Non-Executive Director – Callaghan Innovation, Independent Non-Executive Director – CRC Hearing, Independent Non-Executive Director – Grape and Wine Research and Development Corporation (also Chair Audit and Risk Committee), Chair – Meat and Livestock Australia, Fellow Australian Institute of Company Directors and Professional member Australia Institute of Food Science and Technology.

Michele Allan has a Bachelor of Applied Science Major – Biomedical Science – Cytology from University Technology Sydney, Master of Management (Technology) from the University of Melbourne, Doctor of Business Administration from Royal Melbourne Institute of Technology and a Master of Commercial Law from Deakin University. She is also a graduate of the Australian Institute of Company Directors. Michele's last executive role was as MD/CEO of a listed food company.

Prior to this position she was Group General Manager Risk and Sustainability at Amcor Limited. Other executive positions she has held have been General Manager Research and Technology Amcor, Interim Chief Executive Officer – Tasmanian Bioinformatics Centre of Excellence, General Manager Bioscience and Technology – Bonlac Foods, Corporate Quality and Environment Manager – Kraft Foods Limited, and Corporate Quality and Materials Manager ICI Dulux.



Ministerial Directors

Rick Aylett

Appointed 16 April 2013
(Former Board – appointed May 2009
to 15 April 2013)

Industry Consultant

In a career spanning 34 years Rick has held executive and management positions in the event, hospitality and sports and leisure industries in Australia, Asia and India. His experience includes leading the strategic development and successful operational delivery of more than 50 major international events. Rick was Managing Director of Peter Rowland Major Events and established the company as a respected market leader. Under Rick's leadership the organisation secured the inaugural Melbourne Formula 1 Grand Prix, Melbourne Cup Carnival, Kooyong Classic, Australian Motorcycle Grand Prix, and International Air Show.

Rick was the Executive Director of the Athletes Village Catering at the 2010 Commonwealth Games in Delhi, India the largest contingent of athletes and officials ever assembled at any Commonwealth games. Prior to this he was a consultant to the Australian Football League and Chief Executive Officer of the North Melbourne Football Club. Following his role as Chief Operating Officer at Delaware North Companies Australia, Rick now provides advisory services and leadership on strategy development and execution, major event delivery and project management. Rick's current focus includes the development and implementation of strategic growth plans into India and South East Asia.

Rick is a graduate of the Institute's Diploma of Hotel and Catering Operations and is also a graduate member of the Australian Institute of Company Directors.



Dean Minett

Appointed 16 April 2013
(Former Board – appointed September
2012 to 15 April 2013)

Director, Minett Consulting Pty Ltd

Graduating from William Angliss College (as it was known then) in 1982 with a Certificate in Catering, Dean took on his first General Management role at the age of 22. He has worked in, managed or consulted to hotels, motels, resorts, restaurants and casinos for over 34 years across all states of Australia and is co-author of two best-selling hospitality and tourism textbooks, "The Road to Hospitality" and "The Road to Tourism".

Dean is the principal of his own management consultancy, specialising in tourism and hospitality and prior to this was Country General Manager/ Director, Australia for The Ascott Limited, the world's largest owner/operator of serviced residences.

Dean has been actively involved in many aspects of the industry via board or committee membership including the Catering Institute of Australia, The Hospitality Management Guild, Australian Institute of Hospitality Management, Australian Hotel Association, Hotel Motel and Accommodation Association and Victoria University. He was involved with the Victorian Tourism Awards from 2001 to 2005 in the capacity of both judge and Chairman of the Mentor Panel and was recognised as a "Legend of Tourism" by Tourism Training Australia in 2004. Dean completed his Master of Business (Hospitality and Tourism) in 2007, researching Ethics and Leadership in Hospitality and is a Graduate Member of the Australian Institute of Company Directors.



Madelyn-Anne Ring
Appointed 16 April 2013
(Former Board - appointed October 2011
to 15 April 2013)

Head of HR Sales, CUB

Madelyn Ring has over 18 years global experience in communications and human resources. She has worked in Canada, the UK and Australia in various industries including consulting, government, pharmaceuticals, airlines and more recently consumer goods. Her experience includes public relations, internal communications, change management, organisational development, learning and development and employment relations.

Madelyn holds a Bachelor of Arts in Organisational Communication, a post Graduate Certificate in Change Management and is currently studying a Masters of Business Administration. Her current role focuses on developing organisational capability to improve business performance.

Beth Schofield
Appointed 16 April 2013
(Former Board appointed October 2011
to 15 April 2013)

Finance Consultant

Beth Schofield is a finance professional with experience across various disciplines in both professional practice and industry. Beth spent almost 13 years in various advisory roles at Ernst & Young, a global chartered accounting firm, across both business services and corporate finance service advisory services. The majority of her experience involved providing mergers and acquisitions advisory services to both listed and private companies across a wide range of industries particularly including food, financial services and telecommunications. She left the firm as an Associate Director to take up a role as CFO and company secretary of Patties Foods Limited, an ASX listed public company and market leading manufacturer and marketer of frozen foods nationally and internationally under such iconic brands as Four'n Twenty, Nannas, Herbert Adams, Creative Gourmet and Patties. Beth currently provides financial consulting and advisory services to clients predominantly looking to expand, restructure or create strategic improvements in their business, providing her the flexibility to concurrently raise a young family. Beth holds a Masters of Applied Finance from Macquarie University, a Bachelor of Commerce from Melbourne University and is a member of the Institute of Chartered Accountants.



Board Directors

Peter Filshie

Appointed 22 May 2013

(Former Board - appointed November 2005 to 15 April 2013)

Executive General Manager ESB Morris Corporation

Peter Filshie is currently employed by Morris Corporation and is responsible for the eastern seaboard operations which includes remote sites. Morris Corporation is Queensland's 12th largest privately owned business, delivering accommodation, catering and facility management throughout Australia. Throughout his career Peter has held senior executive management positions with Sodexo, John Lewis Food Services, Composite Buyers, Five Star Food Services, Ansett Airport Concessions and Denny's Restaurants.

In November 2009 Peter was recognised for his outstanding contribution to the foodservice industry by the Foodservice Industry Association - VIC/TAS. Peter was one of the Institute's first graduates from the Diploma of Hotel and Catering Operations program.

Dr David Foster

Appointed 22 May 2013

Dr David Foster has been working in the tourism and leisure industries for over two decades, as an educator, consultant and operator. He began his career in tourism as a planner, since then he has operated a travel agency and tour company and worked as a consultant on a wide range of tourism and park-related projects.

David spent many years involved in tourism education and research. For most of the 1990s he was Associate Professor and Head of Hospitality, Tourism and Leisure at RMIT University and managed a research and consultancy company owned jointly by RMIT and William Angliss Institute.

David has a range of experiences in tourism at the strategic level on a variety of tourism boards (Tourism Accreditation Board of Victoria, PATA Southern Chapter, Victorian Employers Chamber of Commerce and Industry Tourism and Hospitality Group, etc.) and has been a member of several Reference Groups for Tourism Victoria. He was also Chair of a major events committee that was responsible for initiating the celebration of the sesquicentenary of the discovery of gold in Victoria (2001).

David has been a judge in the Victorian Tourism Awards for nine years. He has also served as a Mentor for those awards and worked with a number of aspiring applicants. He is currently Chair of William Angliss Institute Higher Education Academic Board and Director of the Australian Centre for Tourism and Hospitality.

Brian Kearney

Appointed 22 May 2013

(Former Board - appointed May 2009 to 15 April 2013)

Chief Executive Officer Australian Hotels Association (Victoria)

Chief Executive Officer Australian Hotels Association (Victoria)

In 2004 Brian was appointed the CEO of Australian Hotels Association (Victoria). In this role he is responsible for representing the interests of Victoria's pubs and accommodation hotels to local, state and federal governments, and the community. Brian has been Director of Liquor Licensing (Government of Victoria), CEO of the Liquor Licensing Commission, and has held senior executive positions with the Totalisator Agency Board of Victoria. He has qualifications in accounting and management.



Joanne Rumble

Appointed 22 May 2013
(Former Board - Vice President
appointed March 2009 to 15 April 2013)
(Former Board - appointed June 2004)

Senior Manager, Workplace Services People and Workplace Services Department of Transport, Planning and Local Infrastructure

Joanne Rumble's experiences in the Victorian public service have included senior budgeting and finance roles; establishing a grant administration function; and project management with a focus on business process re-engineering and accommodation strategy implementation. Joanne's current role encompasses responsibility for property, fleet, facilities, IT service management, IT equipment procurement, telephony services and fit-out projects. She has also undertaken various accountancy roles in Australia and the UK working across both the public and private sectors. Joanne holds Masters Degrees in both public and business administration, together with a Graduate Diploma of Communication (Public Relations) and a Bachelor of Business (Accounting). She is an active member of CPA Australia and is a graduate member of the Australian Institute of Company Directors.

Craig Geddes

(Former Board - appointed July 2007
to 15 April 2013)
**General Manager Assurance and Risk
Management, Oakton**

Craig Geddes has 20 years experience in the assurance and risk management industry, holding previous positions with Price Waterhouse, the Arlec Group of Companies, AXA and Acumen Alliance. Craig is a Certified Internal Auditor and a qualified Chartered Accountant. Craig has extensive experience consulting to the Victorian Government, with clients including the Department of Justice, Department of Treasury and Finance, Department of Education and Early Childhood Development and Port of Melbourne Corporation. Craig is an independent member of the Victorian Institute of Teaching Audit Committee. He is also a member of the Australian Institute of Company Directors. Craig was initially appointed as an industry co-opted Board member but in October 2008 was appointed as a Ministerial representative.

Internal Board Appointments

The following internal Board appointments ceased on 15 April 2013 when the new Constitution came into operation.

Chief Executive Officer

The Chief Executive Officer held a position as a Director on former Board.

Nicholas Hunt

(Appointment ceased 15 April 2013)

Elected Staff Representative

Felicity Fraser

(Former Board - appointed 1 April 2012
to 31 March 2014)

(Appointment ceased 15 April 2013)

Teacher

Elected Student Representative

Emily Coltraine

(Former Board - appointed 1 April 2012
to 31 March 2013)



Attendance at Board and Committee Meetings 2013

| Board Member | Board | RR&BM | FARM | Annual Meeting |
|------------------|-------|-------|------|----------------|
| Allan, M (Chair) | 7/8 | 3/3 | | 1/1 |
| Aylett, R | 8/8 | 1/3 | 2/4 | 0/1 |
| Coltraine, E | 1/2 | | | |
| Filshie, P | 6/7 | | 4/4 | 1/1 |
| Foster, D | 4/5 | | | 1/1 |
| Fraser, F | 1/2 | | | |
| Geddes, C | 2/2 | 1/1 | 0/1 | 1/1 |
| Hunt, N | 2/2 | | | |
| Kearney, B | 7/7 | | 3/4 | 1/1 |
| Minett, D | 7/8 | 3/3 | | 1/1 |
| Ring, M | 7/8 | 2/2 | 1/1 | 1/1 |
| Rumble, J | 6/7 | 1/1 | 4/4 | 1/1 |
| Schofield, B | 8/8 | | 4/4 | 1/1 |

Key:

FARM Finance, Audit and Risk Management Committee

RR&BM Remuneration Review and Board Membership Committee

Dr M Allan appointed as Board Chair effective 16 April 2013 (Former Board President effective 31 August 2009)

C Geddes resigned as Director effective 15 April 2013

N Hunt resigned as Director effective 15 April 2013

Dr D Foster appointed as Board Director effective 22 May 2013

E Coltraine resigned as Student Representative effective 31 March 2013

F Fraser resigned as Staff Representative effective 15 April 2013

The Board met 8 times during the year. Institute Committees met 7 times to review and monitor various aspects of the Institute's operations. An Annual Meeting was held on 27 May 2013. During 2013 no Board Members declared a potential pecuniary interest in issues discussed during Board meetings. A new Constitution came into operation on 15 April 2013. The former Board was abolished on 15 April 2013 and the incoming Board was appointed on 16 April 2013. The Institute is a body corporate by operation of sections 3.1.12 and 6.1.32 of the Education and Training Reform Act 2006 which came into effect from 1 January 2013 this changed the legal entity of William Angliss Institute from being the William Angliss Institute Board to the William Angliss Institute of Technical and Further Education.

Board Composition

The former Board 1 January 2013 to 15 April 2013 consisted of 13 members:

- Seven members appointed by the Minister
- Three industry co-opted members appointed by the Board
- The Chief Executive Officer
- One elected staff representative
- One elected student representative

The incoming Board 16 April 2013 to 31 December 2013 consists of 9 members:

- One Board Chair appointed by the Governor in Council
- Four Ministerial Directors appointed by the relevant Minister
- Four Board Directors appointed by the relevant Minister after considering advice from the Board Chair and the Ministerial Directors

The Board appointed J Slevison to the position of Board Secretary effective 28 May 2013

Training Undertaken by Board Members

During 2013 some Board members were involved in the following training:

- Company Directors Course, Australian Institute of Company Directors
- Governance Forum, Victorian TAFE Association

Governance Charter

The Board annually reviews the Governance Charter. During 2013 the Board reviewed and further developed the Governance Charter to align with the new Constitution of the William Angliss Institute of Technical and Further Education Order 2013. The incoming Board revoked delegations, institute rules and standing orders of the former Board. The incoming Board reviewed and approved delegations, Institute rules and standing orders within the specified timeframe of six months after the handover date (15 April 2013).



Code of Conduct

The Board originally developed and approved its own Code of Conduct in 2006, which is reviewed annually. The Code of Conduct is a public statement outlining how the Board conducts its business. It articulates that the Board is committed to the highest standards of good governance, professionalism, principles of transparency and service to all of the Institute's stakeholders. This Code of Conduct compliments the Institute's staff Code of Conduct and the State Government's Code of Conduct for public sector organisations.

Performance and Summary of Activities

The Board annually:

- Reviews and approves the Strategic and Risk Management plans and sets clear annual measures that are in alignment with the Strategic Plan and Risk Management Plan
- Approves an annual Internal Audit Plan (developed and referred by the Audit Committee) and ensures that the implementation of recommendations are responsive to agreed identified risk areas
- Approves an annual budget for submission to Higher Education Skills Group
- Signs off on the annual financial reports within eight weeks of balance date
- Approves the annual contract with Victorian Skills Commission and monitors compliance with the agreed set targets
- Reviews and approves the Financial Delegations Policy by 30 June
- Develops and implements an annual performance review cycle for the Chief Executive Officer in line with a set of targets aligned to the approved Strategic Plan
- Ensures that Board membership complies with legislative requirements and that members comply with the agreed Board Members' Code of Conduct

- Ensures that appropriate policy and procedures are in place to meet good governance, legislative, regulatory and organisational requirements
- Approves and submits the Strategic Plan to the relevant Minister
- Approves and submits the Annual Statement of Corporate Intent to the relevant Minister
- Approves the audited financial annual reports
- Meets the required obligations of the Strategic Planning Guidelines and Commercial Guidelines

Board Committees

Finance, Audit and Risk Management Committee

Committee Members:

Joanne Rumble (Chair), Rick Aylett, Peter Filshie, Craig Geddes, Brian Kearney, Madelyn-Anne Ring and Beth Schofield

Objectives:

- Review the integrity of the Institute's financial internal and external reporting
- Review and assess the internal and external auditor's activities, scope and independence
- Recommending that the Board approve the annual financial accounts for inclusion in the Annual Report
- Monitoring and recommending to the Board for approval six monthly reviews of the Capital Expenditure budget
- Review the management processes for the identification of significant business risks and exposures and review and assess the adequacy of management information and internal control structures
- Provide assurance that the Institute is adequately managing risk relating to corporate governance and is maintaining appropriate controls against conflicts of interest and potential fraud

- Review the Institute's governance policies and procedures as identified by the Board
- Consider any other matters referred to it by the Board

During 2013 the Finance, Audit and Risk Management Committee held four meetings.

Remuneration Review and Board Membership Committee

Committee Members:

Michele Allan (Chair), Rick Aylett, Craig Geddes, Dean Minett, Madelyn Ring and Joanne Rumble

Objectives:

- Keeping the Board informed regarding "best practice" on employment conditions and employee remuneration and changing legal requirements for Executive and employee remuneration
- Operating in accord with Government policy and Government Sector Executive Remuneration Panel (GSERP) guidelines and the Victorian Government Executive Employment Handbook
- Making decisions in relation to Executive remuneration independently of the senior management of the Institute
- Adopting an overall remuneration strategy which is consistent with the Institute's business objectives, the human resource needs of the Institute and relevant laws
- Ensuring the overall remuneration policy is in line with the strategic goals of the Institute
- Complying with appropriate and required disclosure requirements (eg Annual Reports) of executive remuneration, in accordance with regulatory requirements and good governance practices

During 2013 the Remuneration Review and Board Membership Committee held three meetings.

Executive Team - Roles and Responsibilities



Nicholas Hunt Chief Executive Officer (CEO)

The CEO is responsible for providing the strategic leadership of the Institute by working with the Board of Directors and the Executive Management team to ensure that William Angliss Institute provides high quality innovative education and training from Certificate to Degree level programs that meet the needs of the industry and is attractive to local, national and international students.

The CEO is accountable to the Board of Directors for the effective overall management of the Institute and for conformity with policies agreed upon by the Board. The CEO has full responsibility for the day-to-day operations of the Institute in accordance with the Institute's strategic plan, current operational plan as well as annual operating and capital expenditure budgets.

The position works co-operatively with Government to implement state and national policies and is responsible for ensuring government agreements and requirements such as planning frameworks are achieved.

A key aspect of the CEO's role is to drive and develop the Institute's industry focus at both a strategic and operational level, ensuring the efficient use of resources in meeting the needs of stakeholders and clients. This includes driving change to support the Institute's effectiveness and accountability.

The CEO works with the Executive team to develop opportunities for innovative and flexible foods, tourism and hospitality industry focused vocational education and training programs locally, nationally and internationally.

The CEO was a member of the Institute Board from 1 January 2013 to 15 April 2015.



Robyn Jackson Director - Education Delivery (Resigned 30 August 2013)

Education Delivery is responsible for the majority of education delivery at the Institute. The Director is responsible for leading educational development and delivery for both vocational education and training and higher education to ensure the Institute maintains its position as a leader in the delivery of hospitality, tourism, food trades and culinary arts programs.

The Director manages the Board of Studies, the Higher Education Academic Board, the Research Committee, Education Quality Management Committee and the two Field of Education Advisory Committees (Food Studies and Tourism and Hospitality) ensuring appropriate academic governance for the Institute and exceptional educational experiences for all participants. The Education Delivery division also manages the Institute's reporting role to government in relationship to training service agreements and its relationships with the national regulators Australian Skills Quality Authority (ASQA) and Tertiary Education Quality and Standards Agency (TEQSA).

The Director works with the Associate Director VET to ensure the effective development and delivery of high quality education programs at the Institute and with the Associate Director Student Services to ensure a high quality service to students.

Following this resignation the position of Director - Education Delivery was reviewed as part of further structural changes. In the interim the CEO held the role of Acting Director - Education Delivery.



Wayne Crosbie Director - International and Business Development

The primary focus of the Institute's International and Business Development division is to identify and develop commercial opportunities domestically and internationally and to implement a strategy throughout the Institute of both nationalisation and internationalisation.

Nationally, the Institute establishes relationships and training contracts with key clients within the food service, retail food, hotel, travel, resorts, gaming and other related industry sectors. The Division's delivery of work based training programs, through a range of training and assessment strategies, assists with the development of and support to industry and government initiatives, with training also extended to remote locations within Australia and a special focus on Indigenous programs.

The division's International area is responsible for both the recruitment of overseas students into accredited Institute Higher Education Degree and VET programs, for identifying, developing, implementing and managing new offshore opportunities and projects. The Institutes' international activities have developed strategic partnerships with joint campuses education providers in China, Malaysia and Thailand, operating a Continuing Education and Training Centre (CET) in Singapore in partnership the Singapore Government Workforce Development Agency, with regional forums such as the ASEAN Secretariat, government organisations such as the Saudi Commission for Tourism and Antiquities - Kingdom of Saudi Arabia, global hotel chains such as Hilton Worldwide, the InterContinental Hotels Group and a range of education and training organisations.



Chris Coates

**Centre Director - William Angliss Pte Ltd, Singapore
(Resigned 31 October 2013)**

The Centre Director Singapore is responsible for the management of the Singapore operation including the contracted arrangements for delivery of Singapore Workforce Development Agency funded courses to industry at the certificate to diploma levels of the Workplace Skills Qualifications. The Centre having gained a four year registration with the Council for Private Education in 2012 will now expand its role in course offerings and in relation to regional offerings.

Following this resignation Executive responsibilities held by C Coates were transferred to W Crosbie, Director - International and Business Development.

Jim Stoikos

**Acting Director - Corporate
(Appointed 9 September 2013)**

The Corporate Division is responsible for providing corporate governance and administration, financial and business analysis, information technology, marketing and communications, strategy management, property and procurement leadership and services to the Institute.

The Finance Department provides regular financial reporting, forecasts and analysis to the Executive, Board and external parties, as well as managing the cash position of the institute and maintaining the asset register and the Institute's payroll function.

The Property and Procurement Services department maintains Institute buildings on multiple sites and is responsible for managing capital works, building and equipment maintenance, site cleaning, campus security, purchasing and procurement. The department also manages the commercial activities of the Conference Centre, Café 555 and the Bakeshop.

The Marketing and Communications Department is responsible for developing the Institute's marketing and brand strategies, student recruitment, public relations, advertising, digital marketing, production and design, corporate communications and stakeholder engagement.

The Information Technology Services Department provides technical IT support including voice systems, audio visual and mobile technology. It also manages whole of Institute IT infrastructure, business application support and IT strategy, procurement and compliance.

Duncan Langdon

**Director - Corporate
(Resigned 27 September 2013)**



Dan Mabilia

Associate Director - Vocational Education and Training (VET)

The Associate Director VET is responsible for the delivery of a diverse range of industry based and on campus Vocational Education and Training programs offered in four areas: Centre for Tourism and Hospitality; Centre for Food Trades and Culinary Arts; Industry Training Centre- Sydney; and Lifestyle and Compliance. The Associate Director has responsibility for leading the development of vocational education and training programs to ensure William Angliss Institute maintains its position as a leader in the delivery of high quality programs in hospitality, tourism, events, resorts and food trades and culinary arts.

The role supports the integration of flexible and traditional workplace based training programs supporting the learning and development of trainees through the traineeship and apprenticeship programs in both Victoria and New South Wales.

To support academic governance in the Institute the Associate Director VET participates in the Education Quality Management Committee, the Board of Studies, chairs the Field of Education Advisory Committee and has the shared responsibility to meet the requirements of the national regulators and relevant state service agreements.

The Associate Director VET works closely with the Associate Director Student Services and the Director of International and Business Development to ensure the Institute maintains high quality training and support services to industry clients, and to domestic and international student cohorts.



Des Minton

Associate Director - Student Services

The Associate Director Student Services is responsible for the management of the student lifecycle from enrolment through to graduation and beyond, with alumni activity. Student Services includes three broad areas of responsibility: Student Support Services; Learning Resource Centre; and Student Records and Enrolments.

Student Support Services ensure students are given equal opportunity to develop their skills whilst studying at William Angliss Institute as well as providing opportunities for social interaction and employment experiences. The Learning Resource Centre provides access to information for students studying at the Institute, as well as managing copyright and the Institutes e-learning platform.

