



ANNUAL REPORT 2019

.....

SPECIALIST CENTRE:

- FOODS
- TOURISM
- HOSPITALITY
- EVENTS

Contents

Vision, Mission and Values	2
About William Angliss Institute	3
Board Chair's Report	4
CEO's Report	5
Activities and Achievements	6
Governance	10
Board Members	11
Board and Committees	14
Organisational Chart	16
Executive Directors Group	17
Performance Statement	18
Compliance	20
People and Capability	22
Compulsory Student Services and Amenities Fees	25
Environmental Impacts and Sustainability	25
Publications and Research	28
Financial Summary	30
Disclosures	31
VAGO Auditor General Letter Statement of Performance	32
VAGO Auditor General Letter Financial Report	34
Financial Report Declaration	37
Financial Report	38
Disclosure Index	92
COVID-19 Disclosure	94

Vision, Mission and Values

Vision

To be the first choice educational provider of foods, tourism, hospitality and events locally and internationally.

Mission

To deliver the highest quality specialist vocational and higher education programs to inspire and empower our students while adding value to our industry and community.

Strategic Priorities to 2020

- Enhance program flexibility
- Broaden our scope, integration and specialisations
- Develop and expand international partnerships
- Develop a national operating network
- Become a recognised part of higher education
- Develop an applied research capability
- Invest in facilities and infrastructure

Strategic Plan 2018-2020

William Angliss Institute's Strategic Plan 2018 – 2020 seeks to support:

- Educational Excellence
- Enhancing Student Experiences
- Partnerships
- International Development
- Innovation
- Sustainability

Institute Values

Personal Responsibility:

Accountable, responsive, with integrity, respect and impartiality and acknowledging human rights

Inspiration:

Passionate, stimulating and optimistic

Empowerment:

Nurturing, encouragement and challenging

Community:

Sharing, partnership and connections

Expertise:

Leadership, innovation and industry practice

Responsible Body's Declaration

In accordance with the Financial Management Act 1994, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.

I am pleased to present William Angliss Institute's Annual Report for the year ending 31 December 2019.



Nicholas Hunt
Chief Executive Officer
24 February 2020

About William Angliss Institute

About William Angliss Institute

William Angliss Institute is Australia's largest specialist centre for foods, tourism, hospitality and events education and training. The Institute operates locally and internationally, delivering industry focused training from youth learning and half day programs through to bachelor and masters degrees, from traditional pub hospitality to five star customer service, from on-campus to the workplace and remote sites.

Australia's first trade college dedicated to providing training for the food industry was established in 1939 by prominent Melbourne businessman and philanthropist Sir William Angliss, as Australia's first trade college dedicated to providing training for the food industry. Today the Institute is renowned as a specialist education and training Institute offering more than 80 nationally recognised training programs.

Programs

Within its specialisations, the Institute offers a full complement of programs from VCAL and VET in Schools through Certificate, Diploma, Degree and Masters programs. Detailed below the breadth of programs within our specialist focus demonstrates the growing and changing demands of the Industry. These programs are offered through various modes of delivery which can include: wholly campus based, wholly enterprise and workplace based and many variations in between. In addition, the Institute continues to develop program offerings internationally. The nature of these programs can vary from accredited programs to broader project development work with industry, governments and development-aid agencies.

In 2019 the Institute's programs were delivered to over 23,148 students at its Melbourne, Lilydale, Sydney and offshore campuses, as well as various workplaces in Australia and offshore. The 24,966 enrolments in 2019 comprised local and international students based on campus or participating in workplace training.

The Institute provides training in the following specialist sectors:

Foods

- Commercial Cookery
- Meat Processing
- Baking
- Patisserie
- Food Science and Technology
- Culinary Management
- Food Studies
- Food Systems and Gastronomy

Tourism

- Eco Tourism
- Tourism Marketing
- Tour Guiding
- Travel
- Travel and Tourism Management
- Aviation (Cabin Crew)

Hospitality

- Resort and Hotel Management
- Tourism and Hospitality Management
- Hospitality Management
- Hospitality (Angliss International Hotel School)

Events

- Event Management

Locations

Along with the main campus in the centre of Melbourne, William Angliss Institute also delivered training direct to industry partners through a Lilydale campus, a Sydney campus and offices in Queensland, South Australia, Western Australia and Northern Territory.

The Institute has three partnerships and one joint venture in China, one partnership in Sri Lanka, one partnership in Vietnam and a Tourism Continuing Education and Training (CET) Centre in Singapore support an international delivery platform.

Board Chair's Report



Dr Anne Astin AM, PSM
Board Chair

I am pleased to present the 2019 Annual Report for William Angliss Institute. It has again been a privilege to support and lead the Institute throughout the year.

I would like to share with you a number of highlights that reflect our strategic priorities, our commitment to work with industry across our areas of specialisation and to support the implementation of government policy.

The Institute is currently working to fulfil its strategic objectives and related activities of our Strategic Plan 2018-2020 in our pursuit as a centre of excellence in student education.

Updated by the Board annually this document represents our roadmap. The Plan has six objectives: Educational Excellence; Enhanced Student Experience; Partnerships; International Development; Innovation and Sustainability. A series of activities are identified against each objective as the Institute strives to deliver on our vision to be the first choice educational provider of foods, tourism, hospitality and events locally and internationally. As this Annual Report shows, the Institute continues to successfully work towards this vision.

2019 saw the commencement of the Free TAFE policy with William Angliss Institute offering five programs across the Free TAFE portfolio. The policy has activated interest and enrolments across tourism, hospitality, cookery, bakery and meat processing. The Institute's focus has been on ensuring students select the right program, actively participate and complete. Due to the increase in demand the Institute, with government support, has also provided additional student support services. Spanning educational, wellbeing and transition to employment, these services support and enhance the student experience.

As a specialist provider the Institute continues to secure opportunities for industry engagement that can augment the student experience, bring current thinking to the classroom and take future leaders into diverse industry environments. During the year these included the John Patrick Conway

Competition, Fonterra's Proud to be a Chef Program, the Nestlé Golden Chef's Hat Award National and Regional Cooking Competition, Food Science and Technology Student Product Launch, the Melbourne Cup Carnival, Melbourne Food and Wine Festival and the Cacao Barry Chocolate Competition.

Opportunities were provided for students and graduates to build their knowledge of foods, tourism, hospitality and events through masterclasses and tours including: Food Styling for Photography Masterclass, Yarra Valley Winery Tour, Hida Wagyu Masterclass, Mushroom Foraging and Truffle Hunting.

All of these activities demonstrate engagement and enhance students' interest in both their future and the future of the industry.

During the year the Institute celebrated 25 years of the Angliss Great Chefs program. It was extremely pleasing to see so many chefs who have been involved with the program over this time and particularly pleasing to be able to recognise the initiative of Tony Rogalsky who got the ball rolling 25 years ago - a legacy that continues.

I would like to acknowledge and thank the Minister for Training and Skills and Minister for Higher Education The Hon. Gayle Tierney MP, her staff and staff at the Department of Education and Training for their ongoing support.

Our student success takes a team effort, every role is important. I extend my thanks to the Board, the Executive and all of our talented staff.

As we look to the year ahead William Angliss Institute will be celebrating 80 years of specialist education for our industry, something we should all take pride in.

A handwritten signature in black ink, appearing to read 'Dr Anne Astin'.

Dr Anne Astin AM, PSM
Board Chair
24 February 2020

CEO's Report



Mr Nicholas Hunt
Chief Executive Officer

The William Angliss Institute Annual Report for 2019 provides you with a snapshot of highlights and activities that have taken place across the operations of the Institute during 2019. Such a report can never really capture the energy, commitment and engagement that is made to ensure our students engage, develop and achieve their goals.

As a specialist industry focused education provider, William Angliss Institute is firmly focused on the student experience culminating in the student pathway to employment and a career within our areas of specialisation or the service industry more broadly. During 2019, the Institute has added emphasis to the student voice through the establishment of the Student Recruitment and Services Division. This portfolio has responsibility for the non-educational needs of our students from enquiry to completion. Whilst still new, the results demonstrate the value of grounding us all with a focus on what the student experience is and how it changes across different contact points across the Institute.

The opportunity of the Free TAFE policy initiative has been embraced by the Institute during the year. This policy initiative has generated strong interest from students and industry across the nominated programs. A great example was the opportunity for students to work at the Australian Grand Prix in 2019. The impact on our semester one Hospitality students should not be underestimated in relation to motivation and focus. A positive experience for all.

Student services that support transition to employment remain a core element of the service offer at the Institute. Industry is welcomed and our careers and employment week brings industry, careers advice and job finding techniques together in a celebration of opportunity within the foods, tourism, hospitality and events industry. Further support in relation to student well-being and learning services have continued to be highly valued by our students. The expanded extent of these important services is only possible with the

assistance of the Community Services Program funding from the Department of Education and Training.

The William Angliss Institute remains aligned to its founding principles. Working with industry locally and internationally we continue to explore how to add value to the skills and employment challenges of the Industry. The highlights within this Annual Report represent a snapshot of our activities across a breadth of programs spanning vocational education, higher education, short specialised interest or compliance. For those interested, the website presents a variety of student stories and experiences that truly reflect the opportunities created by our organisation and the benefit these opportunities provide our students.

Student achievement and completion is made only possible through the work of all areas of the Institute. My thanks to our Board Chair, Dr Anne Astin AM, PSM for her leadership and strategic focus. Working with her the Institute Board adds significant value through their guidance and governance balancing the support from all staff across the organisation.

I commend the 2019 Annual Report to you.

A handwritten signature in black ink, appearing to read 'N. Hunt'.

Mr Nicholas Hunt
Chief Executive Officer
24 February 2020

Activities and Achievements

Educational Delivery

William Angliss Institute provides a range of educational programs that span special interest, vocational and higher education.

William Angliss Institute maintains a unique position within the VET Training Sector as Australia's only foods, tourism, hospitality and events specialist training Institute. Such a concentration of focus enables the Institute to offer diversity of programs within our specialisation as well as ensuring students have access to specialist teaching staff and high quality facilities. In the local market, the Institute continues to be regarded as the premier training provider and educator with exceptional industry reach and coverage.

Industry experiences support a smooth transition to employment. These are a central part of the Institute's programs. During the year students participated in a range of signature industry events.

Over 100 students and staff volunteered at the Bank of Melbourne's World's Longest Lunch held at Victoria Gardens in Prahran in conjunction with the Melbourne Food and Wine Festival. Students and staff volunteered to deliver hospitality, events and cookery support to 1,600 guests, working with an all-female chef line-up in celebration of International Women's Day.

A strengthened commitment to industry has seen the first groups of Certificate IV in Commercial Cookery and Patisserie students recruited into the paid work placement program in Sydney with key partnerships formed between William Angliss Institute and industry partners such as Doltone House and Park Royal Hotel. In Melbourne over 100 students gained employment with industry partners such as The Big Group and Food and Desire for Spring Racing Carnival and Melbourne Grand Prix. Lastly, students also engaged with Bluestone Lane and Disney's Cultural Exchange Program in the United States of America for international opportunities and global learning.

The Sydney campus also hosted VET in Hospitality teachers at an industry immersion experience organised in consultation with the NSW Department of Education. The aim was to provide teachers with the knowledge to enhance the delivery of industry-related hospitality courses to Higher School Certificate students, key learnings included: emerging trends in tea mixology, edible art, molecular gastronomy and food pop-ups.

Industry experience can take many forms. William Angliss Institute's Higher Education student team were finalists in the prestigious STR Market Study competition held in Hong Kong in June as part of the ApacCHRIE and EuroCHRIE joint conference. In a competition that matched undergraduate students against post graduate students, the Institute's team came an honourable seventh, with only a handful of points separating fourth to seventh places. The Institute was the highest performing school from the southern hemisphere and third best performing school outside of North America.

As a part of Melbourne Knowledge Week 2019 vocational and higher education staff in partnership with Scale Free Network delivered the 'The Science of Sourdough and The Art of Cheese-making' workshops.

Also in 2019, the Institute commenced a collaborative project with the University of Melbourne and the Downs Wetland Estate Trust to investigate the development of an indigenous food, hospitality and tourism centre on the perimeter of the wetlands. This project also parallels an increased focus on indigenous foods, culture and art. The Institute's students are working closely with indigenous leaders, including the Institute's Indigenous Coordinator, Jon Belling, in the Melbourne campus' raingarden to improve their appreciation for and skills in working with indigenous foods.

The Institute partnership with Charcoal Lane is now in its 10th year of operation, delivering Certificate II and Certificate III in Hospitality in the workplace. National Training were finalists and runner up for Northern Territory Training Awards and Queensland Training Awards in the Industry Collaboration category for our training delivery at both National Indigenous Training Academy (NITA) Ayers Rock Resort and Mossman Gorge Centre Far North Queensland. Certificates II and III in Hospitality are delivered at both sites.

Special interest and compliance programs continue to offer pathways into industry and employment. During 2019, a total of 10,269 participants completed a short course at William Angliss Institute, some of the most popular courses included: Responsible Serving of Alcohol, Food Handlers - Hospitality Sector, ABC of Espresso Making and Food Safety Supervisors - Hospitality Sector. In addition the Institute has successfully delivered the NSW Advanced Licensee and NSW Licensee training courses to approximately 1,000 attendees at the Alexandria campus and around the State.

Short courses activity at the Lilydale campus were consistent with the previous year, with 424 participants completing a short course in 2019.

Industry Competitions, Events and Awards

The Institute supports competitions and activities that drive students to excel. During the year the Institute hosted, supported and participated in a number of key industry competitions and events for the foods, tourism, hospitality and events industries.

These included the John Patrick Conway Competition, the Fonterra Proud to be a Chef Program, the Nestlé Golden Chef's Hat Award National and Regional Cooking Competition, Food Science and Technology Student Product Launch, the Melbourne Cup Carnival, Melbourne Food and Wine Festival and the Cacao Barry Chocolate Competition.

During 2019, the Institute's commitment to education excellence was rewarded with a number of awards including:

- Winner - 2019 AFTA National Travel Industry Awards (NTIA), Best Registered Travel Industry Training Institution
- Finalist - Northern Territory Training Awards, Industry Collaboration Category for Training Indigenous Young People with Voyages Indigenous Tourism Australia at Ayers Rock Resort
- Finalist - Queensland Training Awards, Premier's Industry Collaboration Category for Training Indigenous Young People with Mossman Gorge Training Centre

Community and Industry Engagement

In 2019, alumni and industry representatives connected with the Institute through the annual Speed Networking Event, Faculty of Higher Education Mentoring Program, the annual Careers and Employment Expo and a variety of employer recruitment and information sessions. The Institute collaborated with Study Melbourne and Headspace to offer a unique dining experience at the Angliss Restaurant for International students from across Victoria to enable them to feel connected to the community and to understand the services available in Melbourne, Victoria.

A range of professional development and career networking events were held on campus; Kevin McSteen, Restaurant Manager from Attica talked with students about developing employability skills in the hospitality industry; Koko Black presented recruitment opportunities to patisserie students; and the new Holiday Inn Express presented hotel career opportunities to students.

Opportunities were provided for students and graduates to build their knowledge of foods, tourism, hospitality and events through masterclasses and tours including: Colombian Coffee Tasting with Chef Alejandro Cuellar, Food Styling for Photography Masterclass, Yarra Valley Winery Tour, Hida Wagyu Masterclass, Mushroom Foraging and Truffle Hunting.

Institute alumni Emma Yee, Connie Yuen and Nicky Reimer participated in a successful female alumni panel discussion 'Making it to the Top: Women in Hospitality on overcoming barriers within the hospitality industry and making it to the top as a female'.

William Angliss Institute held a range of activities to engage prospective students, including the annual Open Day, course information sessions, the Angliss Experiences School Holiday Program and Trial-a-Trade events in Melbourne and Sydney.

Skills and Jobs Centre

The Skills and Jobs Centre (SJC) is the first point of call for prospective students, unemployed workers needing support and workers seeking to reskill. The SJC provided course advice, career advice and referrals to over 400 individuals throughout the course of 2019. The SJC is also active in engaging the broader community including industry, schools and Learn Locals.

Foundation and Scholarships

The William Angliss Institute Foundation and William Angliss Institute provide educational opportunities and financial assistance to recognise academic merit and support disadvantaged students in achieving their career ambitions.