Student Records and Enrolments manages the enrolment process, reporting to the Higher Education and Skills Group (HESG) in the Department of Education and Early Childhood Development, graduation and records storage. It also includes the Information Centre as the main student facing centre for all current students.

Disclosure Index

| Item No | Source Reference | SUMMARY OF REPORTING REQUIREMENT <small>Important Note: please refer to the individual FRD, SD or CG for full detail of requirements (see weblinks shown at top of this document) as the information provided below is a summary only</small> | Page |
|--|-------------------|--|--------|
| REPORT OF OPERATIONS | | | |
| CHARTER AND PURPOSE | | | |
| 1 | FRD 22D | Manner of establishment and the relevant Minister | 6 |
| 2 | FRD 22D | Objectives, functions, powers and duties | 6-7 |
| 3 | FRD 22D | Nature and range of services provided including communities served | 7 |
| MANAGEMENT AND STRUCTURE | | | |
| 4 | FRD 22D | Organisational structure and chart, including accountabilities | 9 |
| 5 | FRD 22D | Names of Board members | 10-13 |
| FINANCIAL AND OTHER INFORMATION | | | |
| 6 | FRD 03A | Accounting for Dividends | N/A |
| 7 | FRD 07A | Early adoption of authoritative accounting pronouncements | 65-66 |
| 8 | FRD 10 | Disclosure Index | 19-21 |
| 9 | FRD15B | Executive officer disclosures | N/A |
| 10 | FRD 17A | Long Service leave wage inflation and discount rates | 62 |
| 11 | FRD19 | Private provision of public infrastructure | N/A |
| 12 | FRD 20A | Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004 | N/A |
| 13 | FRD22 & SD 4.2(k) | Operational and budgetary objectives, performance against objectives and achievements | 25 |
| 14 | FRD 22D | Occupational health and safety statement including performance indicator and performance against those indicators | 29 |
| 15 | FRD 22D | Workforce data for current and previous reporting period including a statement on employment and conduct principles | 30 |
| 16 | FRD 22D | Summary of the financial results for the year including previous 4 year comparisons | 25 |
| 17 | FRD 22D | Significant changes in financial position during the year | 25 |
| 18 | FRD 22D | Major changes or factors affecting performance | 25 |
| 19 | FRD 22D | Post-balance sheet date events likely to significantly affect subsequent reporting periods | 84, 56 |
| 20 | FRD 22D | Summary of application and operation of the <i>Freedom of Information Act 1982</i> | 31 |
| 21 | FRD 22D | Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i> | 32 |
| 22 | FRD 22D | Statement on National Competition Policy | 31 |
| 23 | FRD 22D | Summary of application and operation of the Protected Disclosure Act 2012 | 31 |
| 24 | FRD 22D | Summary of Environmental Performance. | 33 |
| 25 | FRD 22C | Details of consultancies over \$10,000 (refer to FRD for information required) | 25 |
| 26 | FRD 22C | Details of consultancies under \$10,000 (refer to FRD for information required) | 25 |
| 27 | FRD 22D | List of certain other information available on request (as specified in the FRD) | 32 |
| 28 | FRD 24C | Reporting of office based environmental impacts | 27-28 |
| 29 | FRD 25A | Victorian Industry Participation Policy Disclosures | 32 |
| 30 | FRD 26A | Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004 | N/A |
| 31 | FRD 29 | Workforce Data Disclosures on the public service employee workforce | 29 |
| 32 | FRD30A | Standard requirements for the design and print of annual reports | 32 |
| 33 | SD 4.5.5 | Risk Management compliance attestation | 32 |
| 34 | SD 4.2 (g) | Qualitative and Quantitative information to be included | 1-96 |
| 35 | SD 4.2 (h) | Statement that Report prepared in accordance with Financial Reporting Directions | 48 |
| 36 | SD 4.2 (j) | Sign-off by member of Responsible Body | 2 |
| 37 | CG 10 (clause 27) | Major Commercial Activities | 32 |
| 38 | CG 12 (clause 33) | Controlled Entities | 89 |

| Item No | Source Reference | SUMMARY OF REPORTING REQUIREMENT Important Note: please refer to the individual FRD, SD or CG for full detail of requirements (see weblinks shown at top of this document) as the information provided below is a summary only | Page |
|--|------------------|---|-------------------------------|
| FINANCIAL REPORT | | | |
| FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984 | | | |
| 39 | SD 4.2 (a) | The financial statements must be prepared in accordance with: <ul style="list-style-type: none"> • Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views); • Financial Reporting Directions; and • business rules. | 48 |
| 40 | SD 4.2 (b) | The financial statements are to comprise the following: <ul style="list-style-type: none"> • income statement; • balance sheet; • statement of recognised income and expense; and • cash flows statement; and • notes to the financial statements. | 51 52 51 54 55-96 |
| OTHER REQUIREMENTS UNDER STANDING DIRECTION 4.2 | | | |
| 41 | SD 4.2 (c) | The financial statements must where applicable be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, stating whether, in their opinion: <ul style="list-style-type: none"> • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of the period; • the financial statements are prepared in accordance with this direction and applicable Financial Reporting Directions; and • the financial statements comply with applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views). | 48 |
| 42 | SD 4.2 (d) | Rounding of amounts. | 63 |
| 43 | SD 4.2 (e) | Review and sign off by Audit Committee or responsible body | 48 |
| 44 | SD 4.2 (f) | Compliance with DTF Model Financial report | 32 |
| OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS | | | |
| 45 | FRD 9A | Disclosure of administered assets and liabilities | N/A |
| 46 | FRD 11 | Disclosure of ex-gratia payments | 24 |
| 47 | FRD 21B | Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report | 86-87 |
| 48 | FRD 101 | First time adoption | 64 |
| 49 | FRD 102 | Inventories | 60 |
| 50 | FRD 103D | Non-current physical assets | 60 |
| 51 | FRD 104 | Foreign currency | 63 |
| 52 | FRD 105A | Borrowing costs | 58, 62 |
| 53 | FRD 106 | Impairment of assets | 58, 59, 67 |
| 54 | FRD 109 | Intangible assets | 57, 61, 78 |
| 55 | FRD 107 | Investment properties | N/A |
| 56 | FRD 110 | Cash flow statements | 54 |
| 57 | FRD 112C | Defined benefit superannuation obligations | 57, 85 |
| 58 | FRD 113 | Investment in subsidiaries, jointly controlled entities and associates | 55-56, 74, 89 |
| 59 | FRD 114A | Financial instruments – general government entities and public non-financial corporations | 65, 90-96 |
| 60 | FRD 115 | Non-current physical assets – first time adoption | N/A |
| 61 | FRD 119 | Contributions by owners | N/A |
| 62 | FRD 119A | Transfers through contributed capital | 63, 81 |
| 63 | FRD 120G | Accounting and reporting pronouncements applicable to the reporting period | 55-68 |
| 64 | FRD 121 | Infrastructure assets | N/A |

| Item No | Source Reference | SUMMARY OF REPORTING REQUIREMENT <i>Important Note:</i> please refer to the individual FRD, SD or CG for full detail of requirements (see weblinks shown at top of this document) as the information provided below is a summary only | Page |
|---|---|---|------|
| PART 7 OF THE FINANCIAL MANAGEMENT ACT 1994 (FMA) | | | |
| 65 | FMA 49 (a) | Must contain such information as required by the Minister. | 48 |
| 66 | FMA 49 (b) | Must be prepared in a manner and form approved by the Minister. | 48 |
| 67 | FMA 49 (c) | Must present fairly the financial transactions of an institute during the financial year to which they relate. | 48 |
| 68 | FMA 49 (d) | Must present fairly the financial position of an institute as at the end of the year. | 48 |
| 69 | FMA 49 (e) | Must be certified by the Accountable Officer for an institute in the manner approved by the Minister. | 48 |
| COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS | | | |
| 70 | Legislation | The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> • Education and Training Reform Act 2006 (ETRA) • TAFE institute constitution • Directions of the Minister for Higher Education and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • Public Administration Act 2004 • Freedom of Information Act 1982 • Building Act 1983 • Protected Disclosure Act 2012 • Victorian Industry Participation Policy Act 2003 | 32 |
| 71 | ETRA s 3.2.8 | Statement about compulsory non-academic fees, subscriptions and charges payable in 2013. | 25 |
| PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION | | | |
| Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs. | | | |
| 72 | FRD 27B | Reporting and performance should be presented using KPIs and a signed Performance Management Certificate should also be completed. (The following 11 are the mandatory KPIs) <ol style="list-style-type: none"> 1. Participation of 15-24 year olds. 2. Participation of 25-64 year olds. 3. Module Load Completion Rate. 4. Student satisfaction. 5. Total Cost per Student Contact Hour (SCH). 6. Working Capital Ratio. 7. Net Operating Margin. 8. Fee for Service Revenue. 9. Revenue per EFT Staff. 10. Student Contact Hours (SCH). 11. Energy Consumption. | 26 |
| OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES | | | |
| 73 | PAEC and VAGO (June 2003 Special Review item 3.110) | <ul style="list-style-type: none"> • financial and other information on initiatives taken or strategies relating to the institute's overseas operations. • nature of strategic and operational risks for overseas operations; • strategies established to manage such risks of overseas operations; • performance measures and targets formulated for overseas operations; • the extent to which expected outcomes for overseas operations have been achieved. | 47 |

Activity Table



| Note A1 – Operating Statement | | | | | |
|---|-------------|---------------------|---------------|----------------------|---------------|
| Total operating Expenses | Note | Consolidated | | The Institute | |
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$000 | \$000 | \$000 | \$000 |
| Delivery provision and support activity | A2 | 31,859 | 32,074 | 31,859 | 32,074 |
| Administration and general services activity | A3 | 8,269 | 14,375 | 8,269 | 9,418 |
| Property, plant and equipment services activity | A4 | 6,396 | 6,632 | 6,396 | 6,632 |
| Student and other activity | A5 | 11,589 | 8,332 | 6,991 | 8,332 |
| Total Operating Expenses | | 58,113 | 61,413 | 53,515 | 56,456 |

| Note A2 – Operating Statement | | | | | |
|--|-------------|---------------------|---------------|----------------------|---------------|
| Delivery provision and support activity | Note | Consolidated | | The Institute | |
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$000 | \$000 | \$000 | \$000 |
| Salaries, wages, overtime and allowances | | 17,901 | 17,676 | 17,901 | 17,676 |
| Superannuation | | 1,498 | 1,401 | 1,498 | 1,401 |
| Payroll Tax | | 902 | 844 | 902 | 844 |
| Other salary related costs | | 180 | 190 | 180 | 190 |
| Communication expenses | | 131 | 141 | 131 | 141 |
| Consumables | | 1,992 | 1,945 | 1,992 | 1,945 |
| Contract Services | | 26 | 17 | 26 | 17 |
| Depreciation | | - | - | - | - |
| Energy Costs | | 67 | 18 | 67 | 18 |
| Equipment | | 29 | 41 | 29 | 41 |
| Fees | | 252 | 326 | 252 | 326 |
| Rent/Leasing charges | | 924 | 275 | 924 | 275 |
| Repairs & maintenance | | 52 | 20 | 52 | 20 |
| Travel & motor vehicle expenses | | 353 | 243 | 353 | 243 |
| Other direct delivery expenses | | 7,552 | 8,937 | 7,552 | 8,937 |
| | | 31,859 | 32,074 | 31,859 | 32,074 |

| Note A3 – Operating Statement | | | | | |
|---|-------------|---------------------|---------------|----------------------|--------------|
| Administration and general services activity | Note | Consolidated | | The Institute | |
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$000 | \$000 | \$000 | \$000 |
| Salaries, wages, overtime and allowances | | 4,469 | 6,349 | 4,469 | 4,680 |
| Superannuation | | 352 | 536 | 352 | 433 |
| Payroll Tax | | 209 | 327 | 209 | 267 |
| Other salary related costs | | 77 | 186 | 77 | 116 |
| Communication expenses | | 93 | 273 | 93 | 259 |
| Consumables | | 741 | 383 | 741 | 355 |
| Contract Services | | 19 | 6 | 19 | 6 |
| Depreciation | | - | 188 | - | - |
| Energy Costs | | - | 93 | - | 50 |
| Equipment | | 59 | 92 | 59 | 84 |
| Fees | | 1,147 | 1,295 | 1,147 | 847 |
| Rent/Leasing charges | | (4) | 1,646 | (4) | 831 |
| Repairs & maintenance | | 12 | 12 | 12 | 38 |
| Travel & motor vehicle expenses | | 114 | 1,052 | 114 | 148 |
| Other expenses | | 981 | 1,937 | 981 | 1,304 |
| | | 8,269 | 14,375 | 8,269 | 9,418 |

Note A4 - Operating Statement

| Property, plant and equipment services activity | Note | Consolidated | | The Institute | |
|---|------|--------------|--------------|---------------|--------------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$000 | \$000 | \$000 | \$000 |
| Salaries, wages, overtime and allowances | | 1,113 | 1,505 | 1,113 | 1,505 |
| Superannuation | | 71 | 96 | 71 | 96 |
| Payroll Tax | | 48 | 61 | 48 | 61 |
| Other salary related costs | | 16 | 16 | 16 | 16 |
| Communication Expenses | | 16 | 23 | 16 | 23 |
| Consumables | | 21 | 43 | 21 | 43 |
| Contract Services | | 358 | 434 | 358 | 434 |
| Depreciation | | 2,947 | 2,791 | 2,947 | 2,791 |
| Energy Costs | | 553 | 594 | 553 | 594 |
| Equipment | | - | 2 | - | 2 |
| Fees | | - | 7 | - | 7 |
| Rent/Leasing charges | | 196 | 176 | 196 | 176 |
| Repairs & maintenance | | 318 | 322 | 318 | 322 |
| Travel & Motor Vehicle Expenses | | - | 1 | - | 1 |
| Other expenses | | 739 | 561 | 739 | 561 |
| | | 6,396 | 6,632 | 6,396 | 6,632 |

Note A5 - Operating Statement

| Student and other activity | Note | Consolidated | | The Institute | |
|--|------|---------------|--------------|---------------|--------------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$000 | \$000 | \$000 | \$000 |
| Salaries, wages, overtime and allowances | | 5,474 | 4,520 | 3,237 | 4,520 |
| Superannuation | | 392 | 328 | 236 | 328 |
| Payroll Tax | | 189 | 202 | 139 | 202 |
| Other salary related costs | | 186 | (26) | 119 | (26) |
| Communication expenses | | 36 | 21 | 32 | 21 |
| Consumables | | 531 | 951 | 485 | 951 |
| Contract Services | | - | 8 | - | 8 |
| Depreciation | | 218 | - | - | - |
| Energy Costs | | 56 | - | - | - |
| Equipment | | 23 | 2 | 9 | 2 |
| Fees | | 395 | 522 | 642 | 522 |
| Rent/Leasing charges | | 834 | 6 | 3 | 6 |
| Repairs & maintenance | | 2 | 10 | - | 10 |
| Travel & Motor Vehicle Expenses | | 910 | 249 | 195 | 249 |
| Other expenses | | 2,343 | 1,539 | 1,894 | 1,539 |
| | | 11,589 | 8,332 | 6,991 | 8,332 |

Liabilities and Disclosures



Disclosures of Ex-Gratia Payments

In 2013 there were no ex-gratia payments made by the Institute.

Disclosures of Remuneration of Executive Officers

Remuneration received or due and receivable from the Institute in connection with the management of the Institute, including termination payments and bonuses paid:

| Key management personnel disclosures | Consolidated | | Institute | |
|--|--------------|--------|-----------|--------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Base remuneration of executive officers | 1,311 | 1,012 | 1,311 | 1,012 |
| Total remuneration of executive officers | 1,497 | 1,142 | 1,497 | 1,142 |

Remuneration received or due and receivable from the Institute in connection with the management of any related party entity, as set out in note 23:

| Related parties | Consolidated | | Institute | |
|------------------------------------|--------------|--------|-----------|--------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Purchase of goods | 0 | 0 | 0 | 0 |
| Payments for supply of contractors | 0 | 87 | 0 | 87 |

The number of responsible persons whose remuneration from the Institute was within the specified bands is as follows:

| Income range | Consolidated | | Institute | |
|-------------------------------------|--------------|------|-----------|------|
| | 2013 | 2012 | 2013 | 2011 |
| | No. | No. | No. | 2012 |
| Less than \$10,000 | 4 | 14 | 4 | 14 |
| \$10,000 - \$19,999 | 6 | 0 | 6 | 0 |
| \$20,000 - \$29,999 | 1 | | 1 | |
| \$30,000 - \$39,999 | 1 | | 1 | |
| \$70,000 - \$79,999 | 1 | | 1 | |
| \$80,000 - \$89,999 | | 1 | | 1 |
| \$110,000 - \$119,999 | 1 | | 1 | |
| \$210,000 - \$219,999 | | | | |
| \$230,000 - \$239,999 | | 1 | | 1 |
| Total number of Responsible Persons | 14 | 16 | 14 | 16 |

Superannuation

Name and type of Superannuation Scheme

- Defined benefit fund – State Superannuation Fund of Victoria – New and Revised Schemes
- Contribution fund – Victorian Superannuation Fund
- Various other contribution funds

Basis for Calculating Superannuation Contributions

The basis for calculating superannuation contributions is as prescribed by law and by the funds themselves where appropriate.

Details of Loans

As at the reporting date, there were no loans made to the Institute from any superannuation fund.

Details of Recognised Superannuation Liabilities

As at the reporting date, there were \$202K outstanding contributions payable to the above funds.

Financial Summary



Summary of Financial Results

| | 2013 | 2012 | 2011 | 2010 | Consolidated 2009 |
|-------------|---------|---------|---------|---------|----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | 51,990 | 60,377 | 57,295 | 59,961 | 59,819 |
| Expenditure | 58,113 | 61,413 | 58,215 | 55,881 | 51,419 |
| Assets | 124,333 | 117,454 | 114,656 | 115,120 | 113,099 |
| Liabilities | 15,461 | 12,468 | 11,885 | 11,072 | 12,357 |

Summary of Significant Changes in Financial Position

There have been no significant changes in the financial position of the Institute. There have been no major changes affecting performance.

Summary of Operational and Budgetary Objectives

The Institute's Strategic Plan for 2012-2016 encompasses good returns to meet requirements of all stakeholders in building the Institute's capability to be resilient to changes in the market place and changes to government policy.

The Institute Achieved

Student contact hours delivered were 102% of target.

An overall module-based completion rate of 82.59% in 2013 was slightly more than the target of 74%.

Consultancies

In 2013, there were six consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure was \$323,050 (ex.gst). There were nine consultancies where the total fees payable were less than \$10,000. The total expenditure incurred was \$30,536.

Business Consolidation

Consolidated revenue for the year was \$51.990m. Main revenue streams include Government contract, commercial revenue and international activity. The Institute's overseas operations including overseas projects and Singapore subsidiary are included in the consolidated financial statements.

Financial Viability

The consolidated operating loss (including capital and depreciation) for the year was \$5.897m. Total current assets in 2013 were \$15.232m with current liabilities of \$14.978m. Events subsequent to balance date – nil.

Organisational Viability

The Institute's commitment to responsible financial management and planning was maintained in 2013, resulting in a financial performance that was consistent with the 2013 forecast as set out in the Transition Plan submitted to Higher Education and Skills Group.

The William Angliss Institute's revenue of \$51.400m (excluding capital contributions) was lower than budget for the year and generated a loss of \$3.235m before capital, depreciation and fixed asset write off. The Institute also maintained a strong working capital ratio of 0.98 at year-end. The Institute's total assets were valued at \$124.333m, an increase of \$6.879 from 2012, mainly caused by the Student Management System software commissioning during 2013.

Due to system changeover in 2013, non-academic compulsory fees have not been reported separately.

| Consultancy valued in excess of \$10,000 | Description | \$ | Future Commitment \$ |
|--|---------------------------|-----------|----------------------|
| Caroline Neil Ryan | PR & Marketing Consulting | 107,585 | |
| Ernst & Young | Audit Fees | 97,741.75 | 30,901.98 |
| UMT Consulting | Consulting | 53,000.00 | 40,000 |
| Human Capital Holdings | Consulting Fee | 30,950.00 | |
| OccCorp Pty Ltd | Workcover Claims | 17,724.00 | |
| STOPline Pty Ltd | Disclosure Management | 16,050.00 | |

Expenses are approved as part of the overall budgeting process rather than specific detail of individual expenditure items.

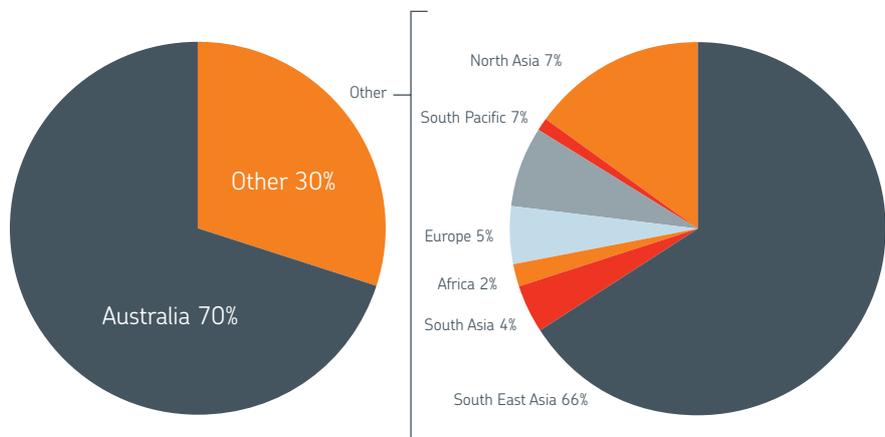
2013 Key Performance Indicators (KPIs)

During 2013 the Institute worked towards achieving key performance targets. The table below provides a snapshot of these measures.

| Key Performance Indicators 2013 | Target | Result |
|---|------------------------------|--|
| Module load completion rate | 74.00% | 82.60% |
| Participation of 15-24 year olds | N/A | 8,980 |
| Participation of 25-64 year olds | N/A | 7,745 |
| Total cost per Student Contact Hr (SCH) | \$13.25 | \$12.95 |
| Working capital ratio | >1.1 | 0.98 |
| Net operating margin | -5.15% | -6.46% |
| Revenue per EFT staff | \$164,000 | \$164,525 |
| Student satisfaction | 80 - 90% | 79.87% |
| Fee for service revenue | 57.00% | 61.18% |
| SCH | 4,422,446 | 4,489,496 |
| Energy consumption (% change 1999 -2013)* | Gas -20% Electricity -20% | *Gas +10.55% *Electricity/ +10.29% |

*While energy consumption has increased, Institute activity as measured by student contact hours has increased by 57% compared to 1999.

Students by region



Environmental Impacts



Energy

The Institute consumes energy for a number of different uses including: office facilities, theory classrooms, three restaurants, two retail food outlets, conference centre and 12 training kitchens and bakery practical rooms. The data represented below was collected through energy retailer billing information. The Institute is continuing to develop systems to more comprehensively collect data.

| Indicator | 2012-2013 | | | 2011-2012 | | |
|--|--------------------------|-------------|-------------|--------------------------|-------------|-------------|
| | Electricity | Natural gas | Green power | Electricity | Natural gas | Green power |
| Total energy usage segmented by primary source (MJ) | 3,368,900 | 15.3m | 842,200 | 3,372,227 | 13.8m | 843,000 |
| Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ e) | Information not retained | | | Information not retained | | |
| Percentage of electricity purchased as green power | 25% | | | 25% | | |
| Units of energy used per Student Contact Hour (MJ/SCH) | | | 1.2 | | | 0.9 |

Waste

The waste generated by processes within the Institute is divided into four general classes – general, cardboard, commingle and glass.

| Indicator | 2012-13 | | | |
|---|---------|---------------------|-----------|-------|
| | General | Commingle recycling | Cardboard | Glass |
| Total units of waste disposed of by destination (kg/yr) | 225,000 | 22,690 | 20,000 | 1,760 |
| Units of waste disposed of per FTE by destinations (kg/FTE) | 803 | 81 | 71 | 6 |
| Recycling rate (percentage of total waste) | | | | 16 |

Actions Undertaken

On Site Compost Facility Joint venture with OLV to introduce composting facility (worm stations)

Targets

- Whole of site waste management program to be investigated and introduced by July 1 2014
- Increase recycling rate to 20% by December 2014.



Paper

The Institute only purchases paper which is certified to the Australian Forestry Standard which confirms that it is made with fibre from sustainably managed plantations and forestry operations.

| Indicator | 2012-2013 | 2011-2012 |
|---|-----------|---------------------------|
| Total units of copy paper used (reams) | 2,905 | Information not available |
| Units of copy paper used per FTE (reams/FTE) | 10.36 | Information not available |
| Percentage of 75 100% recycled content copy paper purchased | N/A | Information not available |
| Percentage of 50 75% recycled content copy paper purchased | N/A | Information not available |
| Percentage of 0 50% recycled content copy paper purchased | N/A | Information not available |

Water

The data in the table below is based on water meter readings of the whole site at La Trobe Street Campus.

| Indicator | 2012-2013 | 2011-2012 |
|---|--|-----------|
| Total units of metered water consumed by usage types (kilotres) | 20,741 | 17,700 |
| Actions Undertaken | | |
| Rain Garden Project | Joint venture with OLV to capture rainfall to irrigate garden beds including a rain garden | |

Human Resources



In 2013 the Institute offered a range of learning and development activities to staff, ensuring they have the industry knowledge and educational expertise to inspire our students.

Learning and Development

The Institute has a workforce that spans Victoria, New South Wales, Queensland, South Australia, Western Australia and Northern Territory and has joint campuses with partner education institutions in China (Shanghai, Hangzhou, Zhongshan, Nanjing and Tianjin), Malaysia (Kuala Lumpur), Thailand (Bangkok), Sri Lanka (Colombo) and with the Singapore Workforce Development Agency through the Institute's Singapore Continuing Education and Training (CET) Centre. The Institute prides itself on attracting and retaining staff who are capable of providing quality skills solutions to industry and government. The Institute is seen as an appealing career prospect, attracting high numbers of quality candidates aspiring to contribute to this aim.

In 2013, the Institute offered a wide variety of learning and development activities to ensure that all employees acquire the skills and knowledge to meet the current and future requirements of the institute and to assist employees in their career development. The focus on workforce learning and development contributes to the Institute's position as the State government endorsed Specialist Centre for Foods, Tourism, Hospitality and Events. To ensure that the abilities of the Institute's staff support its operational intent, the focus this year was on the following:

- People Management training
- Systems training
- Compliance training

Building Research Capability

Activities have been aligned with the Institute's strategic priority to "develop an applied research capability". During 2012-2013, seven staff have involved themselves in self-directed research projects and five HE&R staff have commenced PhD programs.

A 'Scholarly Profile' was compiled to reflect the activities from 2010-2012 and this has provided a benchmark of

the Institute's research capacity with respect to research publications, seminar attendance, conference participation, various scholarly projects, funded and self-directed research projects along with academic and industry association membership. A similar activity is being undertaken for 2013 so that opportunities in research capacity can be identified. In 2013, the Institute's employees have focused their professional and academic development to build research capability in a way that is both pedagogically sound and directed towards the areas of specialisation.

Off Shore Opportunities

Many staff members also had the opportunity to undertake personal and professional development overseas in 2013. This was made available through the Institute's diverse international project work and global network of industry and education partners. Throughout the year, staff presented at a number of local and international events.

Reward and Recognition

During 2013, William Angliss Institute was awarded five grants by the VET Development Centre that enabled individuals and teams to undertake training to improve teaching and learning at the Institute and address workforce development needs.

In 2013 a number of employees were recognised and presented awards for demonstrating outstanding achievements in the areas of Client Service Excellence, Innovation, Teaching Excellence and Occupational Health and Safety.

Workforce Data

Overall, the Institute workforce decreased by 6.7 Equivalent Full Time (EFT) employees in 2013 compared to the 2012 staffing figures. The table overleaf provides a snapshot of staff numbers as at December 2013.

Employment and Conduct Principles

In 2013, the Institute continued to support the employment and conduct principles via the provision of induction information for new staff, and training

for all staff informing them of their rights and responsibilities. The Institute has structured recruitment procedures based on merit and policies and processes to support equal opportunity including return from parental leave, breastfeeding and flexible work arrangements.

Occupational Health and Safety (OH&S)

The Institute is committed to providing a safe and healthy working environment for its learning community, and taking a preventative approach in protecting its staff, students and visitors from exposure to health and safety risks. The Institute developed a Safety Improvement Plan for 2013, which continues the Institute's focus on building safety culture, preventative strategies and injury management.

The 2013 Plan aims to build skills and capability by requiring supervisor attendance at nominated safety training and related people management training. In 2013 the participation rate for the five required training sessions averaged 68%.

In relation to preventative strategies, selected aspects of the Institute's safety management practices were the subject of internal spot audits to measure the effectiveness of their application. This included the completion of quarterly hazard inspections across all departments and management of hazardous substances. An external review of the Institute's safety management processes was also conducted.

In addition lost days due to workplace injury continued to be monitored and in 2013 totalled 91 days compared to a target of less than 283 days.

An OHS award is presented each year in recognition of staff achievement in safety and in 2013 was presented to staff in Student Liaison and Recreation who developed safety promotional material for students that has gained wide acceptance throughout the Institute.



Industrial Relations

The Institute has established consultative committees for the purpose of implementing and monitoring its certified employee agreements. These committees are the forum through which the Institute and relevant unions and staff representatives consult generally on matters affecting employees.

As at 31 December 2013

| Teaching Staff | | F/Time | P/Time | Total | EFT |
|--------------------|--------|--------|--------|-------|-------|
| Ongoing | Female | 37 | 15 | 52 | 45.3 |
| | Male | 53 | 5 | 58 | 55.7 |
| Fixed term | Female | 12 | 4 | 16 | 14.7 |
| | Male | 13 | 1 | 14 | 13.3 |
| Subtotal | | 115 | 25 | 140 | 129.0 |
| Casual | Female | - | 49 | 49 | 12.7 |
| | Male | - | 41 | 41 | 11.9 |
| Subtotal | | - | 90 | 90 | 24.6 |
| TOTAL | | 115 | 115 | 230 | 153.6 |
| Non-Teaching Staff | | F/Time | P/Time | Total | EFT |
| Executive Officers | Female | 0 | 0 | 0 | 0 |
| | Male | 4 | 0 | 4 | 4 |
| Subtotal | | 4 | 0 | 4 | 4 |
| PACCT* ongoing | Female | 62 | 23 | 85 | 76.9 |
| | Male | 47 | 1 | 48 | 47.7 |
| PACCT fixed term | Female | 15 | 4 | 19 | 16.4 |
| | Male | 6 | 0 | 6 | 6 |
| Subtotal | | 130 | 28 | 158 | 147 |
| Other ongoing | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Other fixed term | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Subtotal | | 0 | 0 | 0 | 0 |
| TOTAL | | 134 | 28 | 162 | 151 |
| Total Female | | 126 | 95 | 221 | 166.0 |
| Total Male | | 123 | 48 | 171 | 138.6 |
| Grand Total | | 249 | 143 | 392 | 304.6 |

* Professional, Administrative, Clerical, Computing and Technical Staff

Staff Declaration of Outside Employment and Pecuniary Interests

Employees who have obtained simultaneous employment with employers other than the Institute, whilst employed at the Institute, are required to complete the Institute's Declaration of Outside Employment/Conflict of Interest form for approval. In 2013 declarations were received from 80 employees.

As at 31 December 2012

| Teaching Staff | | F/Time | P/Time | Total | EFT |
|--------------------|--------|--------|--------|-------|--------|
| Ongoing | Female | 39 | 11 | 50 | 45.24 |
| | Male | 55 | 3 | 58 | 56.57 |
| Fixed term | Female | 19 | 9 | 28 | 24 |
| | Male | 17 | 2 | 19 | 17.8 |
| Subtotal | | 130 | 25 | 155 | 143.61 |
| Casual | Female | - | 48 | 48 | 11.12 |
| | Male | - | 30 | 30 | 7.33 |
| Subtotal | | - | 78 | 78 | 18.45 |
| TOTAL | | 130 | 103 | 233 | 162.06 |
| Non-Teaching Staff | | F/Time | P/Time | Total | EFT |
| Executive Officers | Female | 1 | 0 | 1 | 1 |
| | Male | 6 | 0 | 6 | 6 |
| Subtotal | | 7 | 0 | 7 | 7 |
| PACCT* ongoing | Female | 65 | 20 | 85 | 77.2 |
| | Male | 45 | 2 | 47 | 44.72 |
| PACCT fixed term | Female | 9 | 4 | 13 | 11.6 |
| | Male | 8 | 0 | 8 | 7.86 |
| Subtotal | | 127 | 26 | 153 | 141.38 |
| Other ongoing | Female | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 1 | 1 |
| Other fixed term | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Subtotal | | 1 | 0 | 1 | 1 |
| TOTAL | | 135 | 26 | 161 | 149.38 |
| Total Female | | 133 | 92 | 225 | 170.16 |
| Total Male | | 132 | 37 | 169 | 141.28 |
| Grand Total | | 265 | 129 | 394 | 311.44 |

* Professional, Administrative, Clerical, Computing and Technical Staff

Compliance



Freedom of Information

The Institute respects the right of the public under the *Freedom of Information Act 1982* to request access to documentary information held by the Institute. Formal applications to request access to information must be made under the Freedom of Information Act and in writing to:

The Freedom of Information Officer
William Angliss Institute
555 La Trobe Street
Melbourne VIC 3000

An application fee and charges may apply in accordance with the Victorian *Freedom of Information (Access Charges) Regulations*. For the period 1 January 2013 to 31 December 2013 there were no requests for information received under the *Freedom of Information Act* by the Institute.

Compliance with the *Building Act 1993*

The Institute has established policies and mechanisms to ensure that works to existing buildings conform to building standards and statutory obligations, which relate to health and safety matters. All Institute works conform to building regulations and appropriate building permits and compliance certificates are obtained. Works amounting to \$281,000 were carried out in 2013.

Compliance with the *Protected Disclosure Act 2012*

The Institute does not tolerate improper conduct by employees, nor the taking reprisals against those who come forward to disclose such conduct. The Institute has a policy and procedure in place which promotes and facilitates the disclosure of improper conduct to the Independent Broad-based Anti-Corruption Commission (IBAC). Where the Institute becomes aware that a Protected Disclosure has been made, it will take reasonable steps to afford protection for those who made the protected disclosure against any reprisal.

Disclosure of improper conduct or detrimental action by the Institute or any of its staff may be reported directly to the IBAC:

Phone: 1300 735 135
Fax: (03) 8635 6444

Street address:

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

Postal address:

GPO Box 24234, Melbourne, VIC 3001

Website: <http://www.ibac.vic.gov.au/>

Email: See the IBAC website for means of electronic contact

For the period 1 January 2013 to 31 December 2013, the Institute did not receive or become aware of any disclosures made under the *Whistleblowers Act 2001* or subsequent *Protected Disclosure Act 2012*.

Competitive Neutrality

William Angliss Institute recognises the principles of the National Competition Policy (NCP), *Competitive Neutrality: A Statement of Victorian government policy, Victorian Government Timetable for the Review of Legislative Restrictions on Competition* and any subsequent reforms.

Processes are in place to ensure proper policy is applied to commercial activity and to pricing bids for government-funded education and training advertised for competitive tender. The Institute has met the requirements of the competitive neutrality and recognises the inherent responsibilities to the community and the public interest.



Compliance with other Legislation and Subordinate Instruments

William Angliss Institute complies with all relevant legislation and subordinate instruments, including but not limited to the following:

- *Education and Training Reform Act 2006 (ETRA)*
- *William Angliss Institute of Technical and Further Education Constitution Order 2013*
- Directions of the Minister for Higher Education and Skills (or predecessors)
- *TAFE Institute Commercial Guidelines*
- *TAFE Institute Strategic Planning Guidelines*
- *Public Administration Act 2004*
- *Building Act 1983*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*
- Compliance with the *Department of Treasury and Finance Model Financial Report*
- *Freedom of Information Act 1982*

Risk Management

Attestation for compliance with the Australian/New Zealand Risk Management Standard

I, Nicholas Hunt, certify that as at 31 December 2013 William Angliss Institute has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Board verifies this assurance and the risk profile of William Angliss Institute has been critically reviewed within the last 12 months.

Nicholas Hunt
Chief Executive Officer
27 February 2014

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, Nicholas Hunt, certify that the William Angliss Institute of Technical and Further Education has complied with Ministerial Direction 4.5.5.1 – Insurance for the period 1 January 2013 to 31 December 2013.

Nicholas Hunt
Chief Executive Officer
27 February 2014

Major Commercial Activities

During the period 1 January 2013 to 31 December 2013 there were no major commercial activities to report.

Capital Projects

During the period 1 January 2013 to 31 December 2013 there were no capital projects undertaken.

Additional Information Available on Request

Consistent with the *Financial Management Act 1994*, further information on the following is available upon request from the Institute:

- Declarations of pecuniary interest by relevant officers
- Shares held by senior officers
- Publications produced by the Institute
- Changes in prices, fees, charges, rates and levies charged by the Institute
- Major external reviews conducted
- Research and development undertaken
- Promotional public relations and marketing activities undertaken
- Industrial relations and time lost through industrial accidents and disputes
- Overseas visits undertaken by staff members
- Major committees sponsored by the Institute
- Financial information relating to International Operations

These requests should be directed to:

Board Secretary
William Angliss Institute
555 La Trobe Street
Melbourne VIC 3000
Telephone: (03) 9606 2111
Email: info@angliss.edu.au
Website: www.angliss.edu.au

Environmental Sustainability



As part of its ongoing development and adoption of procedures that respect and protect the natural environment, the Institute's Environmental Sustainability Action Team met regularly in 2013 to consider and implement systems and processes throughout operational and teaching areas.

The Institute continues to introduce sustainable practices. In 2013 the Institute:

- Chose to use green energy sources for 25% of all electricity usage
- Monitored and measured fuel consumption of Institute vehicles
- Utilised flexible delivery modes, including e-learning to reduce printing of training materials
- Encouraged staff to use public transport with discounted 'Commuter Club' membership
- Promoted the use of stairs instead of using the lift and at the same time improving health and fitness levels of staff, students and the public
- Aimed for best practice in energy and environmental management through a strategic action plan, reviewed for progress and updated each year
- Introduced a cooking oil filtration and recycling disposal system
- Upgraded lighting to LED lights
- Held staff events to raise awareness of sustainable practices and funds
- Introduced a sustainability requirement when assessing any tender lodged as part of the Institute's procurement activities. Typically, sustainability accounts for 5% of the evaluation criteria/process

A successful submission for funding to The Office of Living Victoria (OLV) for a living Green Rain Garden and Living Green Kitchen was a highlight of 2013. The project was officially launched by the Hon. Peter Walsh MP, Minister for Water, with the Institute's Chief Executive Officer Mr Nicholas Hunt in September 2013. Attending the launch were representatives from the Office of Living Victoria, and NMIT's Horticultural program.

Work has commenced on the project and involves the establishment of a rain garden, which will feature a series of beds highlighting edible native plantings on campus, and the installation of an electrolysed water cleaning and sanitising system in a training kitchen.

The Integrated Water Cycle Management benefits of this project include:

- Cleaner water entering the stormwater system due to the filtration system provided by the rain gardens
- Reduction in the volume of cleaning and sanitising chemicals used in the green kitchen
- Reduced volume of water entering the stormwater system
- More efficient use of rainwater run-off, and decreased reliance on mains water for the courtyard garden

The projects provide valuable educational opportunities on the themes of integrated water cycle management, wise water use, native edible rain gardens and sustainability, for a broad audience including staff and students, hospitality industry professionals and the public accessing the Institute's training, restaurants and conference facilities. The Edible Rain Garden project will also generate a productive educational garden and enhance the aesthetics and liveability of the courtyard space.

**William Angliss Institute
Performance Statement for 2013**

In our opinion, the accompanying Statement of Performance of William Angliss Institute of Technical and Further Education, in respect of the 2013 financial year, is presented fairly and in accordance with the Financial Management Act 1994 and the applicable Financial Reporting Directions.

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

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



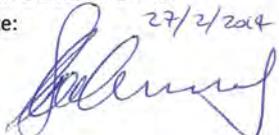
Dr Michele Allan
Board Chair

Date: 27/2/2014



Nicholas Hunt
Chief Executive Officer

Date: 27/2/2014



Jim Stoikos
Acting Chief Finance and Accounting Officer

Date: 27/2/2014

The Year in Review



Recognition of Excellence

During 2013 the Institute's commitment to educational excellence was rewarded with a number of awards, including:

- Victorian Large Training Provider of the Year Victorian Training Awards 2013
- Awarded for Excellence in International Education (TAFE) at the Victorian International Education Awards 2013
- Best Education or Training Provider Award Australian Event Awards 2012 and 2013
- Victorian International Student of the Year 2013 – Finalist
- Best Spa Education Institute – Diploma/Certificate Australian Spa Association Awards 2012 and 2013
- Best Registered Travel Industry Training Institute AFTA National Travel Awards 2013
- 2013 Savour Australia Restaurant & Catering HOSTPLUS Awards for Excellence Finalist – 'Best Restaurant in a Training Institute' 2013
- Travelport Instructor of the Year Award – Paula Howard 2013
- VicTAFE Culinary Challenge – 2nd Place

Vocational Training

New Courses and Initiatives

In consultation with governments and industry, the Institute developed new courses offshore and across Australia tailored to market needs. Similarly driving excellence through new initiatives was evidenced at various levels of Institute training with core programs being extended and the inclusion of new streams plus delivery and assessment approaches.

The following innovative customised programs were successfully introduced in 2013:

- Diploma of Holiday Parks and Resorts
- Certificate IV in Beauty Therapy
- Certificate III in Outdoor Recreation
- Certificate III In Patisserie/Cookery Dual qualification (Pilot)
- Certificate III in Professional Cookery (Apprenticeships) Flexible delivery
- Certificate IV in Advanced Baking

Higher Education

Diversity for Students

To maintain a clear perspective on industry, current trends and expectations, the breadth of specialist subjects offered as electives within the Higher Education program was extensively increased during 2013. Students were offered the ability to delve deeper into the events industry, tourism, the culinary arts and gaming with more focused and relevant subjects to industry, and the student's career and interest.

This expansion also included showcasing experts to the students, with an increase in guest lectures by industry leaders, introduction of an academic seminar program, and increased interaction between students and industry with industry visits, excursions, demonstrations and seminars. Students undertook industry focused tours of Kangaroo Island, regional Victoria and a study tour to Spain to experience the diverse rationality of the Spanish culture and cuisine. This tour also provided an opportunity to attend seminars at the University of Barcelona's Hospitality and Tourism School – CETT.

The more extensive learning opportunities offered to students provided the over 500 enrolled students within the Bachelor of Tourism and Hospitality Management and Bachelor of Culinary Management the ability to choose to specialise in fields they are interested in and create their own expertise. Graduates are more focused within industry and can provide a level of knowledge more relevant to their aspirations, benefitting their careers and better meeting industry expectations.

Industry Training

The future of the foods, tourism, hospitality and events industries are strengthened by a highly skilled and trained workforce, populated by the Institute's students and graduates.



| Project | Industry Partner(s) | Project Activities |
|--|---|--|
| Continued Indigenous community training in remote sites | Compass Group Australia | <p>In Western Australia – Certificate I in Asset Maintenance and Certificate I in Hospitality Operations were delivered in the following regions; Perth, New Norcia, Fairbridge Farm, Karratha, Port Headland. Total students trained: 101</p> <p>In Queensland – Certificate I in Asset Maintenance and Certificate I in Hospitality were delivered in the following regions; Mt Isa, Blackwater, Ensham, Yongala, Burnt Gully. Total students trained: 66</p> <p>Total of 167 Indigenous Students were trained in remote areas of Australia.</p> |
| Training in Papua New Guinea | NCS | Delivery of Certificate III in Commercial Cookery and Certificate III in Club Management |
| Ayers Rock Resort – National Indigenous Training Academy | Indigenous Land Corporation | Certificate II in Hospitality Operations delivered at Ayers Rock Resort. Four intakes of trainees conducted in 2013 |
| Management Workshops | Rydges Darwin Rydges Cairns | An interactive one day management workshops for Department Heads |
| Management training | Peter Rowland RACV Compass Group | Diploma of Management |
| DEEWR Local Indigenous Employment Program | DEEWR | Continued training of indigenous staff through Charcoal Lane, Mission Australia |
| DEEWR IEP (Australia) | DEEWR | Continued training of indigenous staff across all states and territories |
| Food Processing | Nestlé Haigs Chocolates | Delivering training in Food Processing up to Certificate III level |
| Meat Processing | Meat Industry Specialist Systems | Delivering training in Meat Processing up to Certificate III level |
| Delivery of TAE | WAI teaching staff and industry clients | Delivery of training to teaching staff to update their training qualification |
| Event Management workshops | Hume City Council | Delivering training to Hume Council employees in partnership with Hume City Council. |



Australia-Wide Presence

With service delivery established in each state and territory the Institute offers industry partners workplace delivery utilising flexible training resources and a range of diverse delivery methods.

The Institute continues to provide best practice flexible online learning materials and enhanced technology to support training partnerships, particularly in induction resources for current clients and for compliance training. The Institute responded to specific needs by developing targeted programs, most notably in customer service, compliance, lean and competitive manufacturing and food processing.

Partnerships with key industry clients continued, offering on-site training solutions for: Peter Rowlands, Thank God it's Friday (TGIF), First Contact, Concierge Service for ANZ Bank, Erigroup of Hotels, Morris Corporation, Hotel Grand Chancellor, Hungry Jacks, Gloria Jeans, Compass and Wyndham Vacation Resorts. In addition new partnerships have been established with Queensland Rail, Quicksilver, Rydges Cairns, Rydges Darwin, Rydges Brisbane, Zouki Group, Koops and Set Solutions.

National Partnership Development

The William Angliss Institute/Indigenous Land Council has established the National Indigenous Training Academy (NITA) based at Ayers Rock Resort, now in its third year of operation. Since commencement the academy has enrolled more than 160 trainees.

Meeting Industry Requirements

In seeking to address the current and emerging training requirements of industry, including widespread skills shortages and low retention rates of skilled employees, the Institute implemented the following measures:

- Further strengthened industry partnerships and networks including stronger relationships with partner TAFEs
- Consulted with a broad range of industry advisory boards both locally and interstate most of which are involved in the Institute's program review process. Institute staff are individually involved in over 50 industry networks and professional associations
- Consulted directly with over 50 industry representatives and held information sessions at the Institute
- Conducted specific recruitment campaigns across Australia, offering a broad range of programs and services including skills analysis and compliance
- Supported a number of industry and government initiatives to address the shortage of skilled hospitality and food industry workers
- Increased the number of indigenous programs offered Australia-wide. This included working in partnership with the Indigenous Land Corporation (ILC) to mentor indigenous Australians to assist them in growing and develop existing businesses in remote regions of Australia

The Institute is proud to be working in conjunction with government and industry, providing skilled graduates to ensure industry success and sustainable growth.