The Foundation was established in recognition of the pioneering work in the areas of hospitality and foods by the late Sir William Charles Angliss. During 2019 54 scholarships and bursaries were provided with funds totalling \$130,000 being disbursed. Two scholarship ceremonies were held providing an opportunity for supporters and sponsors to meet with and hear from recipients about the importance and benefits of the support in motivating them to achieve more and aiding in the completion of their studies.

In 2019, the following scholarships were offered:

- The Sir William Angliss VET Scholarship (VIC and NSW) - for domestic VET students commencing or continuing in any study area
- The Sir William Angliss Higher Education Scholarships (VIC) - for domestic Higher Education students commencing or continuing in any study area
- The Sir William Angliss Aboriginal and Torres Strait Islander Scholarship (VIC/NSW) - for Aboriginal or Torres Strait Islander students commencing or continuing in any study area
- The Sir William Angliss International Merit Scholarships (VIC/NSW) - for international students continuing in any study area
- The Memorial Fund Scholarship (VIC/NSW) - for international students continuing in any study area
- Nestlé Golden Chefs Hat Scholarship (VIC) - for domestic and international students commencing or continuing in Commercial Cookery
- Nestlé Golden Chefs Hat Scholarship (NSW) - for domestic and international students commencing or continuing in Commercial Cookery
- Latrobe Community Health Services Scholarship (VIC) - for commencing or continuing domestic students from a rural or regional area in Victoria
- The Hostplus Indigenous Scholarship (VIC) - for Aboriginal or Torres Strait Islander students commencing or continuing in the foods or hospitality area
- The Hostplus 3 Star Scholarship (VIC) - for domestic students continuing in the foods or hospitality areas
- The Bulla Scholarship (VIC) - for domestic students continuing in baking or patisserie courses
- The Anchor FP Merit Scholarship (VIC) - for domestic students continuing in Certificate IV in Commercial Cookery
- The Apromo Trading Access Scholarship (VIC) - for domestic students continuing in Certificate IV in Patisserie



William Angliss Institute's first cohort graduating from their courses following participation in the Victorian Government's Free TAFE initiative.

Partnerships

William Angliss Institute values its industry partners and has developed a partnership framework so organisations can add their support to our educational programs for the benefit of our students. Our major partners in 2019 included: Anchor Professional (Fonterra), Hostplus, Nestlé Professional, Peerless, Robot Coupe, Cacao Barry, Worksmith, Bulla and Dilmah.

The Institute gratefully acknowledges the support industry associations, companies and organisations have provided by means of product, equipment, sponsorships and technical and curriculum support.

Support Services

William Angliss Institute's Support Services – Disability Support Services, Wellbeing and Counselling Services and Learning Advisors – provide students with an opportunity to enhance their capacity to achieve success in an accessible, welcoming environment. The extent of these services is made possible through the valued contribution of *Skills First* TAFE Community Service funding.

Disability Support Services provides disability support to students with diagnosed disability, medical or mental health conditions to provide equitable access to learning, facilities and services at the Institute. In 2019, 145 students registered for disability support for disabilities, medical or mental health conditions, compared to 124 students in 2018.

A total of 105 of these students received in class support, exam support or individual study support in the Access Hub, compared to 85 students receiving these services in 2018. The increase in capacity to meet the demand for individual support in 2019 is largely due to the Access Hub service, which provides flexibility and access opportunities for students with disability throughout the week.

The Wellbeing Officer provided 73 Intake appointments and 87 wellbeing consultations. The Senior Counsellor and Intern Counsellors provided 518 counselling sessions and 152 brief sessions. This compares to 72 wellbeing consultations and 455 counselling sessions in 2018.

Learning Advisors provided expert advice regarding academic and IT skills, language, literacy and numeracy through 1420 unique interactions with students in 2019. These included consultations during drop-in sessions and appointments. Learning advisors also gave eight workshops in classes and held ten Language Lounge sessions.

International Highlights

International Students in Australia

International student recruitment remains a strong focus for the Institute. Student enrolments were strong in 2019, with 1,764 students from more than 53 countries commencing studies at our Melbourne and Sydney campuses. The Institute continues to maintain a reputation for excellence in recruiting high quality students, evidenced by maintaining the lowest possible 'evidence level' with the Department of Home Affairs in Australia – an indicator of the high integrity recruitment practices that align with the Government's visa and immigration policy.

The Institute also recruited international students into our Singapore campus in 2019, attracting students looking for an international experience in Asia. These students complete an Advanced Diploma of Hospitality Management after which they can pathway through to Melbourne for higher education experiences.

Global Collaborations

In Singapore, William Angliss Institute completed another Interim Edutrust Audit – enabling the Institute to continue developing and delivering Australian qualifications in Singapore.

2019 saw the successful graduation of 90 students who completed full WSQ (the Singapore Government's vocational framework qualifications), with a large number of our graduates securing industry employment placements upon completion. The Institute remains focused on continuing strong industry partnerships in Singapore, such as the Singapore Grand Prix (SGP) – the Institute was appointed in 2019 for the eighth consecutive year to train over 2,000 customer service and security staff. Other large industry training partners include: Hanbaobao (McDonalds) Restaurants, Singapore Discovery

Centre, Singapore SportsHub, Scoot Airlines and the Institute's newest partners, AETOS Singapore and The Arts House.

The Institute's operation in China continues to lead the field of Australian tourism and hospitality training delivered in country with the introduction of commercial cookery to the Institute's joint venture campus at Thousand Island Lake, Zhejiang Province. Enrolment for this program was heavily oversubscribed, highlighting the need to expand the program.

In 2019, the Institute's partnership with the Colombo Academy of Hospitality Management (CAHM) grew to three student intakes and includes international students. There was an increasing number of Sri Lankan students choosing to take advantage of the academic pathways to further their studies and attain a degree at the Melbourne campus. It is expected that enrolment numbers will continue to grow in both hospitality and cookery streams.

In partnership with TAFE Directors Australia, the Institute continued project work in Taiwan, assisting the Workforce Development Agency in building Meetings Incentives Conferences and Exhibitions (MICE) and events capability in the region. The Institute was engaged by the Workforce Development Agency in conjunction with Asia-Pacific Economic Cooperation (APEC) to conduct a successful three day Event Management workshop for government and industry employees across participating APEC countries.

2019 saw further growth in skills assessment services for skilled culinary professionals from 10 countries nominated under a Deed with Trades Recognition Australia. These were applicants for a work visa of up to four years to work for approved Australian employers to fill their skills shortages in cookery, bakery and pastry cooking. Skills assessment services for culinary professionals seeking permanent residency were also provided for all nationalities. There was a further increase in applicants from Asian, European and South American countries during the year.

The Institute signed a Memorandum of Understanding (MoU) with Van Lang University, one of Vietnam's first private universities, during a visit by the Ho Chi Minh City Party Secretary, Nguyen Thien Nhan. The MoU sees Van Lang University and William Angliss Institute negotiate formal education partnership agreements for the design, development and delivery of industry-relevant education programs in tourism, hospitality, resorts, events, culinary arts and English language.

In August 2019, the Institute delivered a three week customised TVET Strengthening training program for 20 visiting representatives from 10 Timor-Leste TVET centres and government stakeholders, conducted at the Institute's Melbourne campus. The program aimed to build on the capacity of the current TVET centres management through leadership and operations best practice training. This was concluded with a two week follow-up visit to the same Timor TVET Centres in October 2019.

Based on its successful completion, another program was undertaken in December 2019, which was a two week Hospitality and Tourism Trainers Capacity Building Program for representatives from 10 Timor-Leste TVET centres. The program outcome contributes towards their long-term objective of aligning their Hospitality and Tourism sectors with the ASEAN Qualifications Reference Framework (AQRF), and extending the capacity of their Assessors to conduct Recognition of Prior Learning.

Overseas Operations

Nature of Strategic and Operational Risks

The William Angliss Institute Strategic Plan identifies the priority of developing and expanding international partnerships. The Institute recognises the inherent risks associated with offshore activity and these risks have been identified as part of the Institute's 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 an annual 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 committee structure.

Achieving Expected Outcomes

The Institute's international activities have continued to be successful in 2019, with performance regularly achieving set targets and has contributed significantly to the Institute's commercial result.

Overseas Visits

In 2019, over 138 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.

Governance

Manner of Establishment and the Relevant Minister

The Institute is named after the late Sir William Angliss, whose public, spirited and generous benefaction enabled the Institute to open as the William Angliss Food Trades School on 14 December 1939. 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 Vocational Education and Training Act 1990, which was incorporated into the Education and Training Reform Act 2006. The current Constitution of William Angliss Institute of Technical and Further Education Order 2016 was made on 3 May 2016 and came into operation on 1 July 2016.

During the period 1 January 2019 to 31 December 2019 the relevant office of Minister for Training and Skills and Minister for Higher Education was held by the Hon. Gayle Tierney MP.

The purpose, functions, powers and duties of the Institute are stipulated in the Education Training Reform Act 2006, the William Angliss Institute Constitution Order 2016 and the William Angliss Institute Board Charter.

Nature and Range of Service

As a specialist training provider to the foods, tourism, hospitality and events industries, the Institute currently offers a range of educational, training, product development, project management and consultancy services locally and internationally.

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 Training
- Full-fee paying students
- Industry or government client payments

Activities and Programs

In 2019 course enrolments were 24,966 across the Institute's foods, tourism, hospitality and events programs.



William Angliss Institute's 2019 August Graduation.

Board Members

Dr Anne Astin AM, PSM – Board Chair

Anne has held a number of senior executive positions in the Victorian public sector, working in food policy and regulation, public health, agriculture, minerals and petroleum, natural resources and environment, land administration and forensic science. Prior to this, Anne was a senior tutor at Monash University, working in biomedical research and education.

In 2011, Anne was awarded the Public Service Medal in the Victorian Division of the Queen's Birthday Honours for her services to the dairy industry, national food regulation and rural women. In 2010, she was inducted into the Victorian Women's Honour Roll for her work in biochemistry and as an advocate of women's leadership. In 2010, she also received the Australian Dairy Industry Council's Outstanding Service Award in recognition of her leadership in, and services to, Australia's dairy industry and in 2016 was awarded the Dairy Industry Association of Australia's John Bryant Gold Medal for outstanding service to the industry.

Anne holds degrees in Ph.D. (Biochemistry), B.Sc. (Hons) (Biochemistry) and B.Sc. (Chemistry). She has a Graduate Diploma in Public Sector Management and is a member of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Food Science and Technology and a member of the Dairy Industry Association of Australia.

Hon. John Pandazopoulos – Deputy Chair

John currently holds the positions of Chair of Destination Phillip Island Regional Tourism Board, one of Australia's best known tourism regions, Chair of the Victorian Government's Visitor Economy Ministerial Advisory Committee and is a Board Director of Parks Victoria.

John is Victoria's longest continuous serving Tourism, Major Events and Gaming Minister with 28 years' experience in public policy, government and governance at international, national, state and local government level. John is the former Minister for Multicultural Affairs, Racing, Major Projects and Employment; former Member of the 'Cleavevent' Advisory Board, one of Australia's largest events businesses at the time; local Councillor and Mayor of the then City of Berwick and Executive of the Municipal Association of Victoria; and former Chair and Deputy Chair of the Victorian Parliament Environment and Natural Resources Committee.

Roger Clifton

Roger was trained in Marketing and Advertising Principles and Practice at RMIT. He formed his own advertising agency called Clifton Court Smith, with two partners. In 2000, Roger was invited to join the largest agency network in the world, McCann Erickson, as its Melbourne Office Managing Director and the business grew to be in the top ten in its market.

For eight years during his career, Roger sat on the curriculum committee for the Advertising Course of RMIT, was The President of the Advertising Institute of Australasia (being made a life Fellow in the year 2000), a Board member of Prahran Mission and Odyssey House.

Roger has served as Chairman of the Prahran Market Governance Board, lectured in advertising at Holmesglen Institute, mentored young aspiring advertising professionals, worked as a professional mediator and served the community as an Honorary Justice of the Peace.

Dr David Foster

RESIGNED 31 JULY 2019

Dr David Foster has been working in the tourism and leisure industries for over two decades, as an educator, consultant and operator. 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 and previous roles include Associate Professor and Head of Hospitality, Tourism and Leisure at RMIT University and manager of a research and consultancy company owned jointly by RMIT and William Angliss Institute.

David has been a Judge in the Victorian Tourism Awards and has also served as a mentor for those awards. He is currently Chair of William Angliss Institute Higher Education Academic Board and Director of the Australian Centre for Tourism and Hospitality.

Karon Hepner (Elected Director)

Karon Hepner has over 30 years' experience in the hospitality, events, foods and education industries with positions held in the Human Resources and Learning and Development sectors with the following organisations: Compass Group (Australia), P/L, Delaware North (Australia), Royal Automobile Club Victoria (RACV), Australian Venue Services, Tourism Training Victoria, Hilton Hotels and RMIT.

Prior to joining the Institute in late 2007, she was actively involved in Board and Committee memberships of the following bodies: Holmesglen Institute of TAFE, Box Hill Institute of TAFE, Australian Hospitality Review Panel, La Trobe University Tourism Hospitality and Sports Advisory Board, Service Skills Victoria, VETis Taskforce and VCAA – VCE Exam Industry Vetter.

Karon's qualifications include Graduate Diploma in Education, Degree in Business (Hotel Management) and Diploma of Applied Science.

Nicholas Hunt (CEO)

Nicholas Hunt has extensive experience within the tourism industry and vocational education sector. Through his time at William Angliss Institute, Nick has focused on developing William Angliss Institute's educational programs across both vocational and higher education, strengthening the Institute's activities in support of industry growth and educational change and leading the Institute's strategic development to ensure the Institute is best placed to continue its success in future years.

Nick's qualifications include a Master of Education Policy (International) University of Melbourne, Bachelor of Arts (Hons) University of Tasmania and he is also a Graduate of the Australian Institute of Company Directors.

Wendy Jones

Wendy Jones is a passionate tourism and hospitality industry practitioner, with a background in association management. She has worked extensively with executive teams and boards across the tourism industry, the environment sector and community.

Wendy's previous roles have included CEO of the Restaurant and Catering Association of Victoria, Tourism Training NT and Keep Australia Beautiful Victoria in addition to being an owner-operator in the hospitality sector.

Wendy holds a Master of Business (Human Resource Management) Charles Sturt University and a Bachelor of Arts University of Melbourne. She is also a Graduate of the Australian Institute of Company Directors and currently serves as a Director of the Goulburn Valley Waste and Resource Recovery Group.

Vicky McIver

Vicky is a founding Director of Arrus Knoble (Aus) established in 1999 - a successful boutique consulting practice. She has worked on projects across many sectors including the tertiary education sector. She has held several long-term contract Executive roles. In 2015-16 Vicky was part of a State Government appointed TAFE assessment panel that reviewed all TAFEs in Victoria.

Vicky graduated from Otago University with a BA Honours in Political Studies and has a Master of Management (Organisational Systems) from Monash University and is accredited in several personal and organisational development diagnostic tools. Vicky is a Graduate of the Australian Institute of Company Directors and is a member of Women on Boards. Matteo Pignatelli

Matteo Pignatelli graduated with a Diploma of Business in Hospitality Management at William Angliss in 1989, after winning individual awards for Culinary Studies, Food and Beverage Operations and Most Outstanding 2nd year Student.

After graduation, Matteo worked full time as Managing Director at Fedele's, Glen Waverley. After four years building up his successful business, he opened Matteo's in 1994, in the building once occupied by Mietta's in North Fitzroy.

In 2018 Matteo retired from a number of roles held with the Restaurant and Catering Association of Australia; Chairman of Restaurant and Catering Association Victorian Council (2008 - 2018), President of the Restaurant and Catering Association of Australia (2012 - 2016), Trustee of Restaurant and Catering Association Education Foundation and a Board member of Restaurant and Catering Industrial.

Brenda Richardson

Brenda Richardson has over 25 years' experience in the Manufacturing and Information Technology industries. As well as IT, her career has included a broad range of roles in Logistics, Process Re-engineering, Change Management and Strategy.

Brenda has considerable experience in Higher Education, including ten years on the Council of the University of Tasmania. Her board experience also includes roles in Built Environment, Audit and Risk, Community Engagement and advisory committees. She is currently a member of the Geelong Cemeteries Trust (Class A).

Currently self-employed, Brenda specialises in bridging the gap between technical and non-technical communities.

Brenda holds a Bachelor of Science (with Honours) majoring in Mathematics and Computing as well as a Masters of Business Administration. She is a Fellow of the Australian Institute of Company Directors.