Customised Solutions

The Institute has developed specialised programs, training expertise and learning resources for the foods, tourism and hospitality fields. This infrastructure provides students at all levels with access to an extensive body of knowledge and flexible training options. The Institute's training resource solutions are designed to meet the needs of industry clients, which include:

- Co-branded learning resources
- Nationally recognised training units and qualifications
- Customised short course programs, skills sets or full qualifications
- Mentoring and other skill development initiatives
- Designated Account Managers who work in and understand industry needs
- Multi-delivery method options for all clients
- Corporate graduation ceremonies

In addition, the Institute developed tailor-made training resources (interactive and printed) as well as other multimedia products (corporate videos and websites) for commercial clients.

Community and Industry Engagement



William Angliss Institute Foundation

2013 was the third year of operation for the William Angliss Institute Foundation. Scholarships were developed with the intent to provide ongoing assistance to students and the wider community. This was made possible due to the generous support of the Institute's many friends and industry partners.

William Angliss Institute Alumni

2013 was an active year in the online and digital space for post-graduates joining the Institute's social networks to reconnect and further build ties with industry through the Alumni community. Alumni attended Speed Networking events, acting as mentors for students seeking advice and guidance in furthering their careers.

Providing Students Every Opportunity for Success

Students studying at the Institute are the future of the foods, tourism, hospitality and events industries. To ensure a relevant educational experience, the Institute's students are exposed to real industry environments and opportunities that are designed to enhance knowledge and understanding of the workforce. In 2013, such opportunity was provided in the following ways:

- Melbourne Food and Wine Festival – more than 120 students participated in the festival. Working with Peter Rowland's Catering, students participated in the annual World's Longest Lunch event, which hosted lunch for more than 1200 visitors along Fitzroy Gardens, East Melbourne. Students also participated in the international Earth Masterclass and the Cellar Door and Artisan Market events
- Taste of Melbourne – cookery, patisserie, events and hospitality students had the opportunity to work at the Taste of Melbourne event

- L'Oreal Melbourne Fashion Festival – The Spirit of the Black Dress event, students were involved with theming, the event crew and food and beverage attending
- Spring Racing Carnival – students worked through Peter Rowland Catering at Flemington racecourse the duration of the carnival
- Moto GP, Philip Island – in collaboration with Peter Rowland Catering, students participated in paid employment as part of the events program curriculum at the Moto GP

During 2013 the following events were offered to enhance students' career development:

- Sponsored by HOSTPLUS, The Annual Careers and Employment Expo was held in August. The event saw many new and returning employers exhibit to students. Promoting casual, placement and graduate opportunities, over 700 students attended and 28 employers and industry bodies exhibited. Exhibitors included: HOSTPLUS, Accor, Altara, The Ascott, Atlantic Group [v], Australian Superyacht Crew, Cordon Bleu, Cumulus Inc, Delaware North, Eureka 89, food&desire, Grand Hyatt and Park Hyatt Melbourne, Hamilton Island Enterprises, Intercontinental Hotels Group, International Exchange Programs Australia, The Langham Melbourne, Meetings & Events Australia, Melbourne Convention and Exhibition Centre, Occasional Butler, Parkroyal Hotels and Resorts, Pegasus Leisure Group, Peter Rowland Catering, Quest Services Apartments, Regional Development Victoria, SecondBite, TGI Fridays, Toga Hotels, The Westin Melbourne and Young Tourism Network

- The Institute's Careers and Employment service hosted two Professional Networking events to help celebrate National Career Development Week (NCDW) in May 2013, an initiative supported by the Department of Education, Employment and Workplace Relations and Career Industry Council of Australia. With 130 students and 65 alumni/industry leaders in attendance, students had the opportunity to engage with leaders for the hospitality, tourism, events and foods industries
- Various employers recruited students on campus including: Sheraton Mirage Port Douglas, Peter Rowland Catering, Starwood Properties, VIP Personnel, Accor Group, IHG, and Delaware North
- The Human Resources Manager from The Fairmont, Chateau Lake Louise, Canada visited Australia for the first time, spending a day at the Institute speaking with students and staff. More than 80 students attended an information and recruitment presentation
- Disney Programs made two visits to the Institute in 2013. For the fifth year in a row, representatives from Orlando, Florida came to Melbourne to recruit graduates in large numbers, maintaining our position as having employed more graduates from the Institute than any other tertiary provider. Whilst on campus, Disney spent time showcasing student opportunities and providing lectures to both students and staff
- William Angliss Institute and City of Melbourne continued their partnership, established in 2011, benefiting tourism and events students. The collaboration saw students working with City of Melbourne across a program of hallmark events with a variety of work experience options and career progression opportunities

Engaging Prospective Students and Clients

During 2013, the Institute developed an improved Lead Management strategy to maximise conversion rates. The Institute's database is now one of its most important assets for recruitment.

During the year, the Institute's lead management activities achieved:

- A 9% conversion rate contribution to overall enrolments against a benchmark of 8% conversion in the first year. A 12% conversion rate is projected for 2014
- Executed 10 Digital, 4 SMS and 2 phone campaigns to support Melbourne and Sydney enrolments
- Set up and facilitated iPad and website enquiry forms to allow improved efficiencies in the capture of information, allowing a 50% improvement from 2012 data gathering results

The Institute's student recruitment strategy consolidated its positioning in 2013, with a focus on increasing awareness of the Institute's programs and student experiences and facilitating more personalised engagement with prospective students:

- 'Trial-a-Trade' at Melbourne and Sydney Open Days, and Experience Angliss Day in Melbourne provided year 10 to 12 school students with the opportunity to experience first-hand the working life as a baker, cook, pastry chef or barista
- 119 Campus Tours were conducted during the year for visiting school and community groups
- 559 one-on-one consultations with prospective students were conducted by course advisors to discuss future study options

- Open Day attracted over 3,500 people to the Melbourne campus, setting a new record for Open Day Attendance. Sydney also hosted its second annual Open Day
- Melbourne's annual Career Advisor's Day attracted over 110 Career Advisors from schools in Victoria
- The Institute was represented at 193 events off-campus, in Victoria, New South Wales and Tasmania
- Student Ambassador Program provided current students an opportunity to obtain part-time employment promoting student experience at the Institute. Student Ambassadors were actively involved in visiting secondary schools, conducting Institute tours, attending major career expos and a variety of internal and external events

Industry competitions and events:

The Institute has always been supportive of competitions and activities that drive students to excel. In 2013 the Institute hosted, supported and participated in key industry competitions and events for the culinary, baking, hospitality, travel and tourism industries, providing facilities, expert staff for judging, entering competitive teams and coordinating student participation. William Angliss Institute staff and students participated in the following:

- Geliba Student Award Outstanding Achievement in Product Concept Development
- Internal Waiters Competition
- John Patrick Conway Award (Bakery)
- The Craig Family Award for the top student in the Confectionery Correspondence Course.
- William Angliss Institute Chocolate Competition
- The Sollich Award
- 2013 Formula 1 Qantas Australian Grand Prix (Peter Jones catering event)
- 2013 AFL Football Season

- AMIC Sausage King and Smallgood Competition
- Australian Artisan Baking Cup
- Australian Hotels Association Awards Victoria
- AusTAFE State Final
- Bakeskills – The Great Australian Pie Competition
- BIAV Easter in the Fruit Bowl
- Clubs Victoria Awards
- ConTech practical workshop featuring overseas confectionery expert
- Dilmah High Tea challenge
- Fine Foods, Sydney Show
- Fonterra Foodservices Proud to be a Chef Program
- Fonterra Foodies Adventure Competition
- FSAA Partnership-National Understanding Food Service program
- Great Aussie Meat Pie Competition (Sydney and Tasmania)
- HOSTPLUS Careers 7 Employment Expo, William Angliss Institute
- ISES (Annual Conference by International Special Events Society)
- L'Oreal Melbourne Fashion Festival
- Melbourne Food and Wine Festival
 - Fire MasterClass
 - Foodie Family Day
 - World's Longest Lunch
 - World's Longest Lunch Healesville
 - Homeless Longest Lunch
- Motor GP
- Nestlé Golden Chef's Hat Award (NSW)
- Taste of Melbourne
- The Age VCE and Careers Expo
- The Great Cheese Platter – Queen Victoria Markets
- VicTAFE Culinary Challenge (Host)
- VET Development Centre grant-Patisserie team travelled to Singapore for a five day intense Chocolate training at the Barry Callebaut Innovation Centre
- VITIC Student Summit



Membership of key industry bodies:

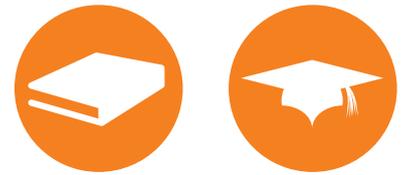
- Association for Academic Language and Learning
- Australian Culinary Federation
- Australian Hotels Association
- Australian Industrial Group – Confectionery Sector
- Australian TAFE Tourism Hospitality Educators Association
- Australian Meat Industry Council
- Career Development Association of Australia
- Careers Guidance Association
- Clubs Victoria
- Council for Australasian University Tourism and Hospitality Education
- Eco Tourism Australia
- Foodservice Suppliers Association Australia
- International Centre of Excellence in Tourism and Hospitality Education (THE-ICE)
- International Special Events Society
- Meetings and Events Australia
- Melbourne Food and Wine Tourism Council
- MINTRAC – National Meat Industry Training Advisory Council
- National Association of Graduate Career Advisory Services
- National Association of Travel Agents Singapore
- Professional Executive Housekeepers' Network
- Professional Tour Guides Association of Australia
- SACEOS Singapore
- Quality in Education and Training Network
- Restaurant and Catering Victoria

- TAFE Directors Australia
- TAFE Libraries Association of Australia
- Tourism Alliance Victoria
- Victorian TAFE Association
- Victorian TAFE Libraries Association
- Victorian Tourism and Hospitality Educators Network
- Victorian Tourism Industry Council
- VISTA – Association of VET Professionals
- Young Tourism Network YMEA

Government bodies and authorities:

- Department of Education and Early Childhood Development. (DEECD)
- Higher Education Skills Group (HESG)
- Australian Skills Quality Authority (ASQA)
- Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)
- Tertiary Education Quality and Standards Agency (TEQSA)
- Victorian Registration and Qualifications Authority (VRQA)
- Department of Industry
- National Centre for Vocational Education Research (NCVER)

Publications and Research



A broad scope of activities that reflect engagement with the academic community in the foods, tourism, hospitality and events disciplines, collaboration with industry and connection with the wider public community are listed below.

List of Research Publications

Peer Reviewed Journal Publications

- Abe, Y 2013, 'Achieving World Heritage Status: A Case Study of Tana Toraja, Indonesia', *International Tourism Review*, vol. 20, Japan Foundation for International Tourism, Tokyo
- Chhetri, A, Arrowsmith, C, Chhetri, P and Corcoran, J 2013, 'Mapping spatial tourism and hospitality employment clusters: An application of spatial autocorrelation'. *Tourism Analysis*, 18 5: 559-573
- Lagos, E Kloppenborg, P and Alebaki, M 2013, 'Tweet me a Drink: The Use of Social Media in Victoria's (Australia) Wine Tourism Industry', *Journal of Marketing Vistas* 3 (2), 11-24.

Peer Reviewed Conference Publications

- Abe, Y 2013, 'Preserving Culture or Destination Branding?: World Heritage Status for Tana Toraja' presented at CAUTHE Conference 2013, 11-14 February 2013, Christchurch, New Zealand
- Alebaki, M Lagos, E and Koutsouris, A 2013, 'What attracts visitors to wine regions? Evidence from Greece', 3rd Regional Food Cultures and Networks Conference, 29-31 October 2013, Daylesford
- Harris, A 2013, 'Like me or like me? The role of similarity and compatibility in backpacker networks' paper presented at APTA Conference, 1-4 July 2013, Bangkok
- Kloppenborg, P & Ruddy, C 2013, 'Same same but different: Higher Education TAFE libraries and student information literacy training' paper presented and published by TAFE Australasian Library Conference, 21-22 November, 2013, Brisbane.

- Lagos, E Sigala, M and Harris, A 2013, 'Gallipoli: an analysis of website language patterns and motivation to visit', *Consumer Behavior in Tourism Symposium 2013 (CBTS 2013)*, 4-7 December 2013 Bruneck/Brunico, South Tyrol, Italy
- Manzoni, A Klinko, M and Sarma, V 2013, 'Project Success in the Australian Financial Services Industry' Australian Institute of Project Management National Conference, 13-16 October 2013, Perth
- Manzoni, A Haseeb, M and Sarma, V 2013, 'Stakeholder Engagement in Managing Projects; a conundrum.' Australian Institute of Project Management National Conference 13-16 October 2013, Perth
- Manzoni, A Florez, T and Sarma, V 2013 'Product Branding: the Role of Trust in the Relationship between Freelance Designer and Client.' ANZAM Conference, 4-6 December 2013, Hobart
- Wrathall, J 2013, 'Inspiring Entrepreneurship through Business Event Networks' Beijing International Research Conference, 11-12 November 2013

Books and Book Chapters

- Donati K, Taylor, C, Pearson, CJ 2013, 'Local food and dietary diversity: farmers markets and community gardens in Melbourne, Australia' in Fanzo, Hunter, J D Borelli, T Mattei, F (eds), *Diversifying Food and Diets: Using Agricultural Biodiversity to Improve Nutrition and Health*, Earthscan, New York, pg. 326-335.
- Manzoni, A and Islam, SMN, 2013 'Data Envelopment Analysis' *Quantitative Modelling in Marketing and Management*, Mouthinho, L and Huarng, KH (eds), World Scientific Publishing Company, UK.

Non-Referred Publications and Reports

- Abe, Y 2013, Translation/Editing (English to Japanese) 'Chengdu: the real China', Lonely Planet, Melbourne
- Donati, K, 2013, various for Langtons Wine Magazine
- Wrathall, J & Berrell, M 2013, 'Chinese Management Education: The convergence-divergence continuum' *Cross Cultural Management Journal*.

Academic Contributions and Awards

- Donati, Kelly - Awarded partial scholarship offered by Le Cordon Bleu International for one of its most prestigious programs: Hautes Etudes du Goût (Advanced Studies in Taste) 13-26 October 2013, Université de Reims Champagne-Ardenne
- Donati, Kelly - Reviewer and committee member - International Food Studies Conference: an Interdisciplinary Menu, 17-19 February 2014, University of Adelaide, Adelaide SA
- Harris, Alana - Reviewer - Asia Pacific Journal of Innovation in Hospitality and Tourism, 12TH Asia Pacific CHRIE (APacCHRIE) Conference 2014, 5th APacCHRIE Youth Conference 2014, 5TH Asia-Euro Conference 2014 in Tourism, Hospitality and Gastronomy
- Harris, Alana - Project Champion - Setting the Standard: Establishing TLOs for Tourism, Hospitality and Events Higher Education in Australia
- Kloppenborg, Paul - Adjunct Lecturer, Charles Stuart University, Wagga Wagga
- Rimes, Roz - Member - University of Melbourne - Course Advisory Group for the Graduate Certificate in Tertiary Teaching (GCTT)
- Taylor, Paul - Judge in the Responsible Travel Category for the Australian Society of Travel Writers Awards.

Scholarly and community projects

Mixed Sector Symposium: New Approaches to Higher Education

The Higher Education and Research Department successfully hosted the Mixed Sector Symposium in December 2013. With 100 participants in attendance from the 'Group of 5', (Melbourne-based TAFEs offering higher education qualifications) a range of topics including pedagogy, scholarship and transition from into Higher Education were discussed. A number of specific issues raised at the Symposium will be carried forward into 2014 with further collaborative, cross-institutional workshops planned.

Learning Resource Centre

In 2013, the Learning Resource Centre (LRC) committed to consortia arrangements for a cloud based shared library system with Holmesglen and VEA video streaming. There was greater expansion of the LRC collection into e-books with the EBL patron driven book ordering model and the Knovel Food science suite of titles. In April, the LRC started to implement Discovery search functionality across all its physical and electronically subscribed content.

The Special Collections unit oversaw the upload of LRC bibliographic records to Trove (Libraries Australia database) and implemented the digitisation of the Zimmerman book. This collection, started by Chef Zimmerman's grandfather,

consists of a book of more than 1300 menus and epicurean articles from all over England and Europe. The William Angliss Oral History Project launched in 2013 with the goal of recording the memories of former students and staff about their time studying and working at the Institute. The preserved oral history recordings showcase the depth and breadth of the Institute's rich heritage, and will benefit future historical and social research.



John Miller and Alan Stebbing
Alumni participating in the
William Angliss Oral History Project

Sponsorships



In addition to the valued student excellence prize sponsors, the Institute acknowledges the following organisations for their support in providing product, equipment, sponsorships, technical and curriculum support across the Institute.

Companies that Support the Institute

Aarhus Karlshamn Australia
ADM Australia Pty Ltd
Allied Industries Pty Ltd
Allied Mills Australia Pty Ltd
Angove Wines
AOT Group
APS Food and Nutrition
Aquatic Adventures
Australasian Meat Industry
Australian Bakels Pty Ltd
Australian Hotels Association (VIC)
Bidvest Australia Limited
Bread Manufacturers' Association
Cashcard
Centro Properties Group
Chr. Hansen Pty Ltd
Club Chef/Durawear
Coles Limited
Cordon Bleu Consultants
Corona Extra
Crown Limited
Devro Pty Ltd
Dimattina Provedoring Pty Ltd
Diversified Exhibitions Australia
Essential Flavours and Ingredients
Fonterra Foodservices
Food Processing Equipment
Fresh Pty Ltd
G.K Culinary Books
Gelita Australia Pty Ltd
Glenroy Bakery
Go West Tours
Goldstein Eswood
HMAAV (VECCI)
Host Plus
Hotel Agencies
Huon Aquaculture
ICMS
IMCD Australia
International Special Events Society
Kerry Pinnacle
Langdon Ingredients
Leading Edge Bakery
Lombard the Paper People
Mackies Bakery Equipment
Manildra Group
MEA
Meat and Livestock Australia

Med-Chem Ingredients Pty Ltd
Meyer Cookware
Moffat Pty Ltd
Murray Goulburn Co-operative
Nestlé Australia
Oceanic Australia
OrderMate
Pacific Resources International Pty Ltd
Pearson Education Australia
Peerless Oils
Peregrine Adventures
Professional Executive Housekeepers' Network
Radisson on Flagstaff Gardens
Restaurant and Catering Association
Restaurant Catering Victoria
Ridders
Robot Coupe
Sandringham Yacht Club
Sensient Technologies Australia
Sir William Angliss Charitable Fund
SKAL International
Sous Vide Australia
Start Food Tech
Symrise Pty Ltd
The Estate of the Late Mrs Leah Conway
The Estate of the Late Thelma Wileman
Toga Hospitality
Travelworld Central Melbourne
Unilever Australia Ltd
Vibe Hotels
Victoria Racing Club
VIP Personnel Pty Ltd Waterlily
Woolworths Ltd
Yachting Victoria

Organisations and Charities Supported by the Institute

Alliance Francais
ALSO Foundation
Alpha Autism
Asian Food Festival
Asylum Seeker Resource Centre
Aussie Hands Foundation
Australia Hotels Association (VIC)
Australian Culinary Federation
Australian Meat Industry Council
Bake Skills Australia
Baking Industry Association
Canteen
Childwise

City Missionaries Gala Event
Clubs Victoria – Chef's Table
Dairy Industry Association of Australia
Diversified Exhibitions Australia
Epilepsy Foundation
Fine Foods
Fonterra Proud to be a Chef
Food Industry Association (VIC)
Foodservice Suppliers Association of Australia
Fred Hollows Foundation
Good Food and Wine Show
GOYA Foundation – East Timorese
HostPlus cook for your career
Koorie Heritage Trust
Lifestart Foundation
Lighthouse Foundation
MEA – Ruth Ellis Scholarship
Meetings and Events Australia
Melbourne City Mission
Melbourne Day
Melbourne Food and Wine Festival
MINTRAC
Mission Australia
Nestle Golden Chefs Hat
National Indigenous Culinary Institute
Ovarian Cancer Research Foundation
Oxfam
Pink Ribbon Foundation
Professional Executive Housekeepers' Network
Ronald McDonald House
Royal Australian Chemical Institute
Royal Children's Hospital Good Friday Appeal
Royal Melbourne Show
Scouts Australia
Shine Media (MasterChef Australia)
Spotless Competition
Starlight Foundation
STREAT
The Big Issue
The Smith Family
Thierry Marx Competition
TLC for kids
Victoria Day Council Awards
Victorian Institute of Sport
Western Chances
World Vision
WorldSkills Australia
Yachting Victoria

Developing and Expanding International Partnerships



The Institute's students and graduates are encouraged to challenge ideas and existing practices, to push the boundaries and excel in their field of choice.

Developing and expanding international partnerships is a priority of the Institute's strategic plan. The Institute recognises the importance of preparing students as global citizens with the skills and knowledge to build successful careers in the foods, tourism and hospitality industries wherever they choose.

These industries are truly international and represent leading growth sectors in most developed and developing countries. This means exciting opportunities for graduates as they complete their qualifications and commence their careers. The Institute seeks to provide students and staff with as many international influences and opportunities as possible to prepare them for work. The Institute's International graduates continue to enjoy extremely high rates of employment and are recruited for high profile jobs after completion of their courses.

During 2013, with assistance from the VET Outbound Mobility Program, students participated in two international study tours:

- Degree students travelled to Spain
- Tourism students travelled to Vietnam and Cambodia

In addition, industry study tours and site visits were conducted for students of Tourism and Resorts Management Programs:

- Resort Management students travelled to Thailand
- Tourism Program students Singapore travelled to Vanuatu

Professional Development

Through the Institute's international project activities and strong network of industry and education partners, many Institute staff members engaged in opportunities to work overseas in 2013 and participate in personal and professional development. Throughout the year, staff participated in project and business development activities

in Angola, Brazil, Brunei Darussalam, Cambodia, Chile, China, Colombia, Fiji, Hong Kong, Indonesia, Japan, Korea, Lao PDR, Macau, Malaysia, Mauritius, Myanmar, Papua New Guinea, the Philippines, Samoa, Singapore, Sri Lanka, Timor Leste, Thailand, the United Arab Emirates and Vietnam.

Global Collaborations

In 2013 William Angliss Institute partnered with the Colombo Academy of Hospitality Management (CAHM) to become its sole provider of internationally recognised tourism and hospitality programs and to provide assessment, curriculum, quality assurance and staff training for CAHM staff. The campus is located in a new specially constructed building comprising classroom and commercial kitchen facilities on the grounds of the Sri Lankan Institute of Information Technology (SLIIT) in Colombo, Sri Lanka. SLIIT is Sri Lanka's largest private university. CAHM's proposed affiliation with an international industry player of repute such as William Angliss Institute as an academic partner to offer co-branded courses and specialist advice from inception through to operation of the Academy was a landmark project for Sri Lanka.

A significant achievement was the signing of an agreement with the Berjaya University College of Hospitality in Kuala Lumpur, Malaysia. The agreement is specific to delivery of our Higher Education programs. Together we are delivering our specialised and unique internationally recognised degree programs, offering students worldwide the opportunity to enrol in a degree program with William Angliss Institute and completing the programme in Malaysia. Berjaya University College of Hospitality integrates state-of-the-art facilities, high educational standards and industry expertise and offers the opportunity for Australian students to participate in study abroad programs as part of their study experience.