Peter Sexton

APPOINTED 1 SEPTEMBER 2019

Peter Sexton is a graduate of the Australian Institute of Company Directors and a Chartered Accountant. Peter has 40 years' experience in external audit across Australia, the UK and Indonesia, auditing publicly listed companies, large proprietary companies and not-for-profits; helping businesses achieve an appropriate level of best practice in financial reporting and risk management.

Peter's contribution as a director leverages his financial reporting and management experience, particularly his interest in behavioural management and the importance of strategy, execution, culture and structure in growing a successful business.

Peter is also a director of Montsalvat Ltd, a cultural and tourism precinct in Eltham Victoria that has practical and meaningful exchanges with the Australian artistic community, providing educational opportunities in all forms of the arts for people of all ages and stages of life.



Caption

William Angliss Institute, Melbourne Campus.

Board and Committees

Board of Directors

The Board comprises ten members:

- Five Ministerial Directors appointed by the relevant Minister
- Three Co-opted Directors
- Elected Director (Staff member)
- CEO of the Institute

In 2019 the following Directors served on the William Angliss Institute Board:

- Dr Anne Astin AM, PSM (Board Chair)
- Hon. John Pandazopoulos (Deputy Chair)
- Roger Clifton
- Dr David Foster (resigned 31 July 2019)
- Karon Hepner (Elected Director)
- Nicholas Hunt (CEO)
- Wendy Jones
- Vicky McIver
- Matteo Pignatelli
- Brenda Richardson
- Peter Sexton (appointed 1 September 2019)

Summary of Activities

The Board annually:

- 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 annual financial statement
- Meets the required obligations of the Strategic Planning Guidelines and Commercial Guidelines
- Approves an annual budget
- 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
- Reviews and approves the Financial Delegations Policy
- Ensures that appropriate policies and procedures are in place to meet good governance, legislative, regulatory and organisational requirements
- Ensures that Board membership complies with legislative requirements and that Board members comply with the Board Members' Code of Conduct'

Board Committees

Finance, Audit and Risk Management Committee

The main objective of the Committee is to provide independent assurance and advice to the Board in relation to the Institute's risk, control and compliance framework and its financial reporting responsibilities.

Responsibilities include detail relating to the areas of risk management, internal control, financial statements, legislative and policy compliance, internal and external audit and governance. Specific responsibilities for internal and external audit are to:

- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors
- maintain effective communication with external auditors
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised

The William Angliss Institute Finance, Audit and Risk Management Committee reviewed the Annual Financial Statements and made a recommendation to the William Angliss Institute Board on 19 and 24 February 2020 to authorise the William Angliss Institute Annual Financial Statements for the year ending 31 December 2019 before they are released to Parliament by the Responsible Minister.

Committee Members:

- Matteo Pignatelli (Committee Chair)
- Roger Clifton
- Wendy Jones
- Hon. John Pandazopoulos
- Brenda Richardson
- Peter Sexton

Remuneration Review and Board Membership Committee

Responsibilities of the Committee include detail relating to the areas of employment conditions and remuneration for the CEO and Executive team, compliance with the Government Sector Executive Remuneration Panel (GSERP) guidelines and review of Board membership requirements.

Committee Members:

- Dr Anne Astin AM, PSM (Committee Chair)
- Vicky McIver
- Hon. John Pandazopoulos
- Matteo Pignatelli



Events students styling tables for the William Angliss Institute Annual High Tea.

Future Building and Infrastructure Committee

The main objective of the Committee is to work with management on the development of the William Angliss Institute Master Plan incorporating land, buildings and technology to align with the 2030 Vision and advise the Board in relation to the development and maintenance of the Integrated Asset Management Plan which includes a strategy to secure sufficient capital funds for the implementation of the Master Plan.

Committee Members:

- Vicky McIver (Committee Chair)
- Roger Clifton
- Dr David Foster (resigned 31 July 2019)
- Hon. John Pandazopoulos
- Brenda Richardson

Higher Education Academic Board

The William Angliss Institute Higher Education Academic Board has delegated responsibility from the William Angliss Institute Board for the academic governance of the Institute's Higher Education courses.

It is responsible for providing advice to the William Angliss Institute Board, maintaining the highest standards of scholarship, teaching and research, developing and monitoring Higher Education courses and formulating and reviewing policies and procedures in relation to academic matters.

Higher Education Academic Board Members:

- Dr David Foster (Chair)
- Professor Jeanette Baird (appointed 11 September 2019)
- Professor Kwong Lee Dow
- Professor Marianna Sigala
- Nicholas Hunt
- Wayne Crosbie
- Dr Paul Whitelaw
- Associate Professor Melanie Williams
- Dr Larry Foster
- Andrew Dolphin
- Emma Gronow (Staff Representative)
(Resigned 23 August 2019)
- Martin Stankovic (Student Representative)
- Aradhana Prashar (Student Representative)
(Resigned 29 March 2019)
- Natasha Kepas (Student Representative)
(Appointed 12 June 2019) (Resigned 4 December 2019)
- Vacant (Staff Representative)

Organisational Chart

Board of Directors

Dr Anne Astin AM, PSM | Board Chair
Hon. John Pandazopoulos | Deputy Chair
Roger Clifton
Dr David Foster (Resigned 31 July 2019)

Karon Hepner | Staff Member
Nicholas Hunt | CEO
Vicky McIver
Matteo Pignatelli

Brenda Richardson
Wendy Jones
Peter Sexton (Appointed 1 September 2019)

Board Committees

• Finance, Audit and Risk Management Committee:
Matteo Pignatelli | Chair
Roger Clifton
Wendy Jones

Brenda Richardson
Hon. John Pandazopoulos
Peter Sexton

• Remuneration Review and Board Membership Committee
 • Future Building and Infrastructure Committee
 • Higher Education Academic Board

Nicholas Hunt
 Chief Executive Officer

Eileen Sargent

Director
 Corporate (CFO)
 (Appointed 15 January 2019)

- Finance
- Property and Procurement Services
- Information Technology
- Student Administration
- Quality and Compliance

Wayne Crosbie

Director
 International and Business Development

- International Operations
- Strategic Projects
- Business Development (Local & International)

Ray Petts

Associate Director
 Vocational Education and Training (VET)
 (Acting from 1 October 2019)

- VET Operations
 - Tourism
 - Hospitality
 - Events
 - Food Trades
 - Culinary Arts

Paul Whitelaw (PhD)

Associate Director
 Higher Education Scholarship and Research

- Higher Education Operations
- Scholarship
- Research

Sarah Lawrie

Associate Director
 Student Recruitment and Services
 (Appointed 15 May 2019)

- Marketing and Communications
- Learning and Information Services
- Business Development (Victoria)
- Student Support Services
- Student Opportunities

- People & Capability
- Governance

Executive Directors Group

Eileen Sargent (Appointed 15 January 2019)*

DIRECTOR CORPORATE (CFO)

The Corporate Division underwent a change in 2019. In May 2019, student services, marketing and communications and learning and information services moved to a newly established Division.

The Director Corporate is responsible for providing leadership and strategic direction including:

- financial management and analysis
- business analysis
- educational compliance
- information technology services
- risk management
- corporate governance
- property and procurement services

**Acting Director Corporate and Student Services (Until 14 January 2019)*

Wayne Crosbie

DIRECTOR INTERNATIONAL AND BUSINESS DEVELOPMENT

The division's International area is responsible for both the recruitment of overseas students into accredited Institute Higher Education Degree and VET programs, and for identifying, developing, implementing and managing new offshore opportunities and projects.

The Institute's off-shore operations in Singapore, China, Sri Lanka and Vietnam are managed by the International division.

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 training programs extending to remote locations within Australia and a special focus on Indigenous programs.

Ray Petts (Acting from 1 October 2019)

ASSOCIATE DIRECTOR VOCATIONAL EDUCATION AND TRAINING (VET)*

The Associate Director VET is responsible for the delivery of a diverse range of Vocational Education and Training programs offered in three areas: Centre for Tourism and Hospitality, Centre for Food Trades and Culinary Arts and the Industry Training Centre - Sydney. Within these areas, the vocational training pertaining to the following areas is covered: Cookery, Patisserie, Bakery, Meat, Food Science and Technology, Hospitality, Travel, Tourism, Resorts, Events, Short Courses and the Angliss International Hotel School.

The Associate Director has responsibility for leading and supporting the effective and timely integration of flexible and workplace based delivery practices with campus delivery, across all sites as well as ensuring the Institute meets internal and external quality reporting requirements with regards to all Vocational Education and Training programs delivered at the Institute.

**Mark Agius (Acting 4 March 2019 to 30 September 2019), Jim Irwin (Acting 18 January 2019 to 1 March 2019), Stuart Walsh (Resigned 14 January 2019)*

Paul A Whitelaw (PhD)

ASSOCIATE DIRECTOR HIGHER EDUCATION AND RESEARCH

The Associate Director Higher Education and Research is responsible for the delivery of Higher Education courses offered by the Institute. At this stage, this includes 16 undergraduate programs across our key areas of foods, tourism, hospitality and events. Additionally, the Institute offers postgraduate courses including a Masters of Food Systems and Gastronomy, and a research based Masters of Philosophy.

The role is also responsible for supporting teaching areas to develop their scholarly practice and leading the Institutes approach to applied research.

Sarah Lawrie (Appointed 15 May 2019)

ASSOCIATE DIRECTOR STUDENT RECRUITMENT AND SERVICES

A new Division was established in May 2019 incorporating Student Learning and Information Services, Marketing and Communications, and Business Development. This portfolio has responsibility for the non-education needs of our students from prospective student to alumni.

The Associate Director Student Recruitment and Services is responsible for:

- Learning and Information Services including student supports services
- Marketing and Communications
- Business Development

Performance Statement

During 2019 the Institute worked towards achieving key performance targets. The table below provides a snapshot of these measures.

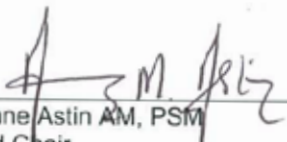
Indicator Title	Description and methodology	Metric	2019 Target	2019 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue split by Government funded, Fee for Service and Student Fees and Charges <i>Training revenue split by:</i>					
	• Government Funded (GF)	%	22.0%	24.9%	Introduction of Free TAFE increasing government funded revenue	21.9%
	• Fee for Service (FFS)	%	61.0%	62.7%	Minor variances only	61.6%
	• Student Fees and Charges	%	17.0%	12.4%	Introduction of Free TAFE decreasing student fees and charges	16.5%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue (VTG and FFS) <i>Employment costs + 3rd party training delivery costs / Training Revenue</i>	%	< 78%	76.8%	Increase revenue together with greater labour efficiencies compare to prior year	81.5%
Training revenue per teaching FTE*	Training Revenue (excl. revenue delivered by 3 rd parties) / Teaching FTEs*	%	234,700	226,179	Improved on 2018 but under target due to challenges associated with revenue growth targets	206,858
Operating margin percentage	Operating margin % EBIT (excl. Capital Contributions) / Total Revenue (excl. Capital Contributions)	%	(4.5%)	(6.1%)	Operating margin under budget due primarily to challenges in meeting revenue growth objectives	0.9%

Declaration by the Board Chair, Chief Executive Officer and Chief Finance Officer

In our opinion, the accompanying Statement of Performance of the William Angliss Institute consolidated entity, in respect of the 2019 financial year, is presented fairly.

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

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



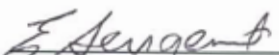
Dr Anne Astin AM, PSM
Board Chair

Date 24 February 2020
Place Melbourne



Nicholas Hunt
Chief Executive Officer

Date 24 February 2020
Place Melbourne



Eileen Sargent
Chief Finance Officer

Date 24 February 2020
Place Melbourne

Compliance

Freedom of Information

The Institute respects the right of the public under the *Freedom of Information Act 1982* to request access to documented 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

Applications should state that the request is an application for the purposes of the Freedom of Information Act, describe the document/s sought after in enough detail to allow the Institute to identify and find the relevant document/s and provide contact details for the Institute to reply to. An application fee will apply and other charges may be incurred in accordance with the Victorian Freedom of Information (Access Charges) Regulations 2014.

For the period 1 January 2019 to 31 December 2019 the Institute received one request for information from the public under the Freedom of Information Act, of which access was granted in full within 30 days.

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 were obtained.

Compliance with the Protected Disclosure Act 2012

The Institute does not tolerate improper conduct by its employees or officers, nor the taking of reprisals against those who come forward to report such conduct. In accordance with the *Protected Disclosure Act 2012*, the Institute has a policy and procedural framework in place to encourage and facilitate the disclosure of improper conduct within the Institute for reporting and investigative purposes.

Disclosure of improper conduct or detrimental action by the Institute or any of its staff or officers should be reported directly to the Independent Broad-based Anti-corruption Commission (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: www.ibac.vic.gov.au
Email: See the IBAC website for means
of electronic contact.

For the period 1 January 2019 to 31 December 2019, the Institute was not aware of any disclosures made under the *Protected Disclosure Act 2012*.

Competitive Neutrality

William Angliss Institute has established mechanisms to ensure that the National Competition Policy including the requirements of relevant Government Policy Statements ('Competitive Neutrality: Statement of Victorian Government Policy' and 'Victorian Government Timetable for the Review of Legislative Restrictions on Competition' and any subsequent reforms) are appropriately observed.

Compliance with Victorian Public Service Travel Policy

William Angliss Institute has established policies and procedures to ensure the Institute is compliant with the Victorian Public Service Travel Policy.

Compliance with the Carers Recognition Act 2012

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

- Flexible working arrangements
- Part-time work opportunities
- Opportunities to purchase leave
- An employee assistance program

Students with carer responsibilities or those with a disability are also supported at the Institute through:

- Application of special consideration arrangements
- Provision of reasonable accommodation to enable participation
- Provision of additional supports such as access to Wellbeing and Counselling Services and Disability Support Services

Compliance with Local Jobs First Act 2003

During the period 1 January 2019 to 31 December 2019 William Angliss Institute has had nil contracts to which the Local Jobs First applied.

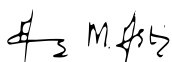
Compliance with other Legislation and Subordinate Instruments

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 2016
- Directions of the Minister for Training and Skills (or predecessors)
- TAFE Institute Commercial Guidelines
- TAFE Institute Strategic Planning Guidelines
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Protected Disclosure Act 2012*
- *Local Jobs First Act 2003*

Financial Management Compliance Attestation

I, Dr Anne Astin, on behalf of the William Angliss Institute Board, certify that for the period 1 January 2019 to 31 December 2019, William Angliss Institute has complied with the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.



Dr Anne Astin AM, PSM
Board Chair
24 February 2020

Major Commercial Activities

During the period 1 January 2019 to 31 December 2019 William Angliss Institute entered into a Heads of Agreement with Aurumland Pty Ltd the adjoining property owner of 295, 307 and 309 King Street Melbourne and Hickory Aspire Pty Ltd the appointed builder of the Aspire Tower to lease our premises at 311-315 King Street, Melbourne for a period of up to three years for use as their building site office.

Capital Projects

During the period 1 January 2019 to 31 December 2019 there were no major capital projects to report.

Additional Information Available on Request

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

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

This information is available on request from:

Director Corporate (CFO)
E: corporate.governance@angliss.edu.au

People and Capability

People

Overall, the Institute workforce increased by 4.9 Equivalent Full-Time (EFT) employees in 2019 compared to the 2018 staff numbers. A snapshot of staff numbers as at 31 December 2019 is provided in the table below.

The Institute remains focused on attracting and retaining staff that are capable of providing quality skills solutions to industry and government.

Reward and Recognition

During 2019, staff were recognised under the Institutes' Reward and Recognition Program for outstanding achievements across the four key areas of Client Service Excellence, Innovation, Teaching Excellence and Occupational Health and Safety. This culminated in a total of four awards being presented to staff during the year.

Off Shore Opportunities

The Institute has a workforce in Australia that spans Victoria, New South Wales, Queensland, South Australia, Western Australia and Northern Territory. Our international footprint includes joint campus arrangements with partner education institutions in China (Shanghai, Hangzhou, Zhongshan, Nanjing and Qingdao), Vietnam (Danang), Sri Lanka (Colombo), and a stand-alone Tourism Continuing Education and Training (CET) Centre in Singapore. We continue to maintain strong relationships with partner institutes in Malaysia and Thailand.

Learning and Development

The focus on workforce learning and development contributes to the Institute's current position as the State government endorsed Specialist Centre for Foods, Tourism, Hospitality and Events. The Institute offers appealing career prospects in our areas of speciality and continues to attract quality candidates.

In 2019, the Institute offered a wide variety of learning and development activities to ensure employees acquire the skills and knowledge to meet the current and future requirements of the Institute while assisting employees in their career development. This included:

- Continuation of a leadership program jointly funded by the Institute and the Skills First Organisational Capability Development Program. The program incorporated:
 - Projected succession planning needs
 - Establishment of a mentoring training program
 - Development of leadership alumni
 - Women's Compass leadership series
- Continued implementation of an eLearning platform to better meet the needs of domestic, interstate and overseas staff and also to provide access to bite sized (or just-in-time) learning and curation of learning needs according to business deliverables
- Cultural awareness training (Indigenous focus)
- LGBTIQ awareness training
- Internal training for VET teachers to upgrading TAE qualifications
- Training in regulatory requirements
- Digital literacy
- Mental health training
- Mindfulness and resilience training
- Ongoing compliance training and compliance training refresher for all staff
- Training for teaching staff on compliance, vocational training, eLearning and assessment development

The Institute continued to support a number of staff during the year by providing financial assistance to obtain a formal qualification which enabled staff to perform their role more effectively and better meet the needs of the Institute. Study leave was also offered to enable staff to pursue and attain further educational and vocational qualifications.

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's Safety Improvement Plan for 2019 continued the focus of building a safety culture, preventative strategies and injury management. The plan aims to build skills and capability by requiring supervisor attendance at nominated safety training and related people management training. Injury management performance was regularly monitored through a range of performance measures. These included supervisor attendance at mandatory safety training and related people management training, timeliness of incident reporting, lost time due to workplace injury and WorkCover claims costs. Improved safety performance contributed to continuing low workers' compensation insurance costs.

In relation to preventative strategies, there was a focus on supporting staff wellbeing in 2019. Staff were encouraged to participate in the Premier's Active April Program and promotions for Men's Health Week and Women's Health Week during the year were well received. The Institute also offered a range of training sessions during the year aimed at mindfulness and building resilience. Ten employees received one-to-one assistance in improving their workstation ergonomics. To support the health of employees, the Institute also continued its program of annual flu vaccinations. The 2019 vaccination program was well supported with 121 staff participating.

There were three lost time claims during 2019 however all were minor and active claims management resulted in minimal lost time and successful return to work outcomes.

As at 31 December 2019

Occupational Health And Safety Measure		2017	2018	2019
Incidents	Number of hazards/incidents	23	22	20
	Rate per 100 FTE	7.87	7.5	6.15
Claims	Number of standard claims	2	0	0
	Rate per 100 FTE	0.68	0	0
	Number of lost time claims	2	4	3
	Rate per 100 FTE	0.68	1.36	0.92
	Average cost of standard claims	\$16047	0	0
Fatalities	Number of fatality claims	Nil	Nil	Nil
Incident Reporting	% reported within 2 days of occurrence	83%	86%	75%
Lost time	Number of lost days	83	15	4
Training	Manager/Supervisor attendance at mandatory safety and related people management training	97%	96.6%	97.5%

Employment and Conduct Principles

In 2019, the Institute continued to support the employment and conduct principles through structured induction of new staff. In addition during 2019 all staff completed refresher training in employee rights and responsibilities. Employees have been correctly classified in workforce data collections prepared during the 2019 calendar year.

The Institute has structured recruitment procedures based on merit, and policies and processes to support equal opportunity including return from parental leave, breastfeeding, flexible work arrangements and reasonable adjustment for staff with disabilities.

Industrial Relations

Negotiations for the first Higher Education Academic Staff enterprise agreement for the Institute were concluded toward the end of 2019. Once approval from the Victorian Government has been received, academic employees will have the opportunity to view the document and a ballot will be conducted.

The Institute has a committee that meets on a regular basis and includes teaching staff and union representatives for the purpose of implementing the vocational teachers' Multi - Enterprise Agreement.

Staff Declaration of Private Interest

In line with the Code of Conduct for Victorian Public Sector Employees, employees are required to declare any private interest that may constitute an actual, potential or perceived conflict of interest.

In 2019, 23 employees declared an actual, potential or perceived conflict of interest.

Comparative Workforce Data (December 2018– December 2019)

	Dec-18						Dec-19							
	F/Time		P/Time		Casual		Total	F/Time		P/Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	115.1	17.8	19.7	4.5			157.1	115.0	16.6	20.9	3.1			155.6
Executive	0.0	4.0	0.0	0.0			4.0	0.0	5.0	0.0	0.0			5.0
Other	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0			0.0
Teacher	81.8	32.6	15.7	1.9	63.9		195.9	112.6	7.9	36.2	7.3	37.3		201.3
Total	196.9	54.4	35.4	6.4	63.9		357.0	227.6	29.5	57.1	10.4	37.3		361.9

		Dec-18						Dec-19							
		All Employees		Ongoing			Fixed Term and Casual		All Employees		Ongoing			Fixed Term and Casual	
		Numbers (Headcount)	FTE	Full-Time (Headcount)	Part-Time (Headcount)	FTE	Numbers (Headcount)	FTE	Numbers (Headcount)	FTE	Full-Time (Headcount)	Part-Time (Headcount)	FTE	Numbers (Headcount)	FTE
Demographic Data	Gender														
	Women Executives	0	0.0	0	0	0.0	0	2.0	2	2.0	0	0	0.0	2	2.0
	Women (Total Staff)	257	200.1	112	46	142.1	99	58.0	285	209.3	124	60	163.5	101	45.8
	Men Executives	4	4.0	0	0	0.0	4	4.0	3	3.0	0	0	0.0	3	3.0
	Men (Total Staff)	197	156.9	86	7	90.3	104	66.6	210	152.6	105	23	121.2	82	31.4
	Self-described	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	Age														
	15-24	7	3.9	2	0	2.0	5	1.9	6	3.4	2	0	2.0	4	1.4
	25-34	63	49.7	30	3	31.7	30	18.0	60	47.5	35	5	38.6	20	8.9
	35-44	107	86.2	40	11	47.7	56	38.5	128	82.3	51	19	63.1	58	19.2
45-54	142	111.3	61	13	69.7	68	41.6	157	118.1	71	28	90.4	58	27.7	
55-64	107	86.9	55	19	67.3	33	19.6	116	88.5	58	23	73.4	35	15.1	
Over 64	28	19.0	10	7	14.0	11	5.0	28	22.1	12	8	17.2	8	4.9	
Total Employees	454	357.0	198	53	232.4	203	124.6	495	361.9	229	83	284.7	183	77.2	

Executive staff employed and classified as executive officers under Part 3 of the Public Administration Act 2004

Age	Employee (Headcount)
15-24	
25-34	
35-44	
45-54	2
55-64	2
Over 64	1

Remuneration Range	Employee (Headcount)
\$160,000 - \$179,999	2
\$180,000 - \$199,999	1
\$200,000 - \$219,999	
\$220,000 - \$239,000	1
\$240,000 - \$279,999	
\$280,000 - \$299,999	1

Compulsory Student Services and Amenities Fees

William Angliss Institute Group levy a compulsory student services and amenities fee that is determined in accordance with the Ministerial Directions on Students Fees and Charges. The fee is fully applied to the provisions of funding for student recreation, counselling and welfare and other non-academic support services.

The process for the collection and disbursement of the services and amenities fees are managed by the William Angliss Institute Group and are not paid to any student organisations. Total Student Services and Amenities Fees collected for William Angliss Institute for the year ending 31 December 2019 were \$446,261.

Environmental Impacts and Sustainability

William Angliss Institute has a unique set of challenges in terms of environmental impact. In addition to running lecture theatres and classrooms with computers for theory, there is a strong focus on student practice and experiences in cookery with a large number of refrigerators and ovens running and hot water for hygiene requirements. Food waste is a byproduct of the classes. The Institute continues to introduce sustainable practices to manage these resources and reduce waste. The Sustainability Action Team met four times during the year, an Environmental Action Plan was developed and implemented.

In all new building and plant upgrades, energy and water savings are an integral part of the process.

Considerable on-going resource savings have been made with the following activities completed in 2019:

- Engagement of staff and students to environmental initiatives through our Green WAI pages on the staff intranet and student portal, including the use of recycling bins
- Introduction of a commercial worm farm to redirect food waste from landfill; in addition to some food waste and coffee grounds recycled through garden compost bins
- Energy efficient lighting upgraded in staff rooms and class rooms being refurbished
- Reducing the use of ozone depleting R22 gases through the programmed replacement of old heating and air conditioning units
- Continued promotion to staff of end of trip facilities and the Commuter Club providing discounted myki cards
- Removal of plastic bags from our retail outlets and utilising BioPak containers

Energy

The Institute consumes energy for a number of different uses including: office facilities, theory classrooms, three restaurants, two retail food outlets, Conference Centre, twelve 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 collect data more comprehensively.

Indicator	2018			2019		
	Electricity	Natural gas	Green power	Electricity	Natural gas	Green power
Total energy usage	2,898,698 KwH	10,041,531 Mj	n/a	3,069,170 KwH	11,242,853 Mj	n/a
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tCO2e)	4,252	641	-	4,502	718	-
Percentage of electricity purchased as green power	-	-	-	-	-	-
Units of energy used per Student Contact Hour (MJ/SCH)	0.75	2.60	-	0.78	2.87	-

SCH = 3,916343

Waste

The waste generated by processes within the Institute is divided into four general streams – general, cardboard, commingle (mixed recycling) and glass.

Indicator	2018				2019			
	General	Commingled recycling	Cardboard	Glass/Mixed recycling	General	Commingled recycling	Cardboard	Glass/Mixed recycling
Total units of waste disposed of by destination (kg/yr)	250,530	43,464	24,282	3,720	190,215	26,160	23,430	4,040
Units of waste disposed of per FTE by destinations (kg/FTE)	800.2	138.8	77.6	11.9	582.2	80.1	71.7	12.4
Recycling rate (percentage of total waste)	22.2%				22.2%			

FTE =326.7 @ 30/9/19, 313.1 @ 30/9/18

Actions Undertaken

- Institute intranet regularly updated with environmental statistical information and the promotion and encouragement of recycling benefits
- Installed a commercial worm farm
- Installed additional recycling bins

Targets

- Increase recycling rate to 25% by December 2020

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	2018	2019
Total units of copy paper used (reams)	3,540	3,620
Units of copy paper used per FTE (reams/FTE)	N/A	N/A
Percentage of 100% recycled content copy paper purchased	5.65	0.69
Percentage of 75% recycled content copy paper purchased	N/A	N/A
Percentage of 50% recycled content copy paper purchased	0.85	0.97
Percentage of FSC Carbon neutral certified purchase	93.50	98.34

Water

The data in the table below is based on water meter readings of the whole site at the Melbourne campus.

Indicator	2018	2019
Total units of metered water consumed by usage types (kilolitres)	21,564	20,432



Patisserie students gathering herbs from the William Angliss Institute Raingarden.

Transportation

The data in the table is derived from kilometres and fuel usage from the Institute's sixteen vehicle fleet Australia-wide. The use of public transport and video conferencing is encouraged where possible.

Indicator	2018	2019
Total kilometres travelled from vehicle fleet	305,313	273,636
Total litres used from vehicle fleet	19,971	16,700
Total distance travelled by air (kilometres)	2,718,070	3,542,673

Greenhouse Gas Emissions

Indicator	2018	2019
Total Greenhouse Gas Emissions associated with energy use (tonnes CO ₂ -e)	4,893	5,220
Total Greenhouse Gas Emissions from vehicle fleet (tonnes CO ₂ -e)	45.72	38.23
Total Greenhouse Gas Emissions from air travel (tonnes CO ₂ -e)	463.47	610.61
Total Greenhouse Gas Emissions associated with waste disposal (tonnes CO ₂ -e)	275.58	209.24

Procurement

The Institute's procurement policy includes, as part of the evaluation criteria, that the engagement of suppliers who are conscious of the environment and are committed to the principles of environmental sustainability are to be considered.

Publications and Research

A broad scope of applied research activities related to the Institute's specialisations of Foods, Tourism, Hospitality and Events, and teaching and learning in these areas, are listed below.

Refereed Journal Articles

- **Donati, K.** 'Herding is his favourite thing in the world': Convivial world-making on a multispecies farm. *Journal of Rural Studies*, Vol 66, pp. 119-129.
- Hes, D., & **Rose, N.** (2019). Shifting from farming to tending the earth: A discussion paper. *Journal of Organics*, 6, 1.
- Lohmann, G., Pratt, M., Benckendorff, P., Strickland, P., Reynolds, P. & **Whitelaw, P.** (2019). Online business simulations: authentic teamwork, learning outcomes, and satisfaction. *Higher Education*. Volume 77, Issue 3, pp 455-472
- Lourival, I., & **Rose, N.** (2019). How participatory food policy making processes can contribute to more just, sustainable and democratic food systems: a case study from Cardinia Shire. *Journal of Hunger and Environmental Nutrition*.
- McGrath, G., Blaer, M., **Williams, M.**, Wilson-Evered, E. & **Whitelaw, P.** (2019). A Suite of System Dynamics T&L Simulations and Games Based Upon the Australian Qualifications Framework (AQF). *Journal of Hospitality & Tourism Education*, DOI: 10.1080/10963758.2019.1685890
- **Rose, N.** and Lourival, I. (2019). Hegemony, Counter-Hegemony and Food Systems Literacy: Transforming the Global Industrial Food System. *Australian Journal of Environmental Education*. Volume 35, Issue 2, pp. 110-122
- Sambell, R., Andrew, L., Godrich, S., Wolfgang, J., Vandebroek, D., Stuble, K., **Rose, N.**, Newman, L., Horwitz, P. and Devine, A., 2019. Local Challenges and Successes Associated with Transitioning to Sustainable Food System Practices for a West Australian Context: Multi-Sector Stakeholder Perceptions. *International journal of environmental research and public health*, 16(11), 2051.
- **Taylor, P.**, Frost, W., & Laing, J. (2019). Exploring how entrepreneurial actors shape tourism development: the case of mountain bike tourism at Rotorua. *Tourism Recreation Research*, 1-13.
- **Taylor, P.**, Frost, W., & Laing, J. (2019). Path creation and the role of entrepreneurial actors: The case of the Otago Central Rail Trail. *Annals of Tourism Research*, 77 79-91.
- **Taylor, P.**, Frost, W., & Laing, J. (2019). Building resilient tourism systems: insights from New Zealand's premier cycle tourism attractions. *Journal of Sustainable Tourism*
- **Winter, C.** (2019). Pilgrims and votives at war memorials: a vow to remember. *Annals of Tourism Research*. 76, pp. 117-128
- **Winter, C.** (2019). Touring the Battlefields of the Somme with the Michelin and Somme Tourisme Guidebooks. *The Palgrave Handbook of Artistic and Cultural Responses to War since 1914*. pp. 99-115.

Refereed Conference Papers

- Abascal, T. E., **Whitelaw, P.**, Ford, A., Williams, M. Embedding indigenous knowledge into festivals and events' curriculum - what do we know? CAUTHE 2019: Sustainability of Tourism, Hospitality & Events in a Disruptive Digital Age: Proceedings of the 29th Annual Conference
- **Winter, C.** Experiencing battlefields: Tyne cot in three words. CAUTHE 2019: Sustainability of Tourism, Hospitality & Events in a Disruptive Digital Age: Proceedings of the 29th Annual Conference
- **Winter, C.**, & **Frew, E.** Tourism and jumps racing events: A risky relationship? CAUTHE 2019: Sustainability of Tourism, Hospitality & Events in a Disruptive Digital Age: Proceedings of the 29th Annual Conference
- McGrath, G., McWha, M., Lockstone-Binney, L., Ong, F., Wilson- Evered, E., **Whitelaw, P.** Towards an AQF-based template for the design and development of system dynamics t and l simulations and games. CAUTHE 2019: Sustainability of Tourism, Hospitality & Events in a Disruptive Digital Age: Proceedings of the 29th Annual Conference
- **Lagos, E.** A researcher's lived experience. A case study of dark sites in USA CAUTHE 2019: Sustainability of Tourism, Hospitality & Events in a Disruptive Digital Age: Proceedings of the 29th Annual Conference

Other Significant Outputs

- Vocational Culinary Teacher, **Luke Rogers** presented an invited paper on Apprentice Chef's Mental Wellbeing at an industry symposium hosted by the University of Queensland.
- **Associate Professor Melanie Williams**, Associate Dean (Scholarship), presented the published report from her ISSI Fellowship: The development of 21st Century Skills



Maggie Beer with Commercial Cookery students.