The Institute's Continuing Education and Training (CET) Centre established in Singapore in late 2011 continues to strengthen its training alliances with major tourism industry partners: Marina Bay Sands, Scoot Airlines (subsidiary of Singapore Airlines), 4D Magix at Sentosa, Singapore Cruise Centre, Select Restaurant Group, 7-Eleven stores, Cold Storage Supermarkets, The Luge at Sentosa, McDonalds, Pan Pacific Hotel Group, Singapore Formula One Grand Prix, Stewards Solution and the Singapore Science Centre.

The Institute's work for the Secretariat of the Association of South-East Asian Nations (ASEAN) continued strongly in 2013 laying the foundations for further expansion in 2014 in the areas of teacher training, resource development and consultancy. Institute staff worked across all ten nations of ASEAN to carry out projects, and engaged with hundreds of tourism industry leaders in a rapidly growing sector within a regional population base of more than 660 million people.

The Institute continues to perform an important role in the nation's immigration program, expanding its role in the provision of skills assessments for 457 temporary visa applicants both onshore and offshore, particularly in Vietnam and the Philippines. Our involvement in the Department of Immigration and Border Protection's Training Benchmark program has provided a method for Australian employers to demonstrate their commitment to training the local workforce. All employer contributions go into the Institute's scholarship fund that has enabled us to provide educational opportunities and financial assistance to support disadvantaged students to support their career ambitions.

In the international arena, the Institute specialises in human resource development (HRD) in the tourism and hospitality sector, delivering customised solutions to local, national, regional

government and industry partners. Tailor-made solutions include design and set up of Vocational training systems, hotel pre-opening training and simulation programs, training needs analysis, curriculum design and development, learning resources development, tourism trainer professional development programs, skills audits, certification and employment programs. A snapshot of our major clients and partners include the Association of South East Asian Nations (ASEAN) Secretariat (Brunei Darussalam, Cambodia, Indonesia, Laos PDR, Malaysia, Myanmar, The Philippines, Singapore, Thailand and Vietnam), Saudi Commission for Tourism and Antiquities, InterContinental Hotels Group, Compass Group, Sodexo, Express Support Services and the Colombo Academy of Hospitality Management. The Institute's European and Scandinavian markets are serviced from our base in France and strong partner relationships have also been established in Latin America.

Memberships, Partnerships and Affiliations

The reputation of the Institute as a specialist is recognised by industry and government bodies through a number of memberships and affiliations. Among these is the Institute's continued involvement with the prestigious International Centre of Excellence in Tourism and Hospitality Education (THE-ICE). Membership of this organisation consists of international institutions, governments, tourism organisations and industry, providing the Institute with access to a collaborative, international network of members who value and promote excellence in tourism and hospitality education.

Education Alliances

Alliance activities contributing further to the development and expansion of the Institute's international partnerships in 2013 included:

- Building relationships with selected institutions around the world to explore areas for exchange and collaboration
- Offering opportunities for our academic staff to build their knowledge in international practices
- Providing local students with international experiences through study abroad opportunities
- Providing opportunities for international students to continue their studies at the Institute
- Continuing the exchange and collaboration programs with Dusit Thani College in Thailand and Berjaya University College of Hospitality in Malaysia
- Arranging additional academic articulation pathways into the Bachelor Degrees at the Institute with 20 institutions from South and Central America, South Africa, United Arab Emirates and Asia
- Providing internationally recognised tourism and hospitality programs at the Colombo Academy of Hospitality Management (CAHM) and assessment, curriculum, quality assurance and staff training for CAHM staff

| Project | Industry Partner(s) | Project Activities |
|---|--|---|
| Association of Southeast Asian Nations (ASEAN) Tourism project to develop training toolboxes for Front Office, Food and Beverage and Food Production | The ASEAN Secretariat | Completion of a further 98 training toolboxes covering the industry divisions of front office, food and beverage, food production as well as English language training |
| Association of South-East Asian Nations (ASEAN) Gap Analysis project | ASEAN Secretariat | A project to conduct research and study in the ten ASEAN nations to analyse the gaps in preparation for implementation of the Mutual Recognition Arrangement (MRA) on tourism professionals |
| Assessment, training, certification and employment programs for bakery and cookery professionals in Vietnam and the Philippines | Australian Leisure and Hospitality Group (ALH), Brumby's Bakery and Targeted Staffing Solutions Pty Ltd. | Industry assessment and training programs to certify industry professionals, with the aim of increasing employment opportunities for these professionals in Australia |
| Hotel training in the management of Food and Beverage, Front Office, MICE and events, and Housekeeping | Saigon Tourist Hotel Group, Vietnam | Four staff delivered a one month program in hotel management in Ho Chi Minh City for 31 middle managers from the group's hotels from across the nation |
| Skills assessment of cooks, chefs and bakers for migration purposes | Various hotels, restaurants and resorts Australia wide | Assessments conducted in China, Fiji, Singapore, Malaysia, Thailand, the Philippines, Macau and Vietnam |
| During 2013 WAI provided gap training to Compass catering group's kitchen hands in Dili, East Timor | Compass ESS, East Timor | Delivery of Certificate II in Catering Operations training to two groups of 15 ESS employees |
| WAI provided assessment and certification of middle managers at the Galaxy in Macau. | Galaxy Entertainment Group, Macau | Piloting of an assessment and certification program with an initial group of 6 managers with the prospect of more similar work in 2014 |
| Work has commenced to establish equivalences between qualifications issued by the Centre for Culinary Arts (CCA) in the Philippines and WAI with the purpose of providing pathways for CCA Diploma students to WAI degree studies | Centre for Culinary Arts (CCA) Philippines | WAI management has met regularly with CCA staff in Australia and the Philippines and work on mapping qualifications has commenced with the assistance of Higher Education |
| Cookery training for NCS employees on Lihir Island, PNG | National Catering Services, PNG | Delivery of Certificate III in Cookery program to a group of NCS employees over a 15 month period through two week blocks of training every two months |
| Kitchen operations training for 138 employees of Sodexo Thailand | Sodexo Thailand | Two x three week blocks of training delivered in various sites in Thailand in July and September 2013 |
| WAI staff continue to be involved in the work of the Asia- Pacific Training College (APTC) in Samoa | Samoa | Assisting Pacific Islanders to gain Australian standard skills and qualifications for hospitality careers where skilled employees are in high demand |

| Project | Industry Partner(s) | Project Activities |
|--|--|--|
| WAI is collaborating with the Colombo Academy of Hospitality Management (CAHM) who have built a specialist Tourism and Hospitality campus on the grounds of the Sri Lanka Institute of Information Technology (SLIIT) | Colombo, Sri Lanka | WAI has been supporting CAHM since its opening in early 2013 by providing expert specialist staff and administration and the use of Australian accredited curriculum, teaching resources, teacher training and quality assurance |
| Food and Beverage training in Sri Lanka for the Kingsbury Hotel | Auslan consultants contracting our services for training at the Kingsbury Hotel, Colombo | Delivery of Food and Beverage training for 35 staff of the Kingsbury Hotel |
| Institute international and Culinary staff worked with UNESCO and Austrade in Myanmar to deliver a seminar on 'Developing Food Safety' and 'Hygiene Kills' and knowledge for the hospitality and tourism industry in Myanmar | UNESCO, Yangon, Myanmar | Pilot workshops were delivered by WAI staff to industry practitioners assisted by funding from AusAID's International Seminar Support Scheme (ISSS) |
| Under current legislation Australian employers who sponsor Visa 457 temporary workers are required to demonstrate their commitment to training the local workforce by contributing 2% of their gross salary payroll to a scholarship fund to support the training of Australian workers. The Institute deposits these funds into its Foundation Fund which has enabled us to provide educational opportunities and financial assistance to support disadvantaged students to support their career ambitions. | Department of Immigration and Border Protection Training Benchmarks scheme | Based mainly on these employer contributions the Institute Foundation Fund has in excess of \$1 million from which it can offer a variety of scholarships to support disadvantaged Australian students |

Overseas Operations

Nature of Strategic and Operational Risks

In its Strategic Plan, the Institute has identified the priority of developing and expanding international partnerships. The Institute recognises the inherent risks associated with offshore activity and these risks have been identified and ranked in order of impact as part of the Institute's Board-endorsed Risk Management Plan.

Strategies Established to Manage Risks

The Risk Management Plan outlines specific strategies to mitigate risk in each of the identified areas. The results of each strategy are measured and the strategies adjusted accordingly on a yearly basis. Risk management is a priority for the Board and as such the Institute provides:

- Regular reports to the Board regarding the Institute's offshore activities, which are inclusive of targets and actual results
- A quarterly Pipeline Report which identifies each international project from concept to implementation and completion, classifying them as minor, medium and major according to income generated
- A business case outlining each new major international activity to the Board for consideration and approval before the activity commences.

Performance Measures and Targets

The Institute's performance management process commences with the business case submission to the Board for consideration. Once approved, this then becomes part of the annual budget process with monthly identification and reporting of revenue and surplus. Any significant variances are highlighted and discussed through the Institute Board's sub-committee structure.

Achieving Expected Outcomes

The Institute's international activities have been particularly successful in 2013, with performance regularly achieving and exceeding set targets. International operations have contributed significantly to the Institute's commercial targets, enabling the Institute to reduce its reliance on Government funding.

Overseas Visits

In 2013, a total of 150 overseas visits were undertaken to deliver industry training and assessment programs as well as formal education courses, secure consulting projects, strengthen partnerships, oversee International operations, recruit students and attend conferences and exhibitions.

Financial Report

For Year Ended 31 December 2013

Declaration

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2013

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

We certify that the attached financial statements for the William Angliss Institute of TAFE has been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2013 and financial position of the Institute as at 31 December 2013.

At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that the Institute will be able to pay its debts as and when they became due and payable.

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



Board Chair

Dr M Allan

Date: 27/2/2014

Melbourne



Acting Chief Finance & Accounting Officer

Mr J Stoikos

Date: 27/2/2014

Melbourne



Chief Executive Officer

Mr N Hunt

Date: 27/2/2014

Melbourne

INDEPENDENT AUDITOR'S REPORT

To the Board Members, William Angliss Institute of Technical and Further Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2013 of William Angliss Institute of Technical and Further Education comprises the statement, the related notes and the Declaration of Board Chair, Chief Executive Officer, and Acting Chief Finance and Accounting Officer has been audited.

The Board Members' Responsibility for the Statement of Performance

The Board Members of William Angliss Institute of Technical and Further Education are responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1994* and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the statement of performance based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

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

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

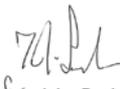
Opinion

In my opinion, the statement of performance of the William Angliss Institute of Technical and Further Education in respect of the 31 December 2013 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the statement of performance of the William Angliss Institute of Technical and Further Education for the year ended 31 December 2013 included both in the William Angliss Institute of Technical and Further Education's annual report and on the website. The Board Members of the William Angliss Institute of Technical and Further Education are responsible for the integrity of the William Angliss Institute of Technical and Further Education's website. I have not been engaged to report on the integrity of the William Angliss Institute of Technical and Further Education's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the statement of performance are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited statement of performance to confirm the information contained in the website version of the statement of performance.

MELBOURNE
28 February 2014


John Doyle
Auditor-General

Auditing in the Public Interest

INDEPENDENT AUDITOR'S REPORT

To the Board Members, William Angliss Institute of Technical and Further Education

The Financial Report

The accompanying financial report for the year ended 31 December 2013 of the William Angliss Institute of Technical and Further Education which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration of Board Chair, Chief Executive Officer, and Acting Chief Finance and Accounting Officer has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the William Angliss Institute of Technical and Further Education are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the William Angliss Institute of Technical and Further Education as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the William Angliss Institute of Technical and Further Education for the year ended 31 December 2013 included both in the William Angliss Institute of Technical and Further Education's annual report and on the website. The Board Members of the William Angliss Institute of Technical and Further Education are responsible for the integrity of the William Angliss Institute of Technical and Further Education's website. I have not been engaged to report on the integrity of the William Angliss Institute of Technical and Further Education's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
28 February 2014


John Doyle
Auditor-General

Comprehensive Operating Statement for the year ended 31 December 2013

| | Note | Consolidated | | Institute | |
|--|----------|----------------|----------------|----------------|----------------|
| | | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Continuing operations | | | | | |
| Income from transactions | | | | | |
| Government contributions - operating | 2(a)(i) | 18,132 | 27,238 | 18,132 | 27,238 |
| Government contributions - capital | 2(a)(ii) | 590 | 969 | 590 | 969 |
| Sale of goods and services | 2(b) | 31,805 | 30,038 | 28,517 | 26,308 |
| Interest | 2(c) | 159 | 434 | 119 | 373 |
| Other income | 2(d) | 1,304 | 1,698 | 787 | 774 |
| Total income from transactions | | 51,990 | 60,377 | 48,145 | 55,662 |
| Expenses from transactions | | | | | |
| Employee expenses | 3(a) | 33,013 | 34,152 | 30,502 | 32,249 |
| Depreciation and amortisation | 3(b) | 3,165 | 2,980 | 2,947 | 2,792 |
| Interest expense | 3(c) | 89 | 85 | 87 | 82 |
| Grants and other transfers | 3(d) | 45 | 54 | 12 | 16 |
| Supplies and services | 3(e) | 14,085 | 15,648 | 14,155 | 15,124 |
| Other operating expenses | 3(f) | 7,716 | 8,494 | 5,812 | 6,193 |
| Total expenses from transactions | | 58,113 | 61,413 | 53,515 | 56,456 |
| Net result from transactions (net operating balance) | | (6,123) | (1,036) | (5,370) | (794) |
| Other economic flows included in net result | | | | | |
| Net gain/(loss) on non-financial assets | 4(a) | 313 | (63) | 34 | (44) |
| Other gains/(losses) from other economic flows | 4(d) | (87) | (243) | (87) | (243) |
| Total other economic flows included in net result | | 226 | (306) | (53) | (287) |
| Net result from continuing operations | | (5,897) | (1,342) | (5,423) | (1,081) |
| Net result | | (5,897) | (1,342) | (5,423) | (1,081) |
| Other economic flows - other comprehensive income | | | | | |
| Items that will not be reclassified to net result | | | | | |
| Changes in physical asset revaluation surplus | 15 | - | 3,557 | - | 3,557 |
| Total other economic flows - Other comprehensive income | | - | 3,557 | - | 3,557 |
| Comprehensive result | | (5,897) | 2,215 | (5,423) | 2,476 |

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance Sheet as at 31 December 2013

| | Note | Consolidated | | Institute | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Assets | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 5 | 7,884 | 7,298 | 5,067 | 4,736 |
| Receivables | 6 | 6,499 | 8,254 | 4,635 | 5,871 |
| Investments and other financial assets | 7 | - | - | 5,880 | 5,739 |
| Total financial assets | | 14,383 | 15,552 | 15,582 | 16,346 |
| Non-financial assets | | | | | |
| Inventories | 8 | 85 | 106 | 85 | 106 |
| Property, plant and equipment | 9 | 97,869 | 100,921 | 97,523 | 100,365 |
| Intangible assets | 10 | 11,232 | 259 | 11,171 | 198 |
| Other non-financial assets | 11 | 764 | 616 | 308 | 288 |
| Total non-financial assets | | 109,950 | 101,902 | 109,087 | 100,957 |
| Total assets | | 124,333 | 117,454 | 124,669 | 117,303 |
| Liabilities | | | | | |
| Payables | 12 | 6,853 | 8,007 | 6,582 | 7,723 |
| Provisions | 13 | 4,108 | 4,461 | 4,107 | 4,460 |
| Borrowings | 14 | 4,500 | - | 4,500 | - |
| Total liabilities | | 15,461 | 12,468 | 15,189 | 12,183 |
| Net assets | | 108,872 | 104,986 | 109,480 | 105,120 |
| Equity | | | | | |
| Accumulated surplus/(deficit) | 15(b) | 21,674 | 27,571 | 21,514 | 26,937 |
| Reserves | 15(c) | 57,762 | 57,762 | 57,762 | 57,762 |
| Contributed capital | 15(a) | 29,436 | 19,653 | 30,204 | 20,421 |
| Net worth | | 108,872 | 104,986 | 109,480 | 105,120 |
| Commitments for expenditure | 17 | 4,474 | 6,807 | 3,741 | 5,836 |
| Contingent assets and contingent liabilities | 18 | - | - | - | - |

The above Balance Sheet should be read in conjunction with the accompanying notes

Statement of Changes in Equity for the year ended 31 December 2013

| CONSOLIDATED | Note | Equity at 1 Jan 2013 \$'000 | Changes due to | | Equity at 31 Dec 2013 \$'000 |
|--|-------|-----------------------------------|--|--|------------------------------------|
| | | | Total Comprehensive result \$'000 | Transactions with owners in their capacity as owners \$'000 | |
| Accumulated surplus/(deficit) | 15(b) | 27,571 | (5,897) | - | 21,674 |
| Accumulated surplus/(deficit) at the end of the year | | 27,571 | (5,897) | - | 21,674 |
| Contributed capital | 15(a) | 19,653 | - | 9,783 | 29,436 |
| Contribution by owners at the end of the year | | 19,653 | - | 9,783 | 29,436 |
| Physical assets revaluation reserve | 15(c) | 57,762 | - | - | 57,762 |
| | | 57,762 | - | - | 57,762 |
| Total equity at the end of the year | | 104,986 | (5,897) | 9,783 | 108,872 |

| CONSOLIDATED | Note | Equity at 1 Jan 2012 \$'000 | Changes due to | | Equity at 31 Dec 2012 \$'000 |
|--|-------|-----------------------------------|--|--|------------------------------------|
| | | | Total Comprehensive result \$'000 | Transactions with owners in their capacity as owners \$'000 | |
| Accumulated surplus/(deficit) | 15(b) | 28,913 | (1,342) | - | 27,571 |
| Accumulated surplus/(deficit) at the end of the year | | 28,913 | (1,342) | - | 27,571 |
| Contributed capital | 15(a) | 19,653 | - | - | 19,653 |
| Contribution by owners at the end of the year | | 19,653 | - | - | 19,653 |
| Physical assets revaluation reserve | 15(c) | 54,205 | 3,557 | - | 57,762 |
| | | 54,205 | 3,557 | - | 57,762 |
| Total equity at the end of the year | | 102,771 | 2,215 | - | 104,986 |

| INSTITUTE | Note | Equity at 1 Jan 2013 \$'000 | Changes due to | | Equity at 31 Dec 2013 \$'000 |
|--|-------|-----------------------------------|--|--|------------------------------------|
| | | | Total Comprehensive result \$'000 | Transactions with owners in their capacity as owners \$'000 | |
| Accumulated surplus/(deficit) | 15(b) | 26,937 | (5,423) | - | 21,514 |
| Accumulated surplus/(deficit) at the end of the year | | 26,937 | (5,423) | - | 21,514 |
| Contributed capital | 15(a) | 20,421 | - | 9,783 | 30,204 |
| Contribution by owners at the end of the year | | 20,421 | - | 9,783 | 30,204 |
| Physical assets revaluation reserve | 15(c) | 57,762 | - | - | 57,762 |
| | | 57,762 | - | - | 57,762 |
| Total equity at the end of the year | | 105,120 | (5,423) | 9,783 | 109,480 |

| INSTITUTE | Note | Equity at 1 Jan 2012 \$'000 | Changes due to | | Equity at 31 Dec 2012 \$'000 |
|--|-------|-----------------------------------|--|--|------------------------------------|
| | | | Total Comprehensive result \$'000 | Transactions with owners in their capacity as owners \$'000 | |
| Accumulated surplus/(deficit) | 15(b) | 28,018 | (1,081) | - | 26,937 |
| Accumulated surplus/(deficit) at the end of the year | | 28,018 | (1,081) | - | 26,937 |
| Contributed capital | 15(a) | 20,421 | - | - | 20,421 |
| Contribution by owners at the end of the year | | 20,421 | - | - | 20,421 |
| Physical assets revaluation reserve | 15(c) | 54,205 | 3,557 | - | 57,762 |
| | | 54,205 | 3,557 | - | 57,762 |
| Total equity at the end of the year | | 102,644 | 2,476 | - | 105,120 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement for the year ended 31 December 2013

| | Note | Consolidated | | Institute | |
|---|----------|-----------------|-----------------|-----------------|-----------------|
| | | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Cash flows from operating activities | | | | | |
| Receipts | | | | | |
| Government contributions - operating | 2(a)(i) | 19,609 | 27,238 | 19,580 | 27,238 |
| Government contributions - capital | 2(a)(ii) | 590 | 969 | 590 | 969 |
| Receipts from Customers | | 30,060 | 25,258 | 26,558 | 23,568 |
| User fees and charges received | | 159 | 434 | 119 | 373 |
| Goods and services tax recovered from the ATO | | 2,385 | 1,909 | 2,385 | 1,909 |
| Other receipts | | 1,304 | 1,698 | 787 | 725 |
| Total receipts | | 54,107 | 57,506 | 50,019 | 54,782 |
| Payments | | | | | |
| Payments to suppliers and employees | | (54,720) | (56,855) | (50,697) | (52,246) |
| Goods and services tax paid to the ATO | | (1,883) | (2,213) | (1,942) | (2,215) |
| Interest and other costs of finance paid | | (89) | (85) | (87) | (82) |
| Total payments | | (56,692) | (59,153) | (52,726) | (54,543) |
| Net cash flows from/(used in) operating activities | 16 (a) | (2,585) | (1,647) | (2,707) | 239 |
| Cash flows from investing activities | | | | | |
| Purchases of non-financial assets | | (1,448) | (1,937) | (1,440) | (1,802) |
| Payments for Investments | | - | - | - | (2,757) |
| Sales of non-financial assets | | 119 | 86 | 119 | 86 |
| Net cash provided by/(used in) investing activities | | (1,329) | (1,851) | (1,321) | (4,473) |
| Cash flows from financing activities | | | | | |
| Proceeds from disposal of property, plant and equipment | | | | | |
| Payment to related entities | | | | (141) | |
| Loan advance provided by state government | | 4,500 | | 4,500 | |
| Net cash flows from/(used in) financing activities | | 4,500 | - | 4,359 | - |
| Net increase/(decrease) in cash and cash equivalents | | 586 | (3,498) | 331 | (4,234) |
| Cash and cash equivalents at the beginning of the financial year | | 7,298 | 10,796 | 4,736 | 8,970 |
| Cash and cash equivalents at the end of the financial year | 5 | 7,884 | 7,298 | 5,067 | 4,736 |

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 31 December 2013

1. Statement of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for William Angliss Institute of TAFE and controlled entities ("Consolidated Group" or "Group"), and the separate financial statements and notes of William Angliss Institute of TAFE as an individual parent entity ("Parent Entity").

1.01 Statement of compliance

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian 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.

1.02 Basis of accounting preparation and measurement

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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

In the application of AAS, judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

These financial statements have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets

Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value;

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2013 and the comparative information presented for the year ended 31 December 2012.

The following is a summary of the material accounting policies adopted by the Institute in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

1.03 Reporting entity

The financial statements cover the William Angliss Institute of TAFE as an individual reporting entity. The Institute is a statutory body corporate, established by the Victorian Government under the Education and Training Reform Act 2006.

Its principal address is:
William Angliss Institute of TAFE
555 La Trobe St
Melbourne Victoria

1.04 Basis of consolidation

The financial statements include all the activities of the Group.