Cookery students preparing entrée dishes for the Angliss Restaurant.



Dessert dish from the Angliss Restaurant.

Financial Summary

Summary of Financial Results

Consolidated	2019	2018	2017	2016	2015
Summary of Financial Result	\$'000	\$'000	\$'000	\$'000	\$'000
Total Income from transactions	60,818	62,413	63,044	63,940	59,726
Total Expenses from transactions	65,096	61,869	61,867	57,786	56,707
Net result from transactions (Net operating balance)	(4,278)	544	1,177	6,154	3,019
Other economic flows included in net result	(500zv)	(171)	(175)	(341)	24
Net result	(4,778)	373	1,002	5,813	3,043
Other economic flows - other comprehensive income	12,240	86	22,960	54,288	13,523
Comprehensive result	7,462	459	23,962	60,101	16,566
Consolidated	2019	2018	2017	2016	2015
Summary of Financial Position	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	247,059	226,300	223,370	197,657	140,181
Total liabilities	30,560	17,263	14,792	13,041	15,666
Net assets	216,499	209,037	208,578	184,616	124,515

Summary of Significant Changes in Financial Position

An increase of assets of \$20.8m resulted from a land revaluation of \$12.0m, the inclusion of Right of use assets of \$12.1m (in accordance with lease accounting standard changes) and a net decrease in other assets of (\$3.3m). There have been no major change affecting performance.

Summary of Operational and Budgetary Objectives

The Institute's Strategic Plan for 2018-2020 sought to meet the expectations of all stakeholders. The Institute continues to improve educational quality and be responsive to industry needs across all programs.

An overview of achievements and performance statement identifying key performance targets is provided earlier in the Annual Report.

Business Consolidation

Consolidated revenue for the year was \$60.8 million. Main revenue streams include Government contracts, commercial revenue and international activity including overseas projects and Singapore and China subsidiaries' operations.

Financial Viability

The consolidated operating deficit (including capital and depreciation) for the year was \$4.78 million. Total current assets in 2019 were \$26.3 million with current liabilities of \$15.4 million. Events subsequent to balance date— nil.

Organisational Viability

The Institute's commitment to responsible financial management and planning was maintained in 2019. The continued revenue diversity of non- government funded training has further strengthened organisational viability.

The William Angliss Institute's revenue of \$60.8 million (excluding capital contributions) was favourable to budget for the year and generated a net surplus of \$1.3 million before capital and depreciation. The Institute also maintained a working capital ratio of 1.71 at year-end. The Institute's total assets were valued at \$247.1 million, an increase of \$20.8 million from 2018.

Consultants

In 2019, total expenditure was \$191,674 (ex GST). There were four consultancies where the total fees payable to the consultant were \$10,000 or greater. There were seven consultancies where the total fees payable were less than \$10,000. The total expenditure incurred was \$33,251. The following table constitutes compliance with the requirement to make this information publicly available.

Consultancy valued in excess of \$10,000	Description	\$	Future Commitment
WELLS ADVISORY PTY LTD	Education advisory service	80,000	70,000
KOMOSION	Student experience advisory	43,193	
OCCCORP THE TRUSTEE FOR THE SIMBLAND FAMILY TRUST	Feasibility Study	17,724	
JFE GLOBAL PTY LTD	Recruitment	17,500	

Consolidated	2019	2018	2017
Summary of Financial Position	\$'000	\$'000	\$'000
Total assets	247,059	226,300	223,370
Total liabilities	30,560	17,263	14,792
Net assets	216,499	209,037	208,578

Expenses are approved as part of the overall budgeting process rather than specific detail of Individual expenditure items. All values are excl. GST.

Information and Communication Technology Expenditure

For 2019 reporting period William Angliss Institute had a total ICT expenditure of \$4.67m with the details shown below.

Business As Usual (BAU) ICT expenditure \$'000 (Total)	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure) \$'000	Non-BAU Operational Expenditure \$'000	Non-BAU Capital Expenditure \$'000
4,286	394	24	370

ICT expenditure refers to the cost in providing business-enabled ICT services. It comprises of Business As Usual (BAU) ICT and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU expenditure relates to extending or enhancing the current ICT capabilities. BAU ICT is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Disclosures

Disclosures of Ex-Gratia Payments

In 2019 there were no ex-gratia payments made by the Institute.

Disclosures of Remuneration of Executive Officers

Details of remuneration received or due and receivable from the Institute in connection with the management of the Institute, including termination payments and bonuses paid are provided in Note 8.2 of the Annual Financial Statements.

Superannuation

Name and type of Superannuation Scheme:

- Defined benefit fund – Emergency Services Superannuation Scheme – New and Revised Schemes
- Contribution fund – VicSuper Pty Ltd
- 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 \$313K outstanding contributions payable to the above funds.

VAGO Auditor General Letter Statement of Performance



Independent Auditor's Report

To the Board of William Angliss Institute of TAFE

Opinion	<p>I have audited the accompanying performance statement of William Angliss Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none">• performance statement for the year ended 31 December 2019• the management certification. <p>In my opinion, the performance statement of William Angliss Institute of TAFE in respect of the year ended 31 December 2019 presents fairly, in all material respects.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

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

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

MELBOURNE
5 March 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

VAGO Auditor General Letter Financial Report

OFFICIAL



Independent Auditor's Report

To the Directors of William Angliss Institute of TAFE

Opinion I have audited the consolidated financial report of William Angliss Institute of TAFE (the institute) and its controlled entities (together the consolidated entity) which comprises the:

- consolidated entity and institute balance sheets as at 31 December 2019
- consolidated entity and institute comprehensive operating statements for the year then ended
- consolidated entity and institute statements of changes in equity for the year then ended
- consolidated entity and institute cash flow statements for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration in the financial statements.

In my opinion the financial report is in accordance with the financial reporting requirements of Standing Direction 5.2 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- giving a true and fair view of the financial position of the institute and the consolidated entity as at 31 December 2019 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the institute and the consolidated entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

OFFICIAL

OFFICIAL

Directors' responsibilities for the financial report	<p>The Directors of the institute are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the institute and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none">• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute and the consolidated entity's internal control• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors• conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute and the consolidated entity to cease to continue as a going concern.

OFFICIAL

Auditor's responsibilities for the audit of the financial report (continued)

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the institute and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the institute and the consolidated entity. I remain solely responsible for my audit opinion.

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
5 March 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

OFFICIAL

Financial Report Declaration

Declaration in the financial statements

The Directors, Accountable Officer and CFO of William Angliss Institute of TAFE (the Institute) declare that:

1. The financial statements and notes are in accordance with the *Australian Charities and Not-for Profits Commission Act 2012*, including:
 - a. giving true and fair view of the Institute's financial position as at 31 December 2019 and of its performance for the year ended on that date, and
 - b. complying with Australian Accounting Standards and *Australian Charities and Not for profits Commission Regulation 2013*; and
2. There are reasonable grounds to believe the Institute will be able to pay its debts as and when they become due and payable.
3. The attached financial statements of the Institute have been prepared in accordance with Directions 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.
4. At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 24 February 2020.

This declaration is made in accordance with a resolution of the Board of Directors.



Dr A Astin PSM
Board Chair

Date 24/02/2020

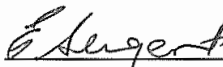
Place Melbourne, VIC



Mr N Hunt
Director & Accountable Officer

Date 24/02/2020

Place Melbourne, VIC



Eileen Sargent
Director Corporate (CFO)

Date 24/02/2020

Place Melbourne, VIC

Financial Report

WILLIAM ANGLISS INSTITUTE OF TAFE

How this report is structured

The William Angliss Institute of TAFE ("the Institute") has presented its audited general purpose financial statements for the financial year ended 31 December 2019 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statements ¹	1
	Balance sheets ²	2
	Statements of changes in equity ³	3
	Cash flow statements ⁴	4
Notes to the financial statements	1. About this report	
	1.1 Basis of preparation	5
	1.2 Compliance	6
	2. How we earned our funds	
	2.1 Government contributions	7
	2.2 Sales from contracts with customers	8
	2.3 Other income	11
	3. How we expended our funds	
	3.1 Employee benefits	12
	3.2 Superannuation	14
	3.3 Supplies and services	15
	3.4 Other operating expenses	16
	3.5 Leases	17
	4. The assets we invested in	
	4.1 Property, plant and equipment	20
	4.2 Depreciation and Amortisation	24
	4.3 Intangible assets	25
	4.4 Investments and other financial assets	26
	5. Balances from operations	
	5.1 Receivables	27
	5.2 Other assets	29
	5.3 Payables	30
	5.4 Other liabilities	32
	5.5 Other provisions	33
	6. How we financed our operations	
	6.1 Cash and deposits	34
	6.2 Contributed equity	35
	7. Managing risks and uncertainties	
7.1 Financial instruments	36	
7.2 Contingent assets and contingent liabilities	47	
7.3 Fair value determination	48	
8. Governance Disclosures		
8.1 Responsible persons	52	
8.2 Remuneration of executives	53	
8.3 Related parties	54	
8.4 Auditors' remuneration	55	

WILLIAM ANGLISS INSTITUTE OF TAFE

9.	Other disclosures	
9.1	Other economic flows included in net result	56
9.2	Other equity reserves	57
9.3	Controlled entities	58
9.4	Events after reporting date	59
9.5	Application of standards issued but not yet effective	60

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

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

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

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

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

FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENTS

for the year ended 31 December 2019

	Note	Consolidated		Institute	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Continuing operations					
Income from transactions					
Government contributions	2.1	19,838	23,326	19,838	23,326
Sales from contracts with customers	2.2	39,415	37,528	34,639	33,992
Interest income	6.1.2	353	407	304	343
Other income	2.3	1,212	1,152	1,143	838
Total income from transactions		60,818	62,413	55,924	58,499
Expenses from transactions					
Employee benefits	3.1.1	35,459	34,452	33,618	33,112
Depreciation of property, plant and equipment	4.1.2	3,614	3,683	3,600	3,642
Depreciation of right-of-use assets	3.5	1,467	-	984	-
Amortisation of intangible assets	4.3	1,011	901	1,005	899
Supplies and services	3.3	17,902	18,246	16,383	16,989
Other operating expenses	3.4	5,643	4,587	5,102	3,636
Total expenses from transactions		65,096	61,869	60,692	58,278
Net result from transactions		(4,278)	544	(4,768)	221
Other economic flows included in net result					
Net gain/(loss) on disposal of non-financial assets	4.1.1	(76)	(12)	6	(12)
Impairment on financial instruments	7.1.1	(111)	54	167	54
Other gains/(losses) from other economic flows	9.1	(313)	(213)	(313)	(213)
Total other economic flows included in net result		(500)	(171)	(140)	(171)
Net result from continuing operations		(4,778)	373	(4,908)	50
Net result		(4,778)	373	(4,908)	50
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	9.2	11,987	-	11,987	-
Items that are or may be reclassified to net result					
Exchange difference on translation of foreign operations	9.2	253	86	-	-
Comprehensive result		7,462	459	7,079	50

The accompanying notes form part of these financial statements.

BALANCE SHEETS

as at 31 December 2019

	Note	Consolidated		Institute	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets					
Financial assets					
Cash and deposits	6.1	21,131	15,926	16,960	11,555
Receivables	5.1	3,484	8,467	1,627	7,429
Investments and other financial assets	4.4	463	463	3,013	3,013
Total financial assets		25,078	24,856	21,600	21,997
Non-financial assets					
Inventories	5.2	62	68	62	68
Prepayments	5.2	1,626	1,459	1,436	1,285
Property, plant and equipment	4.1	200,980	191,781	200,980	191,765
Right of use assets	3.5	12,126	-	11,780	-
Intangible assets	4.3	7,187	8,136	7,162	8,106
Total non-financial assets		221,981	201,444	221,420	201,224
Total assets		247,059	226,300	243,020	223,221
Liabilities					
Payables	5.3	3,519	4,357	6,592	7,567
Contract liabilities	2.2	5,756	-	5,337	-
Lease liabilities	3.5	13,929	-	13,578	-
Employee provisions	3.1.2	6,531	5,806	6,498	5,781
Other provisions	5.5	825	864	751	864
Other liabilities	5.4	-	6,236	-	5,824
Total liabilities		30,560	17,263	32,756	20,036
Net assets		216,499	209,037	210,264	203,185
Equity					
Contributed capital	6.2	29,436	29,436	29,436	29,436
Accumulated surplus		26,921	31,701	20,364	25,272
Reserves	9.2	160,142	147,900	160,464	148,477
Net worth		216,499	209,037	210,264	203,185

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Physical assets revaluation surplus \$'000	Foreign currency translation reserve \$'000	Statutory reserve fund China \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
Consolidated						
At 1 January 2018	148,477	(663)	-	31,328	29,436	208,578
Net result for the year	-	-	-	373	-	373
Other economic flows - other comprehensive income	-	86	-	-	-	86
Year ended 31 December 2018	148,477	(577)	-	31,701	29,436	209,037
Net result for the year	-	-	-	(4,778)	-	(4,778)
Other economic flows - other comprehensive income	11,987	253	-	-	-	12,240
Transfers from retained earnings	-	-	2	(2)	-	-
Year ended 31 December 2019	160,464	(324)	2	26,921	29,436	216,499
Institute						
At 1 January 2018	148,477	-	-	25,222	29,436	203,135
Net result for the year	-	-	-	50	-	50
Other economic flows - other comprehensive income	-	-	-	-	-	-
Other equity movements	-	-	-	-	-	-
Year ended 31 December 2018	148,477	-	-	25,272	29,436	203,185
Net result for the year	-	-	-	(4,908)	-	(4,908)
Other economic flows - other comprehensive income	11,987	-	-	-	-	11,987
Year ended 31 December 2019	160,464	-	-	20,364	29,436	210,264

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENTS

for the year ended 31 December 2019

	Note	Consolidated		Institute	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities					
Receipts					
Government contributions		21,822	18,964	21,822	18,964
User fees and charges received		45,251	38,449	41,573	35,086
Goods and services tax recovered		-	311	-	303
Interest received		353	407	304	343
Other receipts		1,212	1,152	1,143	838
Total receipts		68,638	59,283	64,842	55,534
Payments					
Payments to suppliers and employees		(60,853)	(57,998)	(57,023)	(54,383)
Goods and services tax paid		(30)	(282)	(61)	(269)
Short- term low value and variable lease payments		(150)	-	(57)	-
Interest paid - lease liability		(621)	-	(606)	-
Total payments		(61,654)	(58,280)	(57,747)	(54,652)
Net cash flows from/(used in) operating activities	6.1.1	6,984	1,003	7,095	882
Cash flows from investing activities					
Receipts from/(Payment to) related entities		-	-	(125)	(186)
Purchase of non-financial assets		(1,026)	(7,298)	(1,015)	(7,264)
Proceeds from sales of non-financial assets		23	1	1	1
Net cash provided by/(used in) investing activities		(1,003)	(7,297)	(1,139)	(7,449)
Cash flows from financing activities					
Payment of lease liabilities		(1,029)	-	(551)	-
Net cash flows from/(used in) financing activities		(1,029)	-	(551)	-
Net (decrease)/increase in cash and cash equivalents		4,952	(6,294)	5,405	(6,567)
Cash and cash equivalents at the beginning of the financial year		15,926	22,134	11,555	18,122
Effect of foreign currency transactions		253	86	-	-
Cash and cash equivalents at the end of the financial year	6.1	21,131	15,926	16,960	11,555

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

The financial statements cover the William Angliss Institute of TAFE and its controlled entities as an individual reporting entity the 'Consolidated Group'. The Institute is a statutory body corporate, established pursuant to an Act made by the Victorian Government under the *Education and Training Reform Act 2006 Section 3.1.12 4(a)*.

Its registered office and principal address is:

William Angliss Institute of TAFE
555 La Trobe Street
Melbourne VIC 3000

1.1 Basis of preparation

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3).