A controlled entity is any entity over which William Angliss Institute of TAFE has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Income and expense of subsidiaries acquired or disposed of during the year are included in the comprehensive operating statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Institute and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements for the year ended 31 December 2013

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Institute.

All intra-Institute transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Institutes' ownership interests in subsidiaries that do not result in the Institute losing control are accounted for as equity transactions. The carrying amounts of the Institute's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Institute.

Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

1.05 Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Institute and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. No disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

1.06 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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.

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

Commitments and contingent assets or liabilities are presented on a gross basis.

1.07 Income from transactions

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Institute's major activities as follows:

Government contributions

Government contributions are recognised as revenue in the period when the Institute gains control of the contributions. Control is recognised upon receipt or notification by relevant authorities of the right to receive a contribution for the current period.

Sale of goods and services

(i) Student fees and charges

Student fees and charges revenue are recognised by reference to the percentage of services provided. Where student fees and charges revenue have been clearly received in respect of courses or programs to be delivered in the following year, any non-refundable portion is treated as revenue in the year of receipt and the balance as Revenue in Advance.

(ii) Fee for Service

Fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as Revenue in Advance.

(iii) Revenue from sale of goods

Revenue from sale of goods is recognised by the Institute when:

- (a) the significant risks and rewards of ownership of the goods have transferred to the buyer;
- (b) the Institute retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be reliably measured;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Institute and;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements for the year ended 31 December 2013

Interest

Interest from cash, short-term deposits and investments are brought to account on a time proportional basis taking into account interest rates applicable to the financial assets.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

Other income

(i) Rental income

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.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

1.08 Expenses from transactions

Employee benefits

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

Retirement benefit obligations

(i) Defined contribution plan

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

(ii) Defined benefit plans

The amount charged to the comprehensive operating statement in respect of superannuation represents the contributions made by the Institute to the superannuation plan in respect of current services of current Institute staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

Depreciation and amortisation

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Depreciation methods and rates used for each class of depreciable assets are:

| Class of asset | Method | Rate/Rates |
|-----------------------|----------|------------|
| Buildings | Straight | 1% - 14% |
| Plant & equipment | Straight | 5% - 33% |
| Motor vehicles | Straight | 20.0% |
| Internal use-software | Straight | 20% - 33% |
| Other | Straight | 0.0% |

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis.

Amortisation

Intangible assets with finite lives are amortised on a straight line basis over the assets useful lives. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite lives are not amortised. The useful life of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the Institute tests all intangible assets with indefinite lives for impairment by comparing its recoverable amount with its carrying amount:

(a) annual and;

(b) whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Notes to the Financial Statements for the year ended 31 December 2013

Interest Expense

Interest expense is recognised as expenses in the period in which they are incurred.

Interest expense includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.”

Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable.

Other operating expenses

Supplies and services

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

Fair value of assets and services provided free of charge or for nominal consideration

Resources provided free of charge or for nominal consideration are recognised at their fair value.

1.09 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

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

Impairment of assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount and so require write downs).

All other assets except inventories are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of assets.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash flows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluations of financial instruments at fair value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Impairment of financial assets

Financial assets have been assessed for impairment in accordance with Australian Account Standards. Where a financial asset's fair value at balance date has reduced by 10 percent or more than its cost price; or where it's fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.”

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Notes to the Financial Statements for the year ended 31 December 2013

1.10 Financial assets

Cash and deposits

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

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet.

Receivables

Receivables consist of:

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

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Receivables are recognised at fair value.

Investments and other financial assets

Investments are classified in the following categories:

- loans and receivables, and
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the investments is recognised in the consolidated comprehensive operating statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset 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 neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

At the end of each reporting period, the Institute assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Notes to the Financial Statements for the year ended 31 December 2013

1.11 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases

Operating Leases Institute as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.12 Non-Financial Assets

Inventories

Inventories include goods and other property held either for sale or for distribution at a zero or nominal cost in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

The basis used in assessing loss of service potential for inventories held-for-distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for all other inventory is measured on the basis of weighted average cost.

Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Property, plant and equipment

All non-financial physical assets, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

The fair value of equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Certain assets are acquired under finance leases, which may form part of a service concession arrangement.

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

For the accounting policy on impairment of non-financial physical assets refer to Note on Impairment of non-financial assets.

Library collections

Library collections are measured at cost less accumulated depreciation.

Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with FRDs issued by the Minister for Finance. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Revaluation increases are credited directly to equity in the revaluation reserve, except to the extent that an increase reverses a revaluation decrease in respect of that class of property, plant and equipment, previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result.

Revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Notes to the Financial Statements for the year ended 31 December 2013

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Institute. “

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

| | 2013 | 2012 |
|---|------|------|
| Capitalised software development cost (years) | 15 | 3 -5 |

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

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

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

1.13 Liabilities

Payables

Payables consist of:

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

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Provisions

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

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

Employee benefits

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

- (i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Notes to the Financial Statements for the year ended 31 December 2013

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 4(c)).

(iii) Termination benefits

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 is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation and superannuation) are recognised in provision for employee benefits.

Performance Payments

Performance payments for TAFE Executive Officers are based on a percentage of the annual salary package provided under the contract of employment. A liability is provided for under the term of the contracts at reporting date and paid out in the next financial year.

Borrowings

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

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

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 estimated consolidated comprehensive operating statement.

Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Onerous contracts

An onerous contract is considered to exist where the Institute has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

Notes to the Financial Statements for the year ended 31 December 2013

1.14 Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of the GST payable.

1.15 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 18) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.16 Equity

Contributed capital

Funding that are in the nature of contributions by the State government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 Contribution by Owners Made to Wholly-Owned Public Sector Entities. Commonwealth capital funds are not affected and are treated as income.

1.17 Foreign currency translations

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The Institute's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the comprehensive operating statement in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the comprehensive operating statement.

Group entities

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognised as a separate component of equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the comprehensive operating statement as part of the gain or loss on sale where applicable.

1.18 Materiality

In accordance with Accounting Standard AASB1031 'Materiality', accounting policies need only be identified in the summary of accounting policies where they are considered 'material'. Accounting policies will be considered material if their omission, misstatement or non-disclosure has the potential, individually or collectively, to:

- (a) influence the economic decisions of users taken on the basis of the financial report; and
- (b) affect the discharge of accountability by the management or governing body of the entity.

1.19 Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

1.20 Comparative information

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

Notes to the Financial Statements for the year ended 31 December 2013

1.21 Change in accounting policy

AASB 13 Fair Value Measurement

The Institute has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Institute has not made any new disclosures required by AASB 13 for the 2012 comparative period. Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

AASB 119 Employee benefits

In the current year, the Institute has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. This change has no impact on the Institute because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements."

In addition, AASB 119 also changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Institute as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis and did not have a material impact. The institute has previously adopted the discounting method to calculate employee benefits and no comparatives from previous year are shown.

Notes to the Financial Statements for the year ended 31 December 2013

1.22 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2013 reporting period.

As at 31 December 2013 the following standards and interpretations (applicable to the Institute) had been issued but were not mandatory for financial year ending 31 December 2013. The Institute has not, and does not intend to, adopt these standards early.

| Standard/Interpretation | Summary | Application date of standard | Impact on entity's financial statements |
|---|---|------------------------------|--|
| AASB 9 Financial Instruments | This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). | 1 Jan 2015 | Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed. |
| AASB 10 Consolidated Financial Statements | <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> | 1 Jan 2014 | The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, the entity will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated. |
| AASB 11 Joint Arrangements | This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. | 1 Jan 2014 | "The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, the entity will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11. |
| AASB 12 Disclosure of Interests in Other Entities | <p>This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.</p> | 1 Jan 2014 | "Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures. |
| AASB 127 Separate Financial Statements | This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. | 1 Jan 2014 | The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities. |

Notes to the Financial Statements for the year ended 31 December 2013

| Standard/Interpretation | Summary | Application date of standard | Impact on entity's financial statements |
|---|---|------------------------------|---|
| AASB 128 Investments in Associates and Joint Ventures | This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. | 1 Jan 2014 | The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities. |
| AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements | These standards set out the tiers of financial reporting and the reduced disclosure framework. | 1 Jan 2014 | The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector. |
| AASB 1055 Budgetary Reporting | AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament. | 1 Jan 2014 | This Standard is not applicable as no budget disclosure is required. |

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The two AASB Interpretations in the list below are also not effective for the 2013 reporting period and considered to have insignificant impacts on public sector reporting.

- AASB 2011-13 Amendments to Australian Accounting Standard - Improvements to AASB 1049
- AASB 2010-10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters.
- AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements.
- AASB 2011-3 Amendments to Australian Accounting Standards - Orderly adoption of Changes to the ABS GFS Manual and Related Amendments
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.
- AASB 2011-6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements.
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.
- AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039, 1049]
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).
- AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.
- AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20
- 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements.
- 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities.
- 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.
- 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.
- 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.
- 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements
- 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non Financial Assets
- Interpretation 21 Levies

1.23 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Institutes' accounting policies, judgements, estimates and assumptions about the carrying amounts of assets and liabilities must be made. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Financial Statements for the year ended 31 December 2013

Fair value measurements and valuation processes

Some of the Institutes' assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability the Institute uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Institute engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is summarised below and at note 26.

In addition, the following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Assets / Liabilities measured at fair value | Fair Value as at | | Fair Value Hierarchy | Valuation Technique(s) and key assumptions | Significant unobservable input(s) | Relationship of unobservable inputs to fair value |
|---|--|---|----------------------|--|---|--|
| | 31/12/13 | 31/12/12 | | | | |
| 1 | Assets- \$AUD N/A Liabilities - \$AUD N/A | Assets- \$AUD N/A Liabilities - \$AUD N/A | Level 1 | Quoted bid prices (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date. | NA | NA |
| 2 | Assets- \$AUD 100,365 Liabilities - \$AUD N/A | Assets- \$AUD 97,365 Liabilities - \$AUD N/A | Level 2 | Depreciated replacement cost as applied to non specialised assets | NA | NA |
| 3 | Assets- \$AUD N/A Liabilities - \$AUD N/A | Assets- \$AUD N/A Liabilities - \$AUD N/A | Level 3 | Depreciated replacement cost | Specialised assets, estimates made on replacement cost of asset | The higher the construction cost, the higher the fair value. |
| Total | - | - | | | | |

Critical judgements in applying accounting policies

The following are the critical judgement apart from those involved estimations that the Institute has made in the process of applying the accounting policies and that have the most significant effect of the amounts recognised in the consolidated financial statements.

Impairment – general

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. Factors considered included: land & building indices, impairment indicators outlined in AASB 136.

No impairment has been recognised in respect of the Group's holding of assets at the end of the reporting period.

Provision for impairment of receivables

Included in trade receivables at the end of the reporting period are amounts which are more than 120 days old, which prima facie, is an indicator of impairment. While there is inherent uncertainty in relation to the collection, the directors understand that the full amount of the debt is likely to be recoverable and therefore no provision for impairment for these receivables has been made. For those that have been assessed as irrecoverable by reference to past default experience and other factors a provision for doubtful debts has been raised.

Useful Life of SMS

The SMS has been assessed as having a useful life of 15 years. The SMS investment has a substantial value and also the previous student management software was in use for 13 years until replaced by the current software. The estimated useful life of SMS will be evaluated each financial year for reasonableness.

Notes to the Financial Statements for the year ended 31 December 2013

Going concern

While the Institute has returned a loss of \$5.423m (2012 loss: \$1.081m) and its current asset ratio was 0.98:1 (2012: 1.4:1), these financial statements have been prepared using the going concern basis for the following reasons:

- The Board have a reasonable expectation that the loan will be renegotiated on or before its due date.
- LSL provision shown as current liabilities of \$2.524m are not due and payable for the next 12 months.
- During the year there has been a pricing and business review that has led to fee increases and other measures to ensure improvement in financial performance of the Institute. There has been greater responsibility placed on the management to actively monitor financial performance.
- A continual process of performance viability review has been instigated to encourage constant improvements in performance.
- During the year as part of this process the Institute incurred redundancy costs of \$593k that will lead to a lower cost base
- The Institute has a 10 year strategic plan and capital expenditure plan in place. In reviewing the impact of the recent changes to the VET funding model the Institute remains confident that the 10 year strategic plan remains current.
- The Institute's specialist status, diversity of delivery locations, diversity of partnerships and the diversity of revenue generation will allow the Institute to prosper into the future.
- Continuing to implement the Transition Plan from 2012.
- The current year result being consistent with the forecast for 2013 as set out in our Transition Plan submitted to HESG, which is forecasting for the Institute to return to profit in 2015.
- New legislation allowing the borrowing of funds will be beneficial for the Institute.

No adjustments have been made as to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern, as the Board is of the opinion that the Group will continue to operate and will be able to pay its debts as and when they become due and payable. It is acknowledged that the Group is dependent on the successful conversion of prospective clients into sales and subsequent revenues. The Board believes the Group will be able to fund its operations on a positive cash flow basis for the next twelve months.

Notes to the Financial Statements for the year ended 31 December 2013

2. Income from Transactions

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| (a) Grants and other transfers (other than contributions by owners) | | | | |
| Government financial assistance | | | | |
| (i) Government contributions - operating | | | | |
| State government recurrent | 18,132 | 27,238 | 18,132 | 27,238 |
| Total government contributions - operating | 18,132 | 27,238 | 18,132 | 27,238 |
| (ii) Government contributions - capital | | | | |
| Commonwealth capital | 590 | 969 | 590 | 969 |
| Total government contributions - capital | 590 | 969 | 590 | 969 |
| Total government financial assistance | 18,722 | 28,207 | 18,722 | 28,207 |
| (b) Sales of goods and services | | | | |
| Student fees and charges | 15,339 | 13,834 | 13,258 | 11,920 |
| Rendering of services | | | | |
| Fee for service - other | 11,985 | 11,728 | 10,778 | 9,912 |
| Total rendering of services | 11,985 | 11,728 | 10,778 | 9,912 |
| Other non-course fees and charges | | | | |
| Sale of goods | 2,167 | 2,162 | 2,167 | 2,162 |
| Student Fees and Charges | 2,314 | 2,314 | 2,314 | 2,314 |
| Total other fees and charges | 4,481 | 4,476 | 4,481 | 4,476 |
| Total revenue from sale of goods and services | 31,805 | 30,038 | 28,517 | 26,308 |
| (c) Interest | | | | |
| Interest from financial assets not at fair value through P/L: | | | | |
| Interest on bank deposits | 159 | 434 | 119 | 373 |
| Total interest from financial assets not at fair value through P/L | 159 | 434 | 119 | 373 |
| Net interest income | 159 | 434 | 119 | 373 |
| (d) Other income | | | | |
| Rental income: | | | | |
| Investment properties | 64 | 64 | 64 | 64 |
| Total rental income | 64 | 64 | 64 | 64 |
| Donations, bequests and contributions | 438 | 410 | - | - |
| Other revenue | 802 | 1,224 | 723 | 710 |
| Total other income | 1,304 | 1,698 | 787 | 774 |

Notes to the Financial Statements for the year ended 31 December 2013

3. Expenses from transactions

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| (a) Employee expenses | | | | |
| Salaries, wages, overtime and allowances | 27,041 | 27,946 | 24,907 | 26,387 |
| Superannuation | 2,312 | 2,360 | 2,156 | 2,257 |
| Payroll tax | 1,347 | 1,434 | 1,297 | 1,374 |
| Worker's compensation | 391 | 336 | 369 | 319 |
| Long service leave | 468 | 290 | 449 | 260 |
| Annual leave | 1,386 | 1,266 | 1,302 | 1,186 |
| Termination benefits | - | 489 | - | 489 |
| Other | 68 | 31 | 22 | (23) |
| Total employee expenses | 33,013 | 34,152 | 30,502 | 32,249 |
| (b) Depreciation and amortisation | | | | |
| Depreciation of non-current assets | | | | |
| Buildings | 1,054 | 1,173 | 960 | 1,085 |
| Plant and equipment | 1,443 | 1,541 | 1,327 | 1,441 |
| Motor vehicles | 88 | 82 | 88 | 82 |
| Library collections | 54 | 50 | 54 | 50 |
| Total depreciation | 2,639 | 2,846 | 2,429 | 2,658 |
| Amortisation of non-current physical and intangible assets | | | | |
| Software | 526 | 134 | 518 | 134 |
| Total amortisation | 526 | 134 | 518 | 134 |
| Total depreciation and amortisation | 3,165 | 2,980 | 2,947 | 2,792 |
| (c) Interest Expense costs | | | | |
| Other interest costs | 89 | 85 | 87 | 82 |
| Total interest expense | 89 | 85 | 87 | 82 |
| (d) Grants and other transfers (other than contributions by owners) | | | | |
| Grants and subsidies other Vet Programs | 45 | 54 | 12 | 16 |
| Total grants and other transfers | 45 | 54 | 12 | 16 |
| (e) Supplies and Services | | | | |
| Purchase of supplies and consumables | 1,199 | 1,229 | 1,153 | 1,202 |
| Communication expenses | 367 | 631 | 362 | 611 |
| Contract and other services | 1,256 | 1,047 | 1,152 | 1,026 |
| Cost of goods sold/distributed (ancillary trading) | 2,090 | 2,092 | 2,089 | 2,092 |
| Building repairs and maintenance | 137 | 165 | 137 | 165 |
| Plant & Equipment repairs and maintenance | 317 | 316 | 313 | 315 |
| Minor equipment | 110 | 137 | 97 | 129 |
| Fees and charges | 7,366 | 8,828 | 7,667 | 8,427 |
| Other Charges | 1,243 | 1,203 | 1,185 | 1,157 |
| Total supplies and services | 14,085 | 15,648 | 14,155 | 15,124 |

Notes to the Financial Statements for the year ended 31 December 2013

3. Expenses from transactions (cont)

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| (f) Other Expenses | | | | |
| General Expenses | | | | |
| Marketing and promotional expenses | 553 | 1,093 | 430 | 745 |
| Audit fees and services | 229 | 227 | 181 | 196 |
| Staff development | 148 | 176 | 142 | 174 |
| Travel and motor vehicle expenses | 1,474 | 1,665 | 757 | 726 |
| Utilities | 747 | 773 | 691 | 730 |
| Cleaning and Sanitation | 86 | 87 | 86 | 87 |
| Signage | 2 | 3 | 2 | 3 |
| International Commissions | 710 | 568 | 710 | 568 |
| International Medibank | 337 | 319 | 337 | 319 |
| International Promotions | 236 | 233 | 236 | 233 |
| Student Excursions | 230 | 558 | 211 | 537 |
| Recruitment | 8 | 36 | 4 | 36 |
| International Representation | 60 | 92 | 60 | 92 |
| Other expenses | 684 | 649 | 584 | 547 |
| Total other expenses | 5,504 | 6,479 | 4,431 | 4,993 |
| Operating lease rental expenses: | | | | |
| Minimum lease payments | 1,950 | 2,104 | 1,119 | 1,289 |
| Total operating lease rental expenses | 1,950 | 2,104 | 1,119 | 1,289 |
| Subtotal | 7,454 | 8,583 | 5,550 | 6,282 |
| Bad and Doubtful Debts from Transactions | 262 | (89) | 262 | (89) |
| Total other operating expenses | 7,716 | 8,494 | 5,812 | 6,193 |

4. Other economic flows included in net result

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| (a) Net gain/(loss) on financial and non-financial assets (including PPE and intangible assets) | | | | |
| Net gain/(loss) on disposal of physical assets | 4 | 1 | 4 | 1 |
| Net FX gain/(loss) arising from non-financial assets | 309 | (64) | 30 | (45) |
| Total net gain/(loss) on non-financial assets and liabilities | 313 | (63) | 34 | (44) |
| (b) Other gains/(losses) from other economic flows | | | | |
| Other gains/(losses) from other economic flows | (87) | (243) | (87) | (243) |
| Total other gains/(losses) from other economic flows | (87) | (243) | (87) | (243) |

Notes to the Financial Statements for the year ended 31 December 2013

5 Cash and deposits

| | Consolidated | | Institute | |
|--|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash at bank and on hand | 6,442 | 5,455 | 5,052 | 3,221 |
| Deposits - at call | 1,442 | 1,843 | 15 | 1,515 |
| Total cash and cash equivalents | 7,884 | 7,298 | 5,067 | 4,736 |

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

| | Consolidated | | Institute | |
|---|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Reconciliation to cash at the end of the year | | | | |
| Balances as above | 7,884 | 7,298 | 5,067 | 4,736 |
| Balance as per cashflow statement | 7,884 | 7,298 | 5,067 | 4,736 |

(b) Cash at bank and on hand

The Cash at bank and on hand are bearing floating interest rates between 2.00% and 3.15%(2012 2.75% and 4.40%).

(c) Deposits at call

The deposits are bearing floating interest rates between 3% and 4% (2012 - 3.10% and 5.50%).

These deposits have an average maturity of 90 days.

Notes to the Financial Statements for the year ended 31 December 2013

6 Receivables

| | Consolidated | | Institute | |
|--|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current receivables | | | | |
| Contractual | | | | |
| Trade receivables ¹ | 1,887 | 1,197 | 1,887 | 1,197 |
| Provision for doubtful contractual receivables(a) (See also Note 6(a) below) | (281) | (21) | (281) | (21) |
| Other parties | 213 | 56 | 213 | 57 |
| Total contractual | 1,819 | 1,232 | 1,819 | 1,233 |
| Statutory | | | | |
| GST receivable from ATO | 165 | 194 | 165 | 194 |
| Revenue receivable ² | 4,515 | 6,828 | 2,651 | 4,444 |
| Total statutory | 4,680 | 7,022 | 2,816 | 4,638 |
| Total current receivables | 6,499 | 8,254 | 4,635 | 5,871 |
| Total receivables | 6,499 | 8,254 | 4,635 | 5,871 |

- 1 The average credit period on sales of goods is 30 days. No interest is charged on other receivables for the first 30 days from the date of the invoice. Thereafter, no interest is charged on the outstanding balance. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. The \$261 reduction was recognised in the operating result for the current financial year.
- 2 Loans are repayable on demand. However, payment is not expected within 12 months after the reporting date.

| | Consolidated | | Institute | |
|--|--------------|-------------|--------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Movement in the provision for doubtful contractual receivables | | | | |
| Balance at beginning of the year | (21) | (151) | (21) | (151) |
| Reversal of unused provision recognised in the net result | | 110 | | 110 |
| Increase in provision recognised in the net result | (261) | (21) | (261) | (21) |
| Reversal of provision for receivables written off during the year as uncollectible | 1 | 41 | 1 | 41 |
| Balance at end of the year | (281) | (21) | (281) | (21) |

(b) Ageing analysis of contractual receivables

Please refer to Note 26.3(iv) for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from contractual receivables

Please refer to Note 26 for the nature and extent of credit risk arising from contractual receivables.

Notes to the Financial Statements for the year ended 31 December 2013

7 Investments and other financial assets

| | Consolidated | | Institute | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Current investments and other financial assets | | | | |
| Other Amount owing from William Angliss Institute Pte Ltd | - | - | 5,792 | 4,287 |
| Other Amount owing from William Angliss Institute Foundation | - | - | - | - |
| Other Amount owing from Angliss Consulting Pty Ltd | - | - | (131) | 1,233 |
| Total current investments and other financial assets | - | - | 5,661 | 5,520 |
| Non-current investments and other financial assets | | | | |
| Investments Long Term - Shares in William Angliss Institute Pte Ltd | - | - | 219 | 219 |
| Total non-current investments and other financial assets | - | - | 219 | 219 |
| Total investments and other financial assets | - | - | 5,880 | 5,739 |

(a) Ageing analysis of investments, loans and other financial assets

Please refer to Table 26(iv) in Note 26 for the ageing analysis of investments, loans and other financial assets.

(b) Nature and extent of risk arising from investments, loans and other financial assets

Please refer to Note 26 for the nature and extent of risks arising from investments, loans and other financial assets.

Loans to subsidiary companies are repayable on demand, however, payment is not expected within the first twelve months after the reporting date.

The nature of these loans is that the Institute is investing in its strategic objective to grow in a manageable and profitable manner and in certain cases this is only possible by setting up a separate entity.

8. Inventories

| | Consolidated | | Institute | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Current | | | | |
| List type of inventories held | | | | |
| Supplies and consumables - at cost | 85 | 106 | 85 | 106 |
| Total current inventories | 85 | 106 | 85 | 106 |

Notes to the Financial Statements for the year ended 31 December 2013

9. Property, plant and equipment

| | Land | Buildings | Construction in progress | Plant & Equipment ¹ | Motor Vehicles | Library | Total |
|--|---------------|---------------|-----------------------------|-----------------------------------|-------------------|------------|----------------|
| Consolidated | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 January 2012 | | | | | | | |
| Cost | 15,492 | 26,433 | 740 | 15,612 | 501 | 1,057 | 59,835 |
| Valuation | 31,412 | 22,793 | - | - | - | - | 54,205 |
| Accumulated depreciation | - | (3,620) | - | (10,700) | (227) | (741) | (15,288) |
| Net book amount | 46,904 | 45,606 | 740 | 4,912 | 274 | 316 | 98,752 |
| Year ended 31 December 2012 | | | | | | | |
| Opening net book amount | 46,904 | 45,606 | 740 | 4,912 | 274 | 316 | 98,752 |
| Additions | - | 142 | 353 | 1,074 | 154 | 26 | 1,749 |
| Disposals | - | (46) | - | (172) | (73) | - | (291) |
| Net revaluation increments/ decrements | 5,683 | (2,126) | - | - | - | - | 3,557 |
| Depreciation expense | - | (1,173) | - | (1,541) | (82) | (50) | (2,846) |
| Closing net book amount | 52,587 | 42,403 | 1,093 | 4,273 | 273 | 292 | 100,921 |
| At 31 December 2012 | | | | | | | |
| Cost | - | 679 | 1,093 | 16,481 | 415 | 1,083 | 19,751 |
| Valuation | 52,587 | 41,863 | - | - | - | - | 94,450 |
| Accumulated depreciation | - | (139) | - | (12,208) | (142) | (791) | (13,280) |
| Net book amount | 52,587 | 42,403 | 1,093 | 4,273 | 273 | 292 | 100,921 |
| Year ended 31 December 2013 | | | | | | | |
| Opening net book amount | 52,587 | 42,403 | 1,093 | 4,273 | 273 | 292 | 100,921 |
| Additions | - | - | - | 583 | 192 | 17 | 792 |
| Disposals | - | - | - | (53) | (59) | - | (112) |
| Transfer to Intangible assets | - | - | (1,093) | - | - | - | (1,093) |
| Depreciation expense | - | (1,054) | - | (1,443) | (88) | (54) | (2,639) |
| Closing net book amount | 52,587 | 41,349 | - | 3,360 | 318 | 255 | 97,869 |
| At 31 December 2013 | | | | | | | |
| Cost | - | 679 | - | 17,003 | 466 | 1,100 | 19,248 |
| Valuation | 52,587 | 41,863 | - | - | - | - | 94,450 |
| Accumulated depreciation | - | (1,193) | - | (13,643) | (148) | (845) | (15,829) |
| Net book value at the end of the financial year | 52,587 | 41,349 | - | 3,360 | 318 | 255 | 97,869 |

Notes to the Financial Statements for the year ended 31 December 2013

9. Property, plant and equipment (cont)

| | Land | Buildings | Construction in progress | Plant & Equipment | Motor Vehicles | Library | Total |
|--|---------------|---------------|-----------------------------|----------------------|-------------------|------------|----------------|
| Institute | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 January 2012 | | | | | | | |
| Cost | 15,492 | 26,016 | 740 | 15,332 | 501 | 1,057 | 59,138 |
| Valuation | 31,412 | 22,793 | - | - | - | - | 54,205 |
| Accumulated depreciation | - | (3,610) | - | (10,683) | (227) | (741) | (15,261) |
| Net book amount | 46,904 | 45,199 | 740 | 4,649 | 274 | 316 | 98,082 |
| Year ended 31 December 2012 | | | | | | | |
| Opening net book amount | 46,904 | 45,199 | 740 | 4,649 | 274 | 316 | 98,082 |
| Additions | - | 116 | 353 | 1,026 | 154 | 26 | 1,675 |
| Disposals | - | (46) | - | (172) | (73) | - | (291) |
| Net revaluation increments/ decrements | 5,683 | (2,126) | - | - | - | - | 3,557 |
| Depreciation expense ¹ | - | (1,085) | - | (1,441) | (82) | (50) | (2,658) |
| Closing net book amount | 52,587 | 42,058 | 1,093 | 4,062 | 273 | 292 | 100,365 |
| At 31 December 2012 | | | | | | | |
| Cost | - | 236 | 1,093 | 16,154 | 415 | 1,083 | 18,981 |
| Valuation | 52,587 | 41,863 | - | - | - | - | 94,450 |
| Accumulated depreciation | - | (41) | - | (12,092) | (142) | (791) | (13,066) |
| Net book amount | 52,587 | 42,058 | 1,093 | 4,062 | 273 | 292 | 100,365 |
| Year ended 31 December 2013 | | | | | | | |
| Opening net book amount | 52,587 | 42,058 | 1,093 | 4,062 | 273 | 292 | 100,365 |
| Additions | - | - | - | 583 | 192 | 17 | 792 |
| Disposals | - | - | - | (53) | (59) | - | (112) |
| Transfer to Intangible assets | - | - | (1,093) | - | - | - | (1,093) |
| Depreciation expense | - | (960) | - | (1,327) | (88) | (54) | (2,429) |
| Closing net book amount | 52,587 | 41,098 | - | 3,265 | 318 | 255 | 97,523 |
| At 31 December 2013 | | | | | | | |
| Cost | - | 236 | - | 16,676 | 466 | 1,100 | 18,478 |
| Valuation | 52,587 | 41,863 | - | - | - | - | 94,450 |
| Accumulated depreciation | - | (1,001) | - | (13,411) | (148) | (845) | (15,405) |
| Net book value at the end of the financial year | 52,587 | 41,098 | - | 3,265 | 318 | 255 | 97,523 |

Footnote

1 The useful lives of assets as stated in Note 1 are used in the calculation of depreciation as shown in note 3.

Notes

1 Property, plant & equipment includes all operational assets.

Fair value assessments have been performed at 31 December 2013 for all classes of assets. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this Institute will be conducted in 2017, unless an earlier valuation is assessed to be required based on the factors outlined in FRD 103D.

(a) Valuations of land and buildings

The Institute's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Institute's freehold land and buildings as at 31 December 2012 were performed by the Valuer General of Victoria, independent valuers not related to the Institute. The Valuer General of Victoria has the appropriate qualifications and experience in the fair value measurement of properties in Australia.

Notes to the Financial Statements for the year ended 31 December 2013

9. Property, plant and equipment (cont)

Details of the Institute's and consolidated entity's land and buildings and information about the fair value hierarchy as at 31 December 2013 are as follows:

| Institute | Level 1 | Level 2 | Level 3 | Fair Value as at 31/12/13 |
|--|----------------|----------------|----------------|----------------------------------|
| | AUD '000 | AUD '000 | AUD '000 | AUD '000 |
| Buildings of the institute contain: | | | | |
| freehold land | - | 3,927 | - | 3,927 |
| Crown land | - | 48,660 | - | 48,660 |
| buildings used solely for educational purposes | - | 41,098 | - | 41,098 |
| Consolidated | Level 1 | Level 2 | Level 3 | Fair Value as at 31/12/13 |
| | AUD '000 | AUD '000 | AUD '000 | AUD '000 |
| Buildings of the institute contain: | | | | |
| freehold land | - | 3,927 | - | 3,927 |
| Crown land | - | 48,660 | - | 48,660 |
| buildings used solely for educational purposes | - | 41,349 | - | 41,098 |

There were no transfers between Levels during the year.

10. Intangible assets

| | Software \$'000 | Total \$'000 |
|--|--------------------|-----------------|
| Consolidated | | |
| At 1 January 2012 | | |
| Cost | 2,273 | 2,273 |
| Accumulated amortisation and impairment | (2,031) | (2,031) |
| Net book amount | 242 | 242 |
| Year ended 31 December 2012 | | |
| Opening net book amount | 242 | 242 |
| Additions | 188 | 188 |
| Disposals or classified as held-for-sale | (37) | (37) |
| Amortisation charge 1 | (134) | (134) |
| Closing net book amount | 259 | 259 |
| At 31 December 2012 | | |
| Cost | 2,411 | 2,411 |
| Accumulated amortisation and impairment | (2,152) | (2,152) |
| Net book amount | 259 | 259 |
| Year ended 31 December 2013 | | |
| Opening net book amount | 259 | 259 |
| Transfer from Construction in Progress | 1,093 | 1,093 |
| Additions | 10,439 | 10,439 |
| Disposals or classified as held-for-sale | (33) | (33) |
| Amortisation charge ¹ | (526) | (526) |
| Closing net book amount | 11,232 | 11,232 |
| At 31 December 2013 | | |
| Cost | 13,908 | 13,908 |
| Accumulated amortisation and impairment | (2,676) | (2,676) |
| Net book value at the end of the financial year | 11,232 | 11,232 |

Notes to the Financial Statements for the year ended 31 December 2013

10. Intangible assets (cont)

| Institute | Software \$'000 | Total \$'000 |
|--|--------------------|-----------------|
| At 1 January 2012 | | |
| Cost | 2,273 | 2,273 |
| Accumulated amortisation and impairment | (2,031) | (2,031) |
| Net book amount | 242 | 242 |
| Year ended 31 December 2012 | | |
| Opening net book amount | 242 | 242 |
| Additions | 126 | 126 |
| Disposals or classified as held-for-sale | (36) | (36) |
| Amortisation charge ¹ | (134) | (134) |
| Closing net book amount | 198 | 198 |
| At 31 December 2012 | | |
| Cost | 2,350 | 2,350 |
| Accumulated amortisation and impairment | (2,152) | (2,152) |
| Net book amount | 198 | 198 |
| Year ended 31 December 2013 | | |
| Opening net book amount | 198 | 198 |
| Transfer from Construction in Progress | 1,093 | 1,093 |
| Additions | 10,431 | 10,431 |
| Disposals or classified as held-for-sale | (33) | (33) |
| Amortisation charge ¹ | (518) | (518) |
| Closing net book amount | 11,171 | 11,171 |
| At 31 December 2013 | | |
| Cost | 13,839 | 13,839 |
| Accumulated amortisation and impairment | (2,668) | (2,668) |
| Net book value at the end of the financial year | 11,171 | 11,171 |

Notes

1 Significant intangible assets

The Institute has capitalised software development expenditure for the development of SMS - Student Management System software. The carrying amount of the capitalised software development expenditure is 11.3 million. Its useful life is 15 years and will be fully amortised in 2028

Notes to the Financial Statements for the year ended 31 December 2013

11 Other non-financial assets

| | Consolidated | | Institute | |
|---|--------------|------------|------------|------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current other non-financial assets | | | | |
| Prepayments | 764 | 616 | 308 | 288 |
| Total current other non-financial assets | 764 | 616 | 308 | 288 |
| Total other non-financial assets | 764 | 616 | 308 | 288 |

12 Payables

| | Consolidated | | Institute | |
|-------------------------------|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Contractual | | | | |
| Supplies and services | 4,599 | 4,109 | 4,310 | 3,823 |
| Income received in advance | 1,912 | 3,675 | 1,912 | 3,675 |
| Other | 127 | 67 | 127 | 67 |
| Total contractual | 6,638 | 7,851 | 6,349 | 7,565 |
| Statutory | | | | |
| GST payable | 215 | 156 | 233 | 158 |
| Total statutory | 215 | 156 | 233 | 158 |
| Total current payables | 6,853 | 8,007 | 6,582 | 7,723 |
| Total payables | 6,853 | 8,007 | 6,582 | 7,723 |

The carrying amounts of the Group's and parent entity's payables are denominated in the following currencies:

| | Consolidated | | Institute | |
|---------------------------|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Foreign currency risk | | | | |
| Singapore Dollar | 289 | 262 | - | - |
| Australian Dollars | 6,564 | 7,745 | 6,582 | 7,723 |
| | 6,853 | 8,007 | 6,582 | 7,723 |

Notes

1 The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice.

2 For an analysis of the sensitivity of payables to foreign currency risk refer to note 26.2.

3 Maturity analysis of contractual payables, refer table 26.3(iv) in note 26.3.

Refer to Note 26.3 for maturity analysis of contractual payables.

Notes to the Financial Statements for the year ended 31 December 2013

13. Provisions

| | Consolidated | | Institute | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Current provisions expected to be settled within 12 months | | | | |
| Employee benefits | | | | |
| Annual leave | 1,047 | 1,186 | 1,046 | 1,185 |
| Long service leave | 40 | 45 | 40 | 45 |
| Other provisions | 14 | 50 | 14 | 50 |
| Total current provisions expected to be settled within 12 months | 1,101 | 1,281 | 1,100 | 1,280 |
| Current provisions expected to be settled after 12 months | | | | |
| Employee benefits | | | | |
| Long service leave | 2,524 | 2,492 | 2,524 | 2,492 |
| Total current provisions expected to be settled after 12 months | 2,524 | 2,492 | 2,524 | 2,492 |
| Total current provisions | 3,625 | 3,773 | 3,624 | 3,772 |
| Non-current | | | | |
| Employee benefits: | | | | |
| Long service leave | 483 | 688 | 483 | 688 |
| Total non-current provisions | 483 | 688 | 483 | 688 |
| Total provisions | 4,108 | 4,461 | 4,107 | 4,460 |

14 Borrowings

| | Consolidated | | Institute | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Unsecured | | | | |
| Current | | | | |
| Other loans | 4,500 | - | 4,500 | - |
| Total current unsecured borrowings | 4,500 | - | 4,500 | - |
| Non-current | | | | |
| Total non-current secured borrowings | - | - | - | - |
| Total unsecured borrowings | 4,500 | - | 4,500 | - |
| Total borrowings | 4,500 | - | 4,500 | - |

No assets have been pledged as part of the borrowing.

Under the advance and repayment agreement with the Department of Education & Early Childhood Development ("the Department"), the Institute is able to draw down an additional \$0.5 mil up to and before 30 May 2014, at which point, the full drawn down amount is repayable to the Department.

None of the Institute's borrowings are classified as readily traded on organised markets in standardised form.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. All of the Institute's borrowings are denominated in Australian Dollars.

Maturity analysis of contractual payables

Refer to note 26 for additional information.

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans

Notes to the Financial Statements for the year ended 31 December 2013

15 Equity

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Contributed Capital | | | | |
| Balance at 1 January | 19,653 | 19,653 | 30,204 | 20,421 |
| Capital contributions | 9,783 | - | - | - |
| Balance at 31 December | 29,436 | 19,653 | 30,204 | 20,421 |
| (b) Accumulated surplus / (deficit) | | | | |
| Balance at 1 January | 27,571 | 28,913 | 26,937 | 28,018 |
| Net result for the year | (5,897) | (1,342) | (5,423) | (1,081) |
| Balance at 31 December | 21,674 | 27,571 | 21,514 | 26,937 |
| (c) Reserves | | | | |
| Composition of Reserves | | | | |
| Physical asset revaluation surplus | 57,762 | 57,762 | 57,762 | 57,762 |
| Balance at 31 December | 57,762 | 57,762 | 57,762 | 57,762 |
| Total equity | 108,872 | 104,986 | 109,480 | 105,120 |

15 Movements in Reserves

| | Consolidated | | Institute | |
|---|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Asset Revaluation Surplus - Land | | | | |
| Balance at 1 January | 37,095 | 31,412 | 37,095 | 31,412 |
| Revaluation increment on non-current assets | - | 5,683 | - | 5,683 |
| Balance at 31 December | 37,095 | 37,095 | 37,095 | 37,095 |
| Asset Revaluation Surplus - Buildings | | | | |
| Balance at 1 January | 20,667 | 22,793 | 20,667 | 22,793 |
| Revaluation (decrement) on non-current assets | - | (2,126) | - | (2,126) |
| Balance at 31 December | 20,667 | 20,667 | 20,667 | 20,667 |
| Total reserves | 57,762 | 57,762 | 57,762 | 57,762 |

Nature and purpose of reserves

Asset Revaluation Reserve - Land

The reserve reflects changes in the net carrying value of land.

Asset Revaluation Reserve - Buildings

The reserve reflects changes in the net carrying value of buildings.

Notes to the Financial Statements for the year ended 31 December 2013

16 Cash flow information

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| (a) Reconciliation of operating result after income tax to net cash flows from operating activities | | | | |
| Net result for the year | (5,897) | (1,342) | (5,423) | (1,081) |
| Non-cash flows in operating result | | | | |
| Depreciation and amortisation of non-current assets | 3,165 | 2,980 | 2,947 | 2,792 |
| Net (gain) / loss on sale of non-current assets | 26 | 243 | 26 | 243 |
| Doubtful debts | 260 | | 260 | |
| Allowance to recoverable amounts | - | (130) | - | (130) |
| Total non-cash flows in operating result | 3,451 | 3,093 | 3,233 | 2,905 |
| Movements in operating assets and liabilities | | | | |
| Decrease / (increase) in trade receivables | 1,495 | (4,205) | 976 | (2,215) |
| Decrease / (increase) in inventories | 21 | 9 | 21 | 9 |
| Decrease / (increase) in other assets | (148) | 208 | (20) | 258 |
| Decrease / (increase) in other debtors | - | 7 | - | 8 |
| Increase / (decrease) in payables | (1,214) | 1,094 | (1,003) | 861 |
| Increase / (decrease) in employee benefits | (353) | (517) | (353) | (517) |
| Increase / (decrease) in current liabilities | 60 | 6 | (138) | 11 |
| Total movement in operating assets and liabilities | (139) | (3,398) | (517) | (1,585) |
| Net cash flows provided by/(used in) operating activities | (2,585) | (1,647) | (2,707) | 239 |

b) Non-cash financing and investing activities

During the year, intangible assets to the value of \$9.783 million were appropriated to the Institute via capital.

Under the advance and repayment agreement with the Department of Education & Early Childhood Development ("the Department"), the Institute is able to draw down an additional \$0.5 mil up to and before 30 May 2014, at which point, the full drawn down amount is repayable to the Department.

Notes to the Financial Statements for the year ended 31 December 2013

17 Commitments

| | Consolidated | | Institute | |
|--|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Lease commitments | | | | |
| Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable: | | | | |
| Within one year | 2,651 | 2,307 | 1,918 | 1,923 |
| Later than one year but not later than five years | 1,422 | 3,308 | 1,422 | 3,305 |
| Later than five years | 401 | 608 | 401 | 608 |
| Net lease commitments | 4,474 | 6,223 | 3,741 | 5,836 |
| GST reclaimable on the above | 423 | 584 | 374 | 584 |
| Gross commitments operating leases | 4,897 | 6,807 | 4,115 | 6,420 |
| Representing: | | | | |
| Non-cancellable operating leases | 4,897 | 6,807 | 4,115 | 6,420 |
| Total lease commitments | 4,897 | 6,807 | 4,115 | 6,420 |

(b) Operating leases

The Institute has a number of operating leases in place in respect of sites which it occupies under operating leases. The lease agreements are generally for a period of 1 – 5 years (2012: 1 – 5). Rental is payable in advance/in arrears to the landlord and the Institute has an option to renew at the conclusion of the lease term.

Operating lease 1 – NSW Premises

NSW office lease contract

Operating lease 2 – South Australia Premises

South Australia office lease contract

Operating lease 3 – 555 La Trobe street – 3rd floor lease

555 La Trobe street – 3rd floor rooms lease contract

Operating lease 4 – Konica/Minolta – Multifunction photocopiers lease

Konica/Minolta – Multifunction photocopiers lease contract

Operating lease 5 – Queensland premises lease

Queensland office lease contract

Operating lease 6 – Scrubbers lease

Scrubbers lease – Victory Finance contract

Operating lease 7 – Western Australia premises

Western Australia office lease contract

Operating lease 8 – Singapore premises

Singapore office lease contract

Operating lease 9 – China office

China office lease contract

Notes to the Financial Statements for the year ended 31 December 2013

18 Contingencies Assets and Contingent Liabilities

Details and estimates of maximum amounts of contingent assets and contingent liabilities, classified in accordance with the party from whom the liability could arise and for which no provisions are included in the accounts, are as follows:

There were no contingent assets or contingent liabilities for the current or previous year except for letters of financial support for two of the Institute's subsidiaries.

19 Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Institute, the results of those operations, or the state of affairs of the Institute/the Group in future financial years.

20 Remuneration of auditors

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Remuneration of Victorian Auditor General's Office for: | | | | |
| Audit or review of the financial statements | 87 | 83 | 47 | 43 |
| Total remuneration of Victoria Auditor General's Office | 87 | 83 | 47 | 43 |
| Remuneration of other auditors | | | | |
| Internal Audit | 141 | 144 | 142 | 141 |
| Total remuneration of other auditors of subsidiaries | 141 | 144 | 142 | 141 |
| Total Remuneration of auditors | 228 | 227 | 189 | 184 |

Notes to the Financial Statements for the year ended 31 December 2013

21 - 1 Superannuation (Part I)

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(s) provides benefits based on years of service and final average salary.

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

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

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

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| 21 Superannuation | | | | |
| Paid Contribution for the Year | | | | |
| Defined benefit plans : | | | | |
| State Superannuation Fund – revised and new | 51 | 100 | 48 | 95 |
| New Scheme 7.5% to 10.5% | 166 | 179 | 156 | 172 |
| Total defined benefit plans | 217 | 279 | 204 | 267 |
| Defined contribution plans: | | | | |
| VicSuper | - | - | - | - |
| VicSuper Scheme 9% To 30/06/2013, 9.25% From 01/07/2013 | 1,251 | 1,725 | 1,164 | 1,650 |
| Other defined contribution plans 9% To 30/06/2013, 9.25% From 01/07/2013 | 844 | 356 | 787 | 340 |
| Total defined contribution plans | 2,095 | 2,081 | 1,951 | 1,990 |
| Total paid contribution for the year | 2,312 | 2,360 | 2,155 | 2,257 |
| Contribution Outstanding at Year End | | | | |
| Defined benefit plans: | | | | |
| State Superannuation Fund – revised and new | - | - | - | - |
| Other | - | - | - | - |
| Total defined benefit plans | - | - | - | - |
| Defined contribution plans: | | | | |
| VicSuper | - | - | - | - |
| Other 9% | - | - | - | - |
| Total defined contribution plans | - | - | - | - |
| Total | - | - | - | - |

1 The Institute does not have any contributions outstanding to the above funds and there have been no loans made from the funds. The bases for contributions are determined by the various schemes.

Notes to the Financial Statements for the year ended 31 December 2013

22 - 1 Key management personnel disclosures (Part I) (cont.)