The following are the critical judgements apart from those involving estimations that the Institute and the Consolidated Group 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:

- revenue recognition - part of the Institute's and Consolidated Group's revenues are generated from milestone completion and evaluation of the completed training delivery. Managerial judgement is applied to evaluate the extent to which the revenue should be recognised (refer to note 2.1 and 2.2);
- trade and student debtor receivables - the Institute and Consolidated Group monitors and makes estimates of the likelihood that debts will be paid. Managerial judgement is applied to evaluate the level of allowances for estimated losses (refer to note 5.1)

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

This is the first set of annual financial statements in which AASB 15 Revenue From Contracts with Customers (refer to note 2.1 and 2.2), AASB 1058 Income for Non-for-profit Entities and AASB 16 Leases (refer to note 3.5) have been applied.

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.

Foreign currency translation differences are recognised in Comprehensive Operating Statement, in the period in which they arise.

1.1 Basis of preparation (continued)

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; and
- 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.

Goods and Services Tax (GST)

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

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

Basis of consolidation

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

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

Funding risk

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

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

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

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.

1.2 Compliance information

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

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

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Grants and other transfers				
Government contributions - contestable	12,209	9,920	12,209	9,920
Government contributions - operating grants	7,629	13,406	7,629	13,406
Total Government contributions- operating	19,838	23,326	19,838	23,326
Government contributions - capital grants	-	-	-	-
Total Government contributions - capital	-	-	-	-
Total Government contributions	19,838	23,326	19,838	23,326

The Institute has applied AASB 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Government contributions - contestable revenue is received in relation to training activity delivered by the Institute under the VET Funding contract. Performance obligations are satisfied when the training is provided and revenue is recognised over time. Revenue is recognised in the period when the following conditions are met: performance obligations are satisfied and the Institute obtains the right to receive the contribution and the amount of the contribution can be measured reliably.

Government contributions - contestable revenue may be subject to compliance audits by the Department of Education and Training to confirm that the funding received is in compliance with the VET Funding Contract. Such audits may result in a clawback of funding. At the time of preparing this report, William Angliss Institute of TAFE does not expect any clawback to occur in relation to 'Government contributions - contestable' revenue recognised.

Government contributions - operating grants are recognised immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement.

During the current year the Institute received other government contributions as part of various funding programs to support the activities of the Institute.

Capital grants

Where the Institute receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the Institute, the financial asset and the related amount is recognised on the balance sheet and any residual is recognised immediately as capital grants income. When the contractual obligations are satisfied, additional income is recognised.

2.2 Sales from contracts with customers

	Note	Consolidated		Institute	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Student fees and charges		6,140	7,469	6,140	7,469
Fee for service - government		8	21	8	21
Fee for service - international operations - onshore		21,656	19,650	21,970	20,730
Fee for service - international operations - offshore		4,799	3,505	-	-
Fee for service - other		4,486	4,709	4,197	3,598
Other non-course fees and charges					
Sale of goods		2,326	2,174	2,324	2,174
Total fees and charges		39,415	37,528	34,639	33,992

Revenue by timing of revenue recognition

Revenue recognised over time	37,089	35,354	32,315	31,818
Revenue recognised at a point in time	2,326	2,174	2,324	2,174
Total revenue	39,415	37,528	34,639	33,992

As outlined below, the Institute has applied AASB 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Revenue arises mainly from the provision of education services and associated ancillary trading activities.

To determine whether to recognise revenue, the Institute follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Institute enters into transactions for a range of services, predominantly in the area of education and training delivery. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

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

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

The Institute recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Institute satisfies a performance obligation before it receives the consideration, the Institute recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Institute has recognised the following assets and liabilities related to contracts with customers:

	Note	Consolidated		Institute	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Account receivables	5.1	3,129	8,867	1,622	7,671
Loss allowance	5.1	(315)	(454)	(287)	(454)
Contract assets		541	-	-	-
		3,355	8,413	1,335	7,217
Contract liabilities - Student fees		696	-	696	-
Contract liabilities - Fee for service		5,060	-	4,641	-
		5,756	-	5,337	-

2. HOW WE EARNED OUR FUNDS

2.2 Sales from contracts with customers (continued)

Significant changes in contract assets and liabilities

Contract liabilities have increased due to the initial application AASB 15 *Revenue from Contracts with Customers*.

Revenue recognised in relation to contract liabilities

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

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Consolidated		Institute	
	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000
Student fees	939		939	
Fee for service	3,932		3,520	

Transaction price allocated to remaining performance obligations

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

	Consolidated		
	2020	2021	2022
	\$'000	\$'000	\$'000
Revenue expected to be recognised	5,756	-	-

	Institute		
	2020	2021	2022
	\$'000	\$'000	\$'000
Revenue expected to be recognised	5,337	-	-

The Institute applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15. Further the amounts disclosed above do not include variable consideration which has been constrained.

Student fees and charges

Revenue is recognised over time as the services are provided with the stage of completion determined with reference to the training days provided as a percentage of total expected training days.

Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, such amounts are disclosed as a contract liability.

The payment terms for the student fees are variable, being influenced by timeframes between enrolment date and course commencement and census dates. Additionally students have access to payment plans which allow for payment of fees by instalments over the duration of their studies.

Student tuition fees are refundable where the student withdraws from the course prior to the applicable census date (for Diploma and above), or the published criteria for all other courses. Where the Institute has ceased the delivery of a course after it starts but before it is completed and there is no suitable replacement course, the Institute has an obligation to refund tuition fees incurred by the student as well as re-credit any debt deferred to a Commonwealth student loan scheme, inline with tuition assurance arrangements.

Significant judgement

The Institute uses the percentage completion to recognise revenue over time as measured by percentage of course completion as this is considered to accurately represent the amount of services delivered at any given point in time.

2.2 Sales from contracts with customers (continued)

Fee for service

The Institute's fee for service activity is largely comprised of educational and skills assessment services.

Fee for service revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Percentage completion is determined based on days completed as a percentage of total expected training period or where applicable established contract milestones.

Revenue is recognised to the extent that it is highly probable a reversal will not occur. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability. When revenue has been earned by remains unbilled at balance date such amounts are disclosed as contract assets.

Performance obligations are satisfied in line with delivery of training or assessment activities or other agreed contract milestones.

The payment terms for the student fees vary in line with the course commencement and census dates. Payment for other fee for service activities is in accordance with contractual agreements.

Student fee for service charges are refundable where the student officially withdraws from the course prior to the course census date.

Revenue from sale of goods

The Institute's revenue from sale of goods is largely composed of food and beverage sales from its retail outlets.

Revenue is recognised at a point in time, when the goods are delivered and have been accepted by customers at their premises, which is when the control is transferred. Sales are recognised based on the contractual price, net of any discounts (if there are discounts). Payment of transaction price is due immediately when the customer purchases the goods.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

Policy applicable prior to 1 January 2019

In the comparative period, revenue was measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date.

The Institute has applied AASB 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118 and AASB 111. The details of the significant changes and quantitative impact of the changes are set out below.

Impacts on the financial statements

The following tables summarise the impacts of adopting AASB 15 on the Institute's consolidated financial statements for the year ending 31 December 2019.

	Adjustments (AASB 15)		
	As reported 31 December 2018	recognised 1 January 2019	Adjusted balance
	\$'000	\$'000	\$'000
Consolidated			
Receivables	8,467	(292)	8,175
Contract assets	-	292	292
Contract liabilities	-	4,871	4,871
Other liabilities	4,871	(4,871)	-
Accumulated surplus	31,701	-	31,701
Institute			
Receivables	7,429	-	7,429
Contract assets	-	-	-
Contract liabilities	-	4,459	4,459
Other liabilities	4,459	(4,459)	-
Accumulated surplus	25,272	-	25,272

2. HOW WE EARNED OUR FUNDS

2.3 Other income

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Rental income	209	134	209	134
Donations, bequests and contributions	70	71	50	11
Scholarships	-	25	-	-
Other revenue	933	922	884	693
Total other income	1,212	1,152	1,143	838

Rental Income

The Institute receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement.

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.

Leases receivable

Commitments for minimum lease receivables in relation to non-cancellable operating leases are receivable as follows:

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Receivable:				
Within one year	104	102	104	93
Later than one year but not later five years	262	228	262	207
Later than five years	5	26	5	24
Total lease receivables	371	356	371	324
GST payable on the above	34	32	34	32
Net operating lease receivables	337	324	337	292

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

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

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

Donations bequests and contribution

Donations, bequests and contributions are recognised when received and the amount can be measured reliably.

Scholarship

Scholarship is recognised when the relevant conditions attached have been fulfilled.

Other revenue

Other revenue is recognised when the Institute's right to receive payment is established.

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

Expense	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Salaries, wages, overtime and allowances	27,837	27,157	26,184	25,872
Superannuation	2,763	2,730	2,691	2,704
Payroll tax	1,472	1,421	1,445	1,414
Worker's compensation	186	151	178	147
Long service leave	759	910	739	906
Annual leave	2,442	2,083	2,381	2,069
Other	-	-	-	-
Total employee benefits	35,459	34,452	33,618	33,112

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

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.

3.1.2. Employee benefits in the balance sheet

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current provisions				
Employee benefits - Annual leave				
Unconditional and expected to wholly settle within 12 months	1,150	1,112	1,125	1,092
Unconditional and expected to wholly settle after 12 months	345	323	337	318
Employee benefits - Long service leave				
Unconditional and expected to wholly settle within 12 months	329	311	329	311
Unconditional and expected to wholly settle after 12 months	2,902	2,709	2,902	2,709
Employee benefits - Other				
Unconditional and expected to wholly settle within 12 months	76	35	76	35
Provisions for on-costs				
Unconditional and expected to wholly settle within 12 months	146	137	145	136
Unconditional and expected to wholly settle after 12 months	306	285	307	286
Total current provisions for employee benefits	5,254	4,912	5,221	4,887
Non-current provisions				
Employee benefits	1,105	774	1,105	774
Employee benefits on-costs	172	120	172	120
Total non-current provisions	1,277	894	1,277	894
Total employee provisions	6,531	5,806	6,498	5,781

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits (continued)

3.1.2. Employee benefits in the balance sheet (continued)

	Consolidated		Institute	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Leave obligations				
Current	5,254	4,912	5,221	4,887
Non-current	1,277	894	1,277	894
Total leave obligations	6,531	5,806	6,498	5,781

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. This component of the consolidated provision of \$5.254 million (2018 - \$4.912 million) and the Institute's provision of \$5.221 million (2018 - \$4.887 million) is presented as current, since the Institute does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Institute does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	Consolidated		Institute	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current leave obligations expected to be settled after 12 months	3,553	3,317	3,546	3,313

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the Institute does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value – if the Institute expects to wholly settle within 12 months; or
- present value – if the Institute does not expect to wholly settle within 12 months.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at:

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

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

Provision for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision of employee benefits.

3.2 Superannuation

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

Institute does not recognise any defined benefit liabilities 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 Institute are as follows:

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Paid Contribution for the Year				
Defined benefit plans:				
ESS Superannuation Fund - new and revised	96	100	96	100
Defined contribution plans:				
VicSuper Pty Ltd	858	844	849	842
Other	1,497	1,583	1,437	1,560
Total paid contribution for the year	2,451	2,527	2,382	2,502
Contribution outstanding at year end				
Defined benefit plans:				
State Superannuation Fund - revised and new	12	9	9	9
Defined contribution plans:				
VicSuper	108	73	73	73
Other	193	121	121	120
Total contribution outstanding at year end	313	203	203	202

Defined contribution plans

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

Defined benefit plans

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

3. HOW WE EXPENDED OUR FUNDS

3.3 Supplies and services

	Consolidated		Institute	
	2019	2018	2019	2018
Note	\$'000	\$'000	\$'000	\$'000
Purchase of supplies and consumables	3,355	2,913	3,303	2,871
Contract and other services	3,764	3,393	3,599	3,257
Cost of goods sold/distributed (ancillary trading)	2,586	2,341	2,524	2,301
Building repairs and maintenance	583	574	582	574
Operating lease payments	432	2,369	211	1,747
Professional fees and charges	4,496	4,153	3,798	3,736
Third party training providers	2,651	2,455	2,332	2,455
Computer software and hardware expenses	35	48	34	48
Total supplies and services	17,902	18,246	16,383	16,989

Supplies and services 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 the inventories are distributed.

Non-cancellable operating lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low value leases are payable as follows:

	Consolidated		Institute	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	56	329	-	236
Later than one year but not later than five years	-	54	-	37
Total other expenditure commitments	56	383	-	273

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.

Other expenditure commitments

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

Commitments for future operating expenditure in existence at reporting date but not recognised as liabilities

	Consolidated		Institute	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	43	329	26	236
Later than one year but not later than five years	10	54	10	37
Total other expenditure commitments	53	383	36	273

3.4 Other operating expenses

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
General expenses	996	1,031	1,070	500
Marketing and promotional expenses	805	956	794	946
Utilities	1,072	777	1,049	754
Audit fees and services	254	298	198	224
Staff development	173	186	172	184
Travel and motor vehicle expenses	1,276	1,106	782	800
Bad debts from transactions	314	161	303	161
Equipment below capitalisation threshold	132	72	128	67
Interest on lease liabilities	621	-	606	-
Total other operating expenses	5,643	4,587	5,102	3,636

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debt expense from transactions that are mutually agreed.

Audit fees and services include remuneration to the Victorian Auditor General's office for the audit of the financial statements.

Other operating expenses are recognised as when they are incurred and reported in the financial year to which they relate.

Please refer to Note 3.5 for further information on lease-related expenses.

3. HOW WE EXPENDED OUR FUNDS

3.5 Leases

The Institute has applied AASB 16 using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 January 2019, with no restatement of comparative information.

Policy applicable before 1 January 2019

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

Operating lease payments, including any contingent rentals, were 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 was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were 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 were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 January 2019

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

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

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

On transition to AASB 16, the Institute elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases.

As a lessee

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

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

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

3.5 Leases (continued)

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Institute's estimate of the amount expected to be payable under a residual value guarantee, or if the Institute changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Right of use assets

	Consolidated			
	Property \$'000	Vehicles \$'000	Equipment \$'000	Total \$'000
Balance at 1 January 2019	-	-	-	-
Initial recognition in accordance with transitional arrangements under AASB 16	13,408	141	44	13,593
Amortisation charge	(1,423)	(24)	(20)	(1,467)
Balance at 31 December 2019	11,985	117	24	12,126

	Institute			
	Property \$'000	Vehicles \$'000	Equipment \$'000	Total \$'000
Balance at 1 January 2019	-	-	-	-
Initial recognition in accordance with transitional arrangements under AASB 16	12,633	114	17	12,764
Amortisation charge	(966)	(6)	(12)	(984)
Balance at 31 December 2019	11,667	108	5	11,780

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

	Consolidated	Institute
	2019 \$'000	2019 \$'000
Less than one year	1,587	1,163
One to five years	5,076	4,951
More than five years	11,563	11,563
Total undiscounted lease liabilities as at 31 December	18,226	17,677
Less finance charges	(4,297)	(4,099)
Lease liabilities	13,929	13,578

3. HOW WE EXPENDED OUR FUNDS

3.5 Leases (continued)

Lease liabilities included in the Balance Sheet at 31 December:

	Consolidated	Institute
	2019	2019
	\$'000	\$'000
Current	892	624
Non-current	13,037	12,954
Total lease liabilities	13,929	13,578

Please refer to Note 3.3 and 3.4 for amounts recognised in the Comprehensive Operating Statement relating to leases.

Short-term and low value leases

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

Leases classified as operating leases under AASB 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Institute's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment.

The Institute applied this approach to all other leases.

The Institute used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact on financial statements

On transition to AASB 16 on 1 January 2019, the Institute recognised right-of-use assets amounting to a consolidated balance of \$13.593 million and a balance of \$12.764 million for the Institute, lease liabilities of \$14.958 million for the Consolidated group and \$14.129 for the Institute. Amount already recognised on the Balance sheets at 31 December 2018 (i.e. lease straight-line liability, classified in 'other liabilities') of \$1.365 million were derecognised and offset against the right-of-use assets on transition. There was no impact to opening retained earnings.

When measuring lease liabilities, the Institute discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 4.26%.

	Consolidated	Institute
	2018	2018
	\$'000	\$'000
Operating lease commitment at 31 December 2018	7,351	6,572
- Recognition exemption for:		
short-term leases	(657)	-
- Extension and termination options reasonably certain to be exercised	13,036	12,295
Discounted using the incremental borrowing rate at 1 January 2019	(4,772)	(4,738)
	14,958	14,129

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

In accordance with government purpose classifications, the Institute's property, plant and equipment are assets used for the purpose of education. Property, plant and equipment includes all operational assets.