Responsible persons related disclosures

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

(i) Minister

The relevant Minister is The Hon Peter Hall MP, Minister for Higher Education and Skills. Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

Board Chair - Dr M Allan

Ministerial Director - Mr R Aylett

Ministerial Director - Mr D Minett

Ministerial Director - Ms M Ring

Ministerial Director - Ms B Schofield

Board Director - Mr P Filshie

Board Director - Dr D Foster appointed 22 May 2013

Board Director - Mr B Kearney

Board Director - Ms J Rumble

Board Director - Mr C Geddes resigned 15 April 2013

Board Director - Mr N Hunt resigned 15 April 2013

Board Director - Emily Coltraine Student Representative resigned 31 March 2013

Board Director - Felicity Fraser Staff Representative resigned 15 April 2013

(iii) Executive Officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of Institute during the financial year:

Mr N Hunt - Chief Executive Officer

Mr C Coates - Centre Director Singapore (resigned 31 October 2013)

Mr W Crosbie - Director International and Business Development

Ms R Jackson - Director Teaching & Learning (resigned 30 August 2013)

Mr D Langdon - Director Corporate Services (resigned 27 September 2013)

Mr J Stoikos - Acting Director Corporate (appointed 9 September 2013)

Mr D Mabilia - Associate Director VET

Mr D Minton - Associate Director Student Services

Mr R Petts - Centre Director Singapore (appointed 31 October 2013)

Notes to the Financial Statements for the year ended 31 December 2013

Responsible persons

| | Consolidated | | Institute | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| 22 Key management personnel disclosures | | | | |
| Remuneration of Board members | | | | |
| Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts. | 328 | 355 | 328 | 355 |
| Remuneration received, or due and receivable from the Institute in connection with the management of any related party entity. | 328 | 355 | 328 | 355 |
| | No. | No. | No. | No. |
| Income range | | | | |
| The number of Board members whose remuneration from the Institute was within the specified bands are as follows: | | | | |
| Less than \$10,000 | 4 | 14 | 4 | 14 |
| \$10,000 - \$19,999 | 6 | | 6 | |
| \$20,000 - \$29,999 | 1 | | 1 | |
| \$30,000 - \$39,999 | 1 | | 1 | |
| \$70,000 - \$79,999 | 1 | | 1 | |
| \$80,000 - \$89,999 | | 1 | | 1 |
| \$110,000 - \$119,999 | 1 | | 1 | |
| \$210,000 - \$219,999 | | | | |
| \$230,000 - \$239,999 | | 1 | | 1 |
| Total number of Responsible Persons | 14 | 16 | 14 | 16 |

Executive officers

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Executive Officers' Remuneration | | | | |
| The number of executive officers whose total remuneration exceeded \$100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. | | | | |
| Base remuneration of executive officers | 1,311 | 1,012 | 1,311 | 1,012 |
| Total remuneration of executive officers | 1,497 | 1,142 | 1,497 | 1,142 |
| | No. | No. | No. | No. |
| Income range | | | | |
| The number of executive officers whose remuneration from the Institute was within the specified bands are as follows: | | | | |
| \$80,000 - \$89,999 | | | | |
| \$110,000 - \$119,999 | 1 | 1 | 1 | 1 |
| \$120,000 - \$129,999 | 2 | | 2 | |
| \$130,000 - \$139,999 | 1 | 1 | 2 | 1 |
| \$140,000 - \$149,999 | 1 | | 1 | |
| \$150,000 - \$159,999 | | 1 | | 1 |
| \$160,000 - \$169,999 | | 1 | | 1 |
| \$170,000 - \$179,999 | 2 | 1 | 1 | 1 |
| \$180,000 - \$189,999 | 2 | 1 | 2 | 1 |
| \$210,000 - \$219,999 | | 1 | | 1 |
| Total executive officers | 9 | 7 | 9 | 7 |
| Total annualised employee equivalent | 7.95 | 7 | 7.95 | 7 |
| Total amount | 1,497 | 1,142 | 1,497 | 1,142 |

Key management personnel

| | Consolidated | | Institute | |
|--|--------------|--------------|--------------|--------------|
| | 2013 No. | 2012 No. | 2013 No. | 2012 No. |
| Executive Officers' personnel compensation | | | | |
| Short-term employee benefits | 1,388 | 1,060 | 1,388 | 1,060 |
| Post-employment benefits | 109 | 82 | 109 | 82 |
| Total key management personnel compensation | 1,497 | 1,142 | 1,497 | 1,142 |

Notes to the Financial Statements for the year ended 31 December 2013

22 - 2 Key management personnel disclosures (Part II) (cont.)

Loans to key management personnel

There were no loans made to and from directors or key management personnel of the Institute (2012: nil).

23 Related parties

Key management personnel

Disclosures relating to directors and specified executives are set out in note 22.

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Purchase of goods | | | | |
| Mr G Lee is a Board member and Office holder of United Recruitment Pty Ltd trading as Octopus Hospitality and Events. The Institute employs temporary contractors to provide food and beverage services. | - | 87 | - | 87 |
| Total purchase of goods | - | 87 | - | 87 |
| Loans to/from related parties | | | | |
| Loans to subsidiaries | | | | |
| Beginning of the year | - | - | 5,520 | 2,763 |
| Loans advanced | - | - | 141 | 2,757 |
| End of year | - | - | 5,661 | 5,520 |

No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

Unless otherwise stated, transactions with related parties were made under normal commercial terms and conditions.

Notes to the Financial Statements for the year ended 31 December 2013

24 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.04:

| | Country of incorporation | Class of Shares | 2013 % | Equity holding 2012 % |
|---|--------------------------|-----------------|-----------|-----------------------------|
| Angliss Consulting Pty Ltd Company has been established to manage China and overseas operations | Australia | Ordinary | 100% | 100% |
| William Angliss Institute Foundation Company limited by guarantee has been established as a scholarship fund. | Australia | Ordinary | 100% | 100% |
| Angliss Solutions Pty Ltd The company is a wholly owned subsidiary of Angliss Consulting Pty Ltd and has never traded. | Australia | Ordinary | 100% | 100% |
| Angliss Multimedia Pty Ltd The company is a wholly owned subsidiary of Angliss Consulting Pty Ltd and has never traded. | Australia | Ordinary | 100% | 100% |
| William Angliss Institute Pte Ltd Company has been established to support the delivery of a contract with the Singapore Workforce Development Agency. | Singapore | Ordinary | 100% | 100% |

The William Angliss Institute Foundation (the "Foundation") was established in 2010 with the sole objective and purpose of raising funds, partly from public donations, to be invested and distributed to current and future students of the Institute in the form of scholarships.

As a tax deductible gift recipient, the Foundation's constitution requires that funds raised must only be used for the stated purpose of providing scholarships, and that upon winding up, the reserves remaining in the company would need to be distributed to another gift recipient educational institution, which the Institute currently is not.

The Institute currently however is the sole member of the Foundation. It controls the day to day operation of the Foundation within the stated purpose and it gains a substantial portion of the benefit of funds distributed through the courses undertaken at the Institute.

The Foundation has total equity at 31 December 2013 of \$1,554,512 (2012 \$1,115,872) and contributed \$438,640 (2012: \$418,819) to the comprehensive result of the Institute for the year ended 31 December 2013. These funds are only available to be applied in discharging the objects and purposes of the Foundation.

25. Institute details

The registered office of the Institute is:

William Angliss Institute of TAFE
555 La Trobe St , Melbourne Victoria

The principle place of business is:

William Angliss Institute of TAFE
555 La Trobe St , Melbourne Victoria

Notes to the Financial Statements for the year ended 31 December 2013

26 - 1. Financial instruments (Part I)

Financial risk management

(i) Financial risk management objectives

The Institute's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. 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 derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. The Institute uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a central treasury unit with the Finance function of the Institute under policies approved by the Board. The Treasury Unit identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in note 1 of the financial statements.

(ii) Financial risk exposures and management

The Institute's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivables and payables.

The main risks the Institute is exposed to through its financial instruments are market risk, foreign currency risk, price risk, funding risk, interest rate risk, credit risk and liquidity risk.

(iii) Categorisation of financial instruments

| | | | Consolidated | | Institute | |
|---|-------------|-----------------------|---------------|--------------|---------------|--------------|
| Carrying amount of financial instruments by category: | | | 2013 | 2012 | 2013 | 2012 |
| | | | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Assets | Note | Category | | | | |
| Cash and Deposits | 5 | Cash | 7,884 | 7,298 | 5,067 | 4,736 |
| Receivables (a) | 6 | Loans and receivables | 1,887 | 1,197 | 1,887 | 1,197 |
| | | | 9,771 | 8,495 | 6,954 | 5,933 |
| Financial Liabilities | | | | | | |
| Payables (a) | 12 | Financial liabilities | 6,853 | 8,007 | 6,582 | 7,723 |
| Borrowings | 14 | Financial liabilities | 4,500 | - | 4,500 | - |
| | | | 11,353 | 8,007 | 11,082 | 7,723 |
| Net holding gain/(loss) on financial instruments by category: | | | Consolidated | | Institute | |
| | | | 2013 | 2012 | 2013 | 2012 |
| | | | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Assets | | Category | | | | |
| Cash and Deposits | | Cash | 7,884 | 7,298 | 5,067 | 4,736 |
| Receivables | | Loans and receivables | 1,887 | 1,197 | 1,887 | 1,197 |
| | | | 9,771 | 8,495 | 6,954 | 5,933 |
| Financial Liabilities | | | | | | |
| Payables | 16 | Financial liabilities | 6,853 | 8,007 | 6,582 | 7,723 |
| Borrowings | 18 | Financial liabilities | 4,500 | - | 4,500 | - |
| | | | 11,353 | 8,007 | 11,082 | 7,723 |

Note:

(a) Receivables and payables disclosed here exclude statutory receivables and statutory payables.

Market risk

The Institute in its daily operations is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse affect on the operating result and /or net worth of the Institute. e.g. an adverse movement in interest rates or foreign currency exchange rates.

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

Notes to the Financial Statements for the year ended 31 December 2013

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

Foreign currency risk

The Institute is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than AUD\$. This risk is managed by natural hedging where possible as well as the use of foreign exchange contracts in accordance with the Institute's hedging policy.

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

Price risk

The Institute is not exposed to price risk in respect of changes to the market price of investments.

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

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. Similarly, interest rate risk also arises from the potential for a change in interest rates to cause a fluctuation in the fair value of the financial instruments.

The objective is to manage the rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominately through a mixture of short term and longer term investments.

The Institute's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are set out in the financial instrument composition and maturity analysis table.

Funding risk

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

There has been no 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.

Concentrations of credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 31 December 2013.

Credit risk is managed on a group basis and reviewed regularly by the finance committee. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with financial institutions.

The finance and risk management (FARM) committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

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

The Institute does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Institute.

The trade receivables balance at 31 December 2013 and 31 December 2012 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

The Institute minimises credit risk in relation to student loans receivable in the following ways:

- minimising the frequency of allowing student payment plans.
- student payment plans are granted on the basis that the outstanding amount will be repaid before certificates of qualification can be issued. The agreement to repay the debt is formalised during the enrolment process.

There has been no 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.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Institute's governing body, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity requirements. The institute manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Institute has an agreement with the Department to assess of up to \$5 million under the advance repayment agreement.

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

Notes to the Financial Statements for the year ended 31 December 2013

26 - 2. Financial instruments (Part II)

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Institute's and its controlled entities financial assets and financial liabilities to interest rate risk and foreign exchange risk.

| Consolidated | Carrying amount | Interest rate risk | | | | Foreign exchange risk | | | |
|--|-----------------|--------------------|-------------|-----------|------------|-----------------------|-------------|-----------|------------|
| | | Result | -10% Equity | Result | 10% Equity | Result | -10% Equity | Result | 10% Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 31 December 2013 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Cash and deposits | 7,884 | (15) | (15) | 15 | 15 | (35) | (35) | 35 | 35 |
| Receivables ¹ | 1,887 | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial assets | 9,771 | (15) | (15) | 15 | 15 | (35) | (35) | 35 | 35 |
| Financial liabilities | | | | | | | | | |
| Payables ¹ | (6,638) | - | - | - | - | - | - | - | - |
| Borrowings | (4,500) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial liabilities | (11,138) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) | (1,367) | (15) | (15) | 15 | 15 | (35) | (35) | 35 | 35 |

| Consolidated | Carrying amount | Interest rate risk | | | | Foreign exchange risk | | | |
|--|-----------------|--------------------|-------------|-----------|-----------|-----------------------|-------------|-----------|------------|
| | | Result | -2% Equity | Result | 2% Equity | Result | -10% Equity | Result | 10% Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 31 December 2012 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 7,298 | (43) | (43) | 43 | 43 | (35) | (35) | 35 | 35 |
| Receivables ¹ | 1,197 | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial assets | 8,495 | (43) | (43) | 43 | 43 | (35) | (35) | 35 | 35 |
| Financial liabilities | | | | | | | | | |
| Payables ¹ | (7,851) | - | - | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial liabilities | (7,851) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) | 644 | (43) | (43) | 43 | 43 | (35) | (35) | 35 | 35 |

| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
|--|-----------------|-------------|-------------|-----------|-----------|----------|----------|----------|----------|
| 31 December 2013 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 5,067 | (12) | (12) | 12 | 12 | - | - | - | - |
| Receivables ¹ | 1,887 | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial assets | 6,954 | (12) | (12) | 12 | 12 | - | - | - | - |
| Financial liabilities | | | | | | | | | |
| Payables ¹ | (6,349) | - | - | - | - | - | - | - | - |
| Borrowings | (4,500) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial liabilities | (10,849) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) | (3,895) | (12) | (12) | 12 | 12 | - | - | - | - |

| Consolidated | Carrying amount | Interest rate risk | | | | Foreign exchange risk | | | |
|--|-----------------|--------------------|-------------|-----------|-----------|-----------------------|-------------|----------|------------|
| | | Result | -2% Equity | Result | 2% Equity | Result | -10% Equity | Result | 10% Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 31 December 2012 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 4,736 | (37) | (37) | 37 | 37 | - | - | - | - |
| Receivables ¹ | 1,197 | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial assets | 5,933 | (37) | (37) | 37 | 37 | - | - | - | - |
| Financial liabilities | | | | | | | | | |
| Payables ¹ | (7,565) | - | - | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) in financial liabilities | (7,565) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) | (1,632) | (37) | (37) | 37 | 37 | - | - | - | - |

Note

1 Receivables and payables disclosed here as financial instruments exclude statutory receivable and statutory payables.

Notes to the Financial Statements for the year ended 31 December 2013

26 - 3. Financial instruments (Part III)

| Consolidated | Weighted average effective rate | Total Carrying Amount per Balance Sheet \$'000 | Floating interest rate \$'000 | Fixed interest rate \$'000 | Non-Interest Bearing \$'000 |
|------------------------------------|---------------------------------------|---|-------------------------------------|----------------------------------|-----------------------------------|
| 2013 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | | | | | |
| Cash at bank and on hand | 2.5% | 6,442 | - | - | - |
| Deposits at call | 3.7% | 1,442 | - | - | - |
| Contractual receivables | | | | | |
| Trade receivables | - | - | - | - | 1,887 |
| Other receivables | - | - | - | - | 4,515 |
| Other Debtors | - | - | - | - | 213 |
| Total financial assets | | 7,884 | - | - | 6,615 |
| Financial liabilities | | | | | |
| Trade and other payables | | | | | |
| | - | - | - | - | 6,638 |
| Borrowings | | | | | |
| Other loans | | | | | 4,500 |
| Total financial liabilities | | - | - | - | 11,138 |
| 2012 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | | | | | |
| Cash at bank and on hand | 3.6% | 5,455 | | | |
| Deposits at call | 4.3% | 1,843 | | | |
| Contractual receivables | | | | | |
| Trade receivables | - | - | - | - | 1,197 |
| Other receivables | - | - | - | - | 6,828 |
| Other Debtors | - | - | - | - | 56 |
| Total financial assets | | 7,298 | - | - | 8,081 |
| Financial liabilities | | | | | |
| Trade and other payables | | | | | |
| | | | | | 7,851 |
| Borrowings | | | | | |
| Other loans | | | | | - |
| Total financial liabilities | | - | - | - | 7,851 |

Notes to the Financial Statements for the year ended 31 December 2013

26 - 3. Financial instruments (Part III) (cont)

| Institute | Weighted average effective rate | Total Carrying Amount per Balance Sheet \$'000 | Floating interest rate \$'000 | Fixed interest rate \$'000 | Non-Interest Bearing \$'000 |
|------------------------------------|---------------------------------|---|----------------------------------|-------------------------------|--------------------------------|
| 2013 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | | | | | |
| Cash at bank and on hand | 2.5% | 5,052 | - | - | - |
| Deposits at call | 3.7% | 15 | - | - | - |
| Contractual receivables | | | | | |
| Trade receivables | - | - | - | - | 1,887 |
| Other receivables | - | - | - | - | 2,651 |
| Other Debtors | - | - | - | - | 213 |
| Total financial assets | | 5,067 | - | - | 4,751 |
| Financial liabilities | | | | | |
| Trade and other payables | | | | | |
| | - | - | - | - | 6,349 |
| Borrowings | | | | | |
| Other loans | - | - | - | - | 4,500 |
| Total financial liabilities | | - | - | - | 10,849 |
| 2012 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | | | | | |
| Cash at bank and on hand | 3.6% | 3,221 | - | - | - |
| Deposits at call | 4.3% | 1,515 | - | - | - |
| Contractual receivables | | | | | |
| Trade receivables | - | - | - | - | 1,197 |
| Other receivables | - | - | - | - | 4,444 |
| Other Debtors | - | - | - | - | 57 |
| Total financial assets | | 4,736 | - | - | 5,698 |
| Financial liabilities | | | | | |
| Trade and other payables | | | | | |
| | - | - | - | - | 7,565 |
| Borrowings | | | | | |
| Other loans | - | - | - | - | - |
| Total financial liabilities | | - | - | - | 7,565 |

Notes to the Financial Statements for the year ended 31 December 2013

26 – 3. Financial instruments (Part III) (cont)

(iv) Ageing analysis of financial assets

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the contractual maturity analysis for the Institute's financial assets and financial liabilities.

| Consolidated | Carrying amount | Not past due and not impaired | Maturity dates | | | |
|---|-----------------|-------------------------------|-------------------|--------------|-------------------|-----------|
| | | | Less than 1 month | 1-3 months | 3 months – 1 year | 1-5 years |
| 2013 Financial assets | | | | | | |
| Contractual receivables | | | | | | |
| Trade receivables | 1,887 | - | 1,037 | 661 | 189 | - |
| Provision Doubtful Debts | (281) | - | - | - | - | - |
| Other receivables | 4,515 | 4,515 | - | - | - | - |
| Other Debtors | 213 | 213 | - | - | - | - |
| Total 2013 financial assets | 6,334 | 4,728 | 1,037 | 661 | 189 | - |
| 2013 Financial liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | 6,638 | - | - | 6,638 | - | - |
| Other loans | 4,500 | - | - | - | 4,500 | - |
| Total 2013 financial liabilities | 11,138 | - | - | 6,638 | 4,500 | - |
| 2012 Financial assets | | | | | | |
| Contractual receivables | | | | | | |
| Trade receivables | 1,197 | - | 668 | 410 | 119 | - |
| Provision Doubtful Debts | (21) | - | - | (21) | - | - |
| Other receivables | 6,828 | 6,828 | - | - | - | - |
| Other Debtors | 56 | 56 | - | - | - | - |
| Total 2012 financial assets | 8,060 | 6,884 | 668 | 389 | 119 | - |
| 2012 Financial liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | 7,851 | - | - | 7,851 | - | - |
| Other loans | - | - | - | - | - | - |
| Total 2012 financial liabilities | 7,851 | - | - | 7,851 | - | - |
| Institute | | | | | | |
| | Carrying amount | Not past due and not impaired | Maturity dates | | | |
| | | | Less than 1 month | 1-3 months | 3 months – 1 year | 1-5 years |
| Financial assets | | | | | | |
| Contractual receivables | | | | | | |
| Trade receivables | 1,887 | - | 1,038 | 660 | 189 | - |
| Provision Doubtful Debts | (281) | - | - | (281) | - | - |
| Other receivables | 2,651 | 2,651 | - | - | - | - |
| Other Debtors | 213 | 213 | - | - | - | - |
| Total 2013 financial assets | 4,470 | 2,864 | 1,038 | 379 | 189 | - |
| Financial liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | 6,349 | - | - | 6,349 | - | - |
| Other loans | 4,500 | - | - | - | 4,500 | - |
| Total 2013 financial liabilities | 10,849 | - | - | 6,349 | 4,500 | - |
| 2012 Financial assets | | | | | | |
| Contractual receivables | | | | | | |
| Trade receivables | 1,197 | - | 668 | 410 | 119 | - |
| Provision Doubtful Debts | (21) | - | - | (21) | - | - |
| Other receivables | 4,444 | 4,444 | - | - | - | - |
| Other Debtors | 57 | 57 | - | - | - | - |
| Total 2012 financial assets | 5,677 | 4,501 | 668 | 389 | 119 | - |
| 2012 Financial liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | 7,565 | - | - | 7,565 | - | - |
| Other loans | - | - | - | - | - | - |
| Total 2012 financial liabilities | 7,565 | - | - | 7,565 | - | - |

Notes to the Financial Statements for the year ended 31 December 2013

26 - 4. Financial instruments (Part IV)

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Institute is the current bid price.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

For other assets and other liabilities the fair value approximates their carrying value. Financial assets where the carrying amount exceeds fair values have not been written down as the Institute intends to hold these assets to maturity.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

| Consolidated | 2013 | | 2012 | |
|---|-----------------|----------------|-----------------|----------------|
| | Carrying Amount | Net Fair Value | Carrying Amount | Net Fair Value |
| Financial instruments | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | | | | |
| Cash at bank and on hand | 6,442 | 6,442 | 5,455 | 5,455 |
| Contractual receivables | | | | |
| Trade receivables | 1,887 | 1,887 | 1,197 | 1,197 |
| Other receivables | 4,515 | 4,515 | 6,828 | 6,828 |
| Investments, loans and other financial assets | | | | |
| Short Term Deposits | 1,442 | 1,442 | 1,843 | 1,843 |
| Total financial assets | 14,286 | 14,286 | 15,323 | 15,323 |
| Financial liabilities | | | | |
| Payables | 6,638 | 6,638 | 7,851 | 7,851 |
| Borrowings | 4,500 | 4,500 | - | - |
| Total financial liabilities | 11,138 | 11,138 | 7,851 | 7,851 |
| Institute | | | | |
| Financial instruments | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | | | | |
| Cash at bank and on hand | 552 | 5,052 | 3,221 | 3,221 |
| Contractual receivables | | | | |
| Trade receivables | 1,887 | 1,887 | 1,197 | 1,197 |
| Other receivables | 2,651 | 2,651 | 4,444 | 4,444 |
| Investments, loans and other financial assets | | | | |
| Short Term Deposits | 15 | 15 | 1,515 | 1,515 |
| Total financial assets | 5,105 | 9,605 | 10,377 | 10,377 |
| Financial liabilities | | | | |
| Payables | 6,349 | 6,349 | 7,565 | 7,565 |
| Borrowings | 4,500 | 4,500 | - | - |
| Total financial liabilities | 10,849 | 10,849 | 7,565 | 7,565 |

William Angliss Institute
has continued to evolve
and develop its position
as Australia's largest
provider of vocational
and higher education
for the foods, tourism,
hospitality and
events industries.