Consolidated	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	143,136	131,148	-	-	143,136	131,148
Buildings	52,069	52,058	(3,147)	(1,576)	48,922	50,482
Assets under construction	447	67	-	-	447	67
Plant and equipment	19,486	18,983	(17,207)	(15,741)	2,279	3,242
Motor vehicles	327	463	(205)	(228)	122	235
Leasehold improvements	6,947	7,016	(953)	(492)	5,994	6,524
Library collection	1,291	1,261	(1,211)	(1,178)	80	83
Net carrying amount	223,703	210,996	(22,723)	(19,215)	200,980	191,781

Institute	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	143,136	131,148	-	-	143,136	131,148
Buildings	52,069	52,058	(3,147)	(1,576)	48,922	50,482
Assets under construction	447	67	-	-	447	67
Plant and equipment	19,047	18,552	(16,768)	(15,311)	2,279	3,241
Motor vehicles	327	463	(205)	(228)	122	235
Leasehold improvements	6,762	6,833	(768)	(324)	5,994	6,509
Library collection	1,291	1,261	(1,211)	(1,178)	80	83
Net carrying amount	223,079	210,382	(22,099)	(18,617)	200,980	191,765

Initial recognition

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

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

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

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

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

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

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

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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

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

Revaluations of non-financial physical assets

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

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

Impairment

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

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

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

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

4.1.1 Gain/loss on property, plant and equipment

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net gain/(loss) on disposal of property, plant and equipment	17	(6)	6	(6)
Net foreign exchange gain/(loss) arising from non-financial assets	(93)	(6)	-	(6)
	(76)	(12)	6	(12)

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all physical assets and intangible assets. Any gain or loss on disposal of nonfinancial assets is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

4.1 Property, plant and equipment (continued)

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

	Land		Buildings		Construction in progress		Plant and equipment		Motor vehicles		Leasehold imp.		Library books		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Consolidated																
Opening balance	131,148	131,148	50,482	52,037	69	221	3,242	4,082	234	327	6,524	55	82	121	191,781	187,991
Additions	-	-	-	-	1,024	7,224	-	-	-	-	-	863	30	65	1,054	8,152
Revaluations	11,988	-	-	-	-	-	-	-	-	-	(137)	-	-	-	11,851	-
Disposals	-	-	-	-	-	-	-	(7)	(28)	-	(1)	-	-	-	(29)	(7)
Transfers	-	-	11	20	(646)	(7,376)	506	712	-	-	66	5,969	-	-	(63)	(675)
Depreciation	-	-	(1,571)	(1,575)	-	-	(1,469)	(1,545)	(84)	(93)	(458)	(366)	(32)	(104)	(3,614)	(3,683)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of movement in exchange rate	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	3
Closing balance	143,136	131,148	48,922	50,482	447	69	2,279	3,242	122	234	5,994	6,524	80	82	200,980	191,781
Institute																
Opening balance	131,148	131,148	50,482	52,036	67	221	3,242	4,082	234	327	6,509	-	82	121	191,764	187,936
Additions	-	-	-	-	1,024	7,190	-	-	-	-	-	863	30	65	1,054	8,118
Revaluations	11,988	-	-	-	-	-	-	-	-	-	(137)	-	-	-	11,851	-
Disposals	-	-	-	-	-	-	-	(7)	(28)	-	-	-	-	-	(28)	(7)
Transfers	-	-	11	21	(644)	(7,344)	506	712	-	-	66	5,971	-	-	(61)	(640)
Depreciation	-	-	(1,571)	(1,575)	-	-	(1,469)	(1,545)	(84)	(93)	(444)	(325)	(32)	(104)	(3,600)	(3,642)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of movement in exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	143,136	131,148	48,922	50,482	447	67	2,279	3,242	122	234	5,994	6,509	80	82	200,980	191,765

4.1 Property, plant and equipment

4.1.3. Capital commitments

There are no capital commitments as at 31 December 2019 and 2018.

4.2 Depreciation and amortisation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

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

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

Class of assets	Depreciation rate
Buildings	2% - 14% (2018: 2% - 14%)
Plant and Equipment	5% - 33% (2018: 5% - 33%)
Motor Vehicles	20% (2018: 20%)
Library books	10% - 20% (2018: 10% - 20%)
Right of use asset	lease term
Intangible assets	7% - 20% (2018: 7% - 20%)

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

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

4. THE ASSETS WE INVESTED IN

4.3 Intangible assets

The Institute has capitalised software development expenditure for the SMS - Student Management System software. The asset is amortised over its useful life of 15 years and will be fully amortised by 2028. Maintenance and upgrade costs are expensed as incurred. Other software acquired is capitalised and amortised over its useful life of 3-5 years.

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Software				
Gross carrying amount				
Opening balance	15,211	14,528	15,087	14,443
Transfers	61	675	61	644
Additions	-	-	-	-
Additions from internal development	-	-	-	-
Disposal	-	-	-	-
Net foreign currency exchange differences	3	8	-	-
Closing balance	15,275	15,211	15,148	15,087
Accumulated amortisation and impairment				
Opening balance	(7,075)	(6,167)	(6,981)	(6,082)
Amortisation charge	(1,011)	(901)	(1,005)	(899)
Impairment	-	-	-	-
Disposal	-	(7)	-	-
Net foreign currency exchange differences	(2)	-	-	-
Closing balance	(8,088)	(7,075)	(7,986)	(6,981)
Net carrying amount at end of the year	7,187	8,136	7,162	8,106

Initial recognition

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

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

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

Subsequent measurement

Intangible assets with finite lives are amortised on a straight basis over their useful lives. 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.

Impairment

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement.

4.4 Investments and other financial assets

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current investment and other financial assets				
Australian dollar term deposits > three months	463	463	463	463
Non-current investments and other financial assets				
Investment in subsidiaries	-	-	2,550	2,550
Total investments and other financial assets	463	463	3,013	3,013

Ageing analysis of investments and other financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000
Consolidated						
2019 - Term deposits	463	463	-	-	-	-
2018 - Term deposits	463	463	-	-	-	-
Institute						
2019 - Term deposit	463	463	-	-	-	-
2018 - Term deposit	463	463	-	-	-	-

5. BALANCES FROM OPERATIONS

5.1 Receivables

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contractual				
Trade receivables	3,129	8,867	1,622	7,671
Allowance for credit losses	(315)	(454)	(287)	(454)
Contract assets	541	-	-	-
Allowance for credit losses				
Other amount owing from Angliss (Shanghai) Education Technology Co Ltd	-	-	177	169
Other receivables	13	17	2	9
Total contractual	3,368	8,430	1,514	7,395
Statutory				
GST input tax credit recoverable	116	37	113	34
Total receivables	3,484	8,467	1,627	7,429
Represented by				
Current receivables	3,484	8,467	1,627	7,429
Non-current 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 mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables.
- contract assets, which primarily relate to the Institute's rights to consideration for services provided but not billed at reporting date.

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

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

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

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

Impairment

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

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Movement in loss allowance for contractual receivables				
Balance at the beginning of the year under AASB 9	(454)	(508)	(454)	(508)
Amounts written off	-	-	-	-
Net remeasurement of loss allowance	127	52	166	52
Reversal of unused loss allowance recognised in net result	-	-	-	-
Reversal of loss allowance for uncollectible receivables written off during the year	12	2	1	2
Balance at the end of the year	(315)	(454)	(287)	(454)

In respect of trade and other receivables, the Institute is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of national and international customers across a range of industries, but predominantly in the foods, tourism, hospitality and events industries. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

5.1 Receivables (continued)

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months – 1 year	1-5 years
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Trade receivables	3,129	2,010	223	406	252	238
Contract assets	541	541	-	-	-	-
Other receivables	13	12	-	-	1	-
Total	3,683	2,563	223	406	253	238
2018						
Trade receivables	8,867	7,501	696	101	569	-
Contract assets	-	-	-	-	-	-
Other receivables	17	17	-	-	-	-
Total	8,884	7,518	696	101	569	-
Institute						
2019						
Trade receivables	1,622	961	198	62	179	222
Other amount owing from Angliss (Shanghai) Education Technology Co Ltd	177	177	-	-	-	-
Contract assets	-	-	-	-	-	-
Other receivables	2	1	-	-	1	-
Total	1,801	1,139	198	62	180	222
2018						
Trade receivables	7,671	6,305	696	101	569	-
Other amount owing from Angliss (Shanghai) Education Technology Co Ltd	169	169	-	-	-	-
Contract assets	-	-	-	-	-	-
Other receivables	9	9	-	-	-	-
Total	7,849	6,483	696	101	569	-

Note: The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

The average credit period on sales of goods is 30 days. No interest is charged on receivables. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

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

5. BALANCES FROM OPERATIONS

5.2 Other assets

5.2.1 Inventories

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Supplies and consumables - at cost	62	68	62	68
Total inventories	62	68	62	68

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

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

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost for all inventory is measured on the basis of weighted average cost.

The basis used in assessing loss of service potential for inventories held-for-distribution includes 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.

5.2.2 Prepayments

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Prepayments	1,626	1,459	1,436	1,285

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

5.3 Payables

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contractual				
Supplies and services	3,311	4,198	3,146	4,004
Other amount owing to Angliss Consulting Pty Ltd	-	-	851	694
Other amount owing to William Angliss Institute Pte Ltd	-	-	2,444	2,736
Statutory				
FBT Payable	13	18	13	18
Other taxes payable	195	141	138	115
Total payables	3,519	4,357	6,592	7,567
Represented by				
Current payables	3,519	4,357	6,592	7,567
Non-current payables	-	-	-	-

Payables consist of:

- contractual payables, such as accounts payable, and unearned income. 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.

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

5. BALANCES FROM OPERATIONS

5.3 Payables (continued)

Maturity Analysis of contractual payables

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated							
2019							
Supplies and services	3,311	3,311	3,011	-	300	-	-
Other payables	-	-	-	-	-	-	-
Total	3,311	3,311	3,011	-	300	-	-
2018							
Supplies and services	4,198	4,198	4,198	-	-	-	-
Other payables	-	-	-	-	-	-	-
Total	4,198	4,198	4,198	-	-	-	-
Institute							
2019							
Supplies and services	3,146	3,146	2,847	-	300	-	-
Other amount owing to Angliss Consulting Pty Ltd	851	851	-	-	851	-	-
Other amount owing to William Angliss Institute Pte Ltd	2,444	2,444	-	-	2,444	-	-
Total	6,441	6,441	2,847	-	3,595	-	-
2018							
Supplies and services	4,004	4,004	4,004	-	-	-	-
Other amount owing to Angliss Consulting Pty Ltd	694	694	-	-	694	-	-
Other amount owing to William Angliss Institute Pte Ltd	2,736	2,736	-	-	2,736	-	-
Total	7,434	7,434	4,004	-	3,430	-	-

Note: The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

Notes: The average credit period is 30 days. No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

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

5.4 Other liabilities

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Revenue received in advance	-	4,871	-	4,459
Lease straight-line liability	-	1,365	-	1,365
	-	6,236	-	5,824

Revenue received in advance

Any fees received during the current financial year in respect of services to be provided in the following financial year are classified as liability and recognised as revenue received in advance.

Lease straight-line liability

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term. A liability is recognised when the accumulated expense incurred on a straight-line basis exceeds the lease payments to date.

5.5 Other provisions

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-current provisions				
Make-good provision	825	864	751	864
Total non-current provisions	825	864	751	864
Total other provisions	825	864	751	864

Other provisions are recognised when the 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 cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Reconciliation of movements in other provisions in the current year

	Consolidated	Institute
	<i>Make-good</i>	<i>Make-good</i>
Opening balance	864	864
Additions due to transfer in	74	-
Re-measurement or settlement without cost	(113)	(113)
Closing balance	825	751

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

The make-good provision is recognised in accordance with the lease agreement over the lab facilities. The Institute must remove any leasehold improvements from the leased lab and restore the premises to its original condition at the end of the lease term.

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash at bank and on hand	17,715	4,405	16,960	3,116
Deposits at call	3,416	11,521	-	8,439
Total cash and deposits	21,131	15,926	16,960	11,555

Cash received by the Institute from the generation of income is generally paid into the Institute's bank accounts. Similarly, any Institute expenditure, including those in the form of cheques drawn by the Institute for the payment of goods and services to its suppliers and creditors are made via the Institute's bank accounts.

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.

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

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result for the year	(4,778)	373	(4,908)	50
Non cash movements				
Depreciation of property, plant and equipment	3,614	3,683	3,600	3,642
Depreciation of right of use assets	1,467	-	984	-
Amortisation of intangible assets	1,011	901	1,005	899
Net (gain)/loss on sale of non-financial assets	76	12	(6)	12
Bad and doubtful debts	(139)	(54)	(167)	(54)
Movements in assets and liabilities				
Decrease/(increase) in receivables	5,122	(4,651)	5,977	(4,145)
Decrease/(increase) in inventories	6	7	6	7
Decrease/(increase) in other assets	(167)	(875)	(151)	(861)
Decrease/(increase) in contract assets	-	-	-	-
Increase/(decrease) in payables	(838)	1,653	(840)	1,727
Increase/(decrease) in contract liabilities	5,756	-	5,337	-
Increase/(decrease) in employee benefits liabilities	725	766	717	758
Increase/(decrease) in other provisions	-	-	-	-
Increase/(decrease) in revenue received in advance	(4,871)	(812)	(4,459)	(1,153)
Net cash flows from/(used in) operating activities	6,984	1,003	7,095	882

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

6.1.2 Interest income

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest from financial assets not at fair value through profit or loss				
Interest on bank deposits	353	407	304	343
Total interest income	353	407	304	343

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The discounted amount of the financial asset or liability is amortised to interest revenue or interest expense over the life of the financial asset or liability.

6.2 Contributed equity

	Consolidated		Institute	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Contributed capital				
Balance at 1 January	29,436	29,436	29,436	29,436
Balance at 31 December	29,436	29,436	29,436	29,436

Contributed capital

Funding that are in the nature of contributions by the Victorian 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.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

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

Categories of financial instruments

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contractual financial assets				
<i>Financial assets measured at amortised cost</i>				
Cash and deposits	21,131	15,926	16,960	11,555
Trade receivables	2,814	8,413	1,335	7,217
Amounts owed from subsidiaries	-	-	177	169
Other receivables	13	17	2	9
Term deposits	463	463	463	463
Contract assets	541	-	-	-
<i>Investments at cost</i>				
Investments in subsidiaries	-	-	2,550	2,550
Total contractual financial assets	24,962	24,819	21,487	21,963
Contractual financial liabilities				
<i>Loans and payable at amortised cost</i>				
Supplies and services	3,311	4,198	3,146	4,004
Amounts owed to subsidiaries	-	-	3,295	3,430
Lease liabilities	13,929	-	13,578	-
Total contractual financial liabilities	17,240	4,198	20,019	7,434

Categories of financial instruments

Classification of financial assets at amortised cost

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

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

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

The Institute recognises the following financial assets in this category:

- cash and deposits
- receivables (excluding statutory receivables);
- term deposits;
- contract assets; and
- certain debt securities.

7.1 Financial instruments (continued)

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

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Institute concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Institute does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

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
- 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
- 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 or transferred control, the asset is recognised to the extent of the Institute's continuing involvement in the asset.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Reclassification of financial instruments: Subsequent to initial recognition and under rare circumstances, nonderivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

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

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

7.1.1 Impairment on financial instrument by category

Impairment on financial instrument by category	Impairment (loss)/reversal		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Consolidated				
Financial assets measured at amortised cost	(111)	54	(111)	54
Total contractual financial assets	(111)	54	(111)	54
Total contractual financial liabilities	-	-	-	-
Institute				
Financial assets designated at amortised cost	167	54	167	54
Total contractual financial assets	167	54	167	54
Total contractual financial liabilities	-	-	-	-

7.1 Financial instruments (continued)

Financial risk management objectives and policies

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

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

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

Primary responsibility for the identification and management of financial risks rests with the Audit and Risk Committee of TAFE Institute with oversight by the Board.

Credit risk

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

Credit risk is measured at fair value and is monitored on a regular basis by the Audit and Risk Management Committee. The Audit and Risk Management Committee monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

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

The trade receivables balance at 31 December 2019 and 31 December 2018 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

There are no material financial assets which are individually determined to be impaired.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

	Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated				
2019				
Cash and deposits	17,715	3,416	-	21,131
Trade receivables	-	-	2,814	2,814
Other receivables	-	-	13	13
Term deposits	463	-	-	463
Contract assets	-	-	541	541
Total contractual financial assets	18,178	3,416	3,368	24,962
2018				
Cash and deposits	4,405	11,521	-	15,926
Trade receivables	-	-	8,413	8,413
Other receivables	-	-	17	17
Term deposits	463	-	-	463
Contract assets	-	-	-	-
Total contractual financial assets	4,868	11,521	8,430	24,819
Institute				
2019				
Cash and deposits	16,960	-	-	16,960
Trade receivables	-	-	1,335	1,335
Amounts owed from subsidiaries	-	-	177	177
Other receivables	-	-	2	2
Term deposits	463	-	-	463
Contract assets	-	-	-	-
Total contractual financial assets	17,423	-	1,514	18,937
2018				
Cash and deposits	3,116	8,439	-	11,555
Trade receivables	-	-	7,217	7,217
Amounts owed from subsidiaries	-	-	169	169
Other receivables	-	-	9	9
Term deposits	463	-	-	463
Contract assets	-	-	-	-
Total contractual financial assets	3,579	8,439	7,395	19,413

Notes:

The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2019.

Under AASB 9, loss allowances are measured on either of the following bases:

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

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 24 months before 31 December 2019 as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Institute has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payment or to engage with the Institute on alternative payment arrangement within time frames specific to debtor type forms the basis of determining whether there is a reasonable expectation of recovery.

7.1 Financial instruments (continued)

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
31 December 2019				
Current (not past due)	2,009	0%	-	No
1–30 days past due	223	0%	-	No
31–60 days past due	367	0%	-	No
61–90 days past due	39	0%	-	No
More than 90 days past due	491	64%	315	Yes
	3,129		315	
31 December 2018				
Current (not past due)	7,501	0%	-	No
1–30 days past due	696	0%	-	No
31–60 days past due	60	0%	-	No
61–90 days past due	41	0%	-	No
More than 90 days past due	569	80%	454	Yes
	8,867		454	

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

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with TAFE Institute, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Of the above impairment losses, \$315 thousand (2018 – \$454 thousand) relate to receivables arising from contracts with customers.

Liquidity risk

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

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

The Institute's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

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

The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in 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.

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 effect on the operating result and /or net worth of the Institute. These market risks primarily relate to foreign currency and interest rate risk.

The Institute's exposures to market risk are primarily through foreign currency risk and interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Foreign currency risk

The Consolidated group is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian dollar, and payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

The Consolidated group's exposures are mainly against the Singapore dollar (SGD) and China Renminbi (RMB) and are managed through continuous monitoring of movements in exchange rates against the SGD and RMB, and by ensuring availability of funds through rigorous cash flow planning and monitoring. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Institute to enter into any hedging arrangements to manage foreign currency risk.

At the reporting date, if the exchange rate moves by 10% higher/lower against the RMB and SGD from the year-end rate of 4.8876 and 0.9438 respectively (2018: 4.8548 and 0.9636), while all other variables remains constant:

- the Consolidated Group's result and equity would have been \$297 thousand higher/\$331 thousand lower (2018: \$320 thousand higher/\$356 thousand lower); and
- the Institute's result and equity would have been \$21 thousand higher/\$23 thousand lower (2018: \$21 thousand higher/\$23 thousand lower).

Interest rate risk

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

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Institute does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

The Institute manages cash flow interest rate risk through a mixture of short term and longer term investments, and undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management monitors movement in interest rate on a monthly basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Institute's sensitivity to interest rate risk are set out below.

7.1 Financial instruments (continued)

Interest rate exposure of financial instruments

	Weighted average effective rate		Total carrying amount per balance sheet		Floating interest rate		Fixed interest rate		Non-interest bearing	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Consolidated	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost										
Cash and deposits	1.420	1.240	21,131	15,926	17,715	4,405	3,416	11,521	-	-
Trade receivables	-	-	2,814	8,413	-	-	-	-	2,814	8,413
Other receivables	-	-	13	17	-	-	-	-	13	17
Term deposits	1.840	2.500	463	463	-	-	463	463	-	-
Total financial assets			24,421	24,819	17,715	4,405	3,879	11,984	2,827	8,430
Financial liabilities measured at amortised cost										
Supplies and services	-	-	3,311	4,198	-	-	-	-	3,311	4,198
Lease liabilities	4.260	-	13,929	-	-	-	13,929	-	-	-
Total contractual financial liabilities			17,240	4,198	-	-	13,929	-	3,311	4,198
Institute										
Financial assets measured at amortised cost										
Cash and deposits	1.460	1.400	16,960	11,555	16,960	3,116	-	8,439	-	-
Trade receivables	-	-	1,335	7,217	-	-	-	-	1,335	7,217
Amounts owed from subsidiaries	-	-	177	169	-	-	-	-	177	169
Other receivables	-	-	2	9	-	-	-	-	2	9
Term deposits	1.840	2.500	463	463	-	-	463	463	-	-
Investments at cost										
Investments in subsidiaries	-	-	2,550	2,550	-	-	-	-	2,550	2,550
Total financial assets			21,487	21,963	16,960	3,116	463	8,902	4,064	9,945
Financial liabilities measured at amortised cost										
Supplies and services	-	-	3,146	4,004	-	-	-	-	3,146	4,004
Amounts owed to subsidiaries	-	-	3,295	3,430	-	-	-	-	3,295	3,430
Lease liabilities	4.260	-	13,578	-	-	-	13,578	-	-	-
Total contractual financial liabilities			20,019	7,434	-	-	13,578	-	6,441	7,434

Interest rate risk sensitivity

A reasonably possible change of 100 basis points (2018: 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and results by the amount shown below. This analysis assumes that all other variables remain constant.

	-100 basis points						+100 basis points			
	Carrying amount		Result		Equity		Result		Equity	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	17,715	4,405	(177)	(44)	(177)	(44)	177	44	177	44
Total impact	17,715	4,405	(177)	(44)	(177)	(44)	177	44	177	44
Institute										
Cash and deposits	16,960	3,116	(170)	(31)	(170)	(31)	170	31	170	31
Total impact	16,960	3,116	(170)	(31)	(170)	(31)	170	31	170	31

7. MANAGING RISKS AND UNCERTAINTIES

7.2 Contingent assets and contingent liabilities

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

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

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

Contingent liabilities

Contingent liabilities are:

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

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

In addition to the statement made above under the contingent assets heading, the Institute has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts at 31 December 2019 (31 December 2018: Nil).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, plant and equipment, motor vehicles, library collection and leasehold improvements.

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

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

Fair value estimation

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

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

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

Fair value determination of financial assets and liabilities

The Institute currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019 reporting period.

Fair value of financial instruments measured at amortised cost

The carrying amounts of financial instruments measured at amortised cost held by the Institute approximates fair value.

7. MANAGING RISKS AND UNCERTAINTIES

Source reference 7.3 Fair value determination (continued)

AASB 13.93 (a)(b) (a) Fair value determination of non-financial assets

The Institute holds property, plant and equipment for which fair values are determined. Below are the relevant fair value information relating to those assets.

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

Below are the relevant fair value information relating to those assets.

Fair value measurement hierarchy

	Consolidated				Institute			
	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019								
Non specialised land	13,097	-	13,097	-	13,097	-	13,097	-
Specialised land	130,039	-	-	130,039	130,039	-	-	119,148
Total land at fair value	143,136	-	13,097	130,039	143,136	-	13,097	119,148
Non specialised buildings	316	-	316	-	316	-	316	-
Specialised buildings	48,606	-	-	48,606	48,606	-	-	48,606
Total buildings at fair value	48,922	-	316	48,606	48,922	-	316	48,606
Plant and equipment	2,279	-	-	2,279	2,279	-	-	2,279
Vehicles	122	-	-	122	122	-	-	122
Leasehold improvements	5,994	-	-	5,994	5,994	-	-	5,994
Library books	80	-	-	80	80	-	-	80
Total other assets at fair value	8,475	-	-	8,475	8,475	-	-	8,475
Total property, plant and equipment at fair value	200,533	-	13,413	187,120	200,533	-	13,413	176,229
2018								
Non specialised land	12,000	-	12,000	-	12,000	-	12,000	-
Specialised land	119,148	-	-	119,148	119,148	-	-	119,148
Total land at fair value	131,148	-	12,000	119,148	131,148	-	12,000	119,148
Non specialised buildings	310	-	310	-	310	-	310	-
Specialised buildings	50,172	-	-	50,172	50,172	-	-	50,172
Total buildings at fair value	50,482	-	310	50,172	50,482	-	310	50,172
Plant and equipment	3,242	-	-	3,242	3,242	-	-	3,242
Vehicles	234	-	-	234	234	-	-	234
Leasehold improvements	6,524	-	-	6,524	6,509	-	-	6,509
Library books	82	-	-	82	82	-	-	82
Total other assets at fair value	10,082	-	-	10,082	10,067	-	-	10,067
Total property, plant and equipment at fair value	191,712	-	12,310	179,402	191,697	-	12,310	179,387

7.3 Fair value determination (continued)

Impairment

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

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

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

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

Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103G Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017 and land was revised by reference to the Valuer-General Victoria's indexation factors up to 31 December 2019.

Non specialised land and non specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non specialised land and non specialised buildings, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2017. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

To the extent that non specialised land, non specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land is valued using the market approach and then adjusting for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Specialised and heritage buildings are valued using the depreciated replacement cost method for all but some minor exceptions. This represents the highest and best use when the market approach is not suitable. The replacement costs assessment is based on replacement of the existing building with a modern equivalent standard, and where heritage buildings are involved, a cost loading to reflect the likely need to replace any destroyed buildings with closely similar (ie heritage) architecture, then adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings and heritage buildings are classified as Level 3 in the fair value hierarchy.

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

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

Construction in Progress assets are held at cost. The Institute transfers the assets into and out of assets under construction when they are ready for use.

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

There were no changes in valuation techniques throughout the period to 31 December 2019.

Description of significant unobservable inputs to Level 3 valuations

2019 and 2018	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
Motor Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Leasehold improvements	Depreciated replacement cost	Cost per unit Useful life of leasehold improvements
Library collection	Depreciated replacement cost	Cost per unit Useful life of library collection

The disclosure above assume that the non-financial assets held by the Institute are held primarily for their current service potential rather than to generate net cash inflows. Additional disclosure is required if the non-financial assets are for cash generating purposes, entities should refer to AASB 13 for detailed disclosure requirements.

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994, the following disclosures are made regarding responsible persons and executive officers for the reporting period.

The persons who held the positions of Ministers and Accountable Officers in the Institute are as follows:

Position	Name	Dates of appointment
Minister of Training and Skills	The Hon. Gayle Tierney MP	1 January 2019 to 31 December 2019
Director and Chief Executive Officer (Accountable Officer)	Nicholas Hunt	1 January 2019 to 31 December 2019

Remuneration

Remuneration of the relevant Minister 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.

Members of the Board of William Angliss Institute of TAFE are as follows:

Position	Name	Dates of appointment
Ministerial Director/Board Chair	Dr A Astin PSM	
Ministerial Director	Mr R Clifton	
Ministerial Director	Ms V McIver	
Ministerial Director	Hon J Pandazopoulos	
Ministerial Director	Mr M Pignatelli	
Co-opted Director	Dr D Foster	Resigned 31 July 2019
Co-opted Director	Ms W Jones	
Co-opted Director	Ms B Richardson	
Co-opted Director	Mr P Sexton	Appointed 1 September 2019
Elected Director	Ms K Hepner	

Unless otherwise stated, all responsible persons have been in office for the year.

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Department during the reporting period was in the range: \$300,000 – \$309,999 (\$300,000 – \$309,999 in 2018).

Income Band	Consolidated		Institute	
	2019	2018	2019	2018
\$				
10,000 - 19,999	1	1	1	1
20,000 - 29,999	2	2	2	2
30,000 - 39,999	5	5	5	5
50,000 - 59,999	-	1	-	1
60,000 - 69,999	1	-	1	-
130,000 - 139,999	-	1	-	1
140,000 - 149,999	1	-	1	-
300,000 - 309,999	1	1	1	1
	11	11	11	11

8. GOVERNANCE DISCLOSURES

8.2 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

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

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

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

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

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

	Consolidated		Institute	
	Total remuneration		Total remuneration	
	2019	2018	2019	2018
Remuneration				
Short-term employee benefits	830,371	790,118	830,371	790,118
Post-employment benefits	75,019	67,092	75,019	67,092
Other long-term benefits	8,634	8,154	8,634	8,154
Termination benefits	40,279	(213)	40,279	(213)
Total remuneration	954,303	865,151	954,303	865,151
Total number of executives	8	4	8	4
Total annualised employee equivalents ⁽ⁱ⁾	5	4	5	4

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

8.3 Related parties

Related parties of the Institute and its Consolidated group include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all entities that are controlled and consolidated into the Institute's consolidated financial statements.

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

The following entities have been consolidated into the Institute's financial statements in accordance with AASB 10:

- Angliss Consulting Pty Ltd;
- William Angliss Institute Foundation;
- Angliss Solutions Pty Ltd;
- Angliss Multimedia Pty Ltd;
- William Angliss Institute Pte Ltd; and
- Angliss (Shanghai) Education Technology Co Ltd.

Compensation of Key management personnel

Key management personnel of the Institute includes the individuals as mentioned in Note 8.1 Responsible persons and Note 8.2 Remuneration of Executives.

	Consolidated		Institute	
	Total remuneration		Total remuneration	
Remuneration	2019	2018	2019	2018
Short-term employee benefits	1,513,075	1,459,544	1,513,075	1,459,544
Post-employment benefits	133,084	124,179	133,084	124,179
Other long-term benefits	8,634	8,154	8,634	8,154
Termination benefits	40,279	211	40,279	211
Total remuneration	1,695,072	1,592,088	1,695,072	1,592,088

Transactions and balances with key management personnel and other related parties

There were no other related transactions or loans requiring disclosure under the Directions of the Assistant Treasurer.

Loans between the Institute and other related parties

	Parent entity balances outstanding as at 31 December	
	2019	2018
Loans provided by Subsidiary	\$	\$
Angliss Consulting Pty Ltd	(850,806)	(694,363)
William Angliss Institute Pte Ltd	(2,443,857)	(2,735,762)
Loans provided to Subsidiary		
Angliss (Shanghai) Education Technology Co Ltd	177,131	169,151
Net Total	(3,117,532)	(3,260,974)

Transactions between the Institute and other related parties

Counterparties	Nature of relationship	Details of transaction	Total Value of Transactions (\$)	
			2019	2018
William Angliss Pte Ltd	Subsidiary	Service charges payable	200,000	-

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.

8. GOVERNANCE DISCLOSURES

8.4 Auditors' remuneration

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Remuneration of the Victorian Auditor-General's Office for:				
Audit of the financial statements	151,750	148,100	100,400	99,000
Remuneration of other auditors:				
Audit of the financial statements	39,882	39,178	-	-
Total remuneration of auditors	191,632	187,278	100,400	99,000

The Victorian Auditor-general's office is not allowed to provide non-audit services.

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service leave liability	(294)	(199)	(294)	(199)
Net gain/(loss) arising from revaluation of annual leave liability	(19)	(14)	(19)	(14)
Unwinding of other provisions	-	-	-	-
Total other gains/(losses) from other economic flows	(313)	(213)	(313)	(213)

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

9.2 Other equity reserves

	Consolidated		Institute	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Physical asset revaluation surplus ¹				
Balance at 1 January	148,477	148,477	148,477	148,477
Revaluation increment on non-current asset	11,987	-	11,987	-
Balance at 31 December	160,464	148,477	160,464	148,477
Foreign currency translation reserve ²				
Balance at 1 January	(577)	(663)	-	-
Revaluation movement on translation of foreign subsidiaries	253	86	-	-
Balance at 31 December	(324)	(577)	-	-
Statutory reserve fund (China) ³				
Balance at 1 January	-	-	-	-
contribution of current year profit	2	-	-	-
Balance at 31 December	2	-	-	-
Total other equity reserves	160,142	147,900	160,464	148,477

Note:

- The physical asset revaluation surplus arises on the revaluation of land and buildings.*
- Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.*
- Article 166 of Company Law of People's Republic of China: Companies shall contribute 10% of the profits into their statutory surplus reserve upon distribution of their post-tax profits of the current year.*

Foreign currency translation reserve

Foreign exchange differences arising from translation of foreign operations are recognised in other economic flows and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

9. OTHER DISCLOSURES

9.3 Controlled entities

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

Controlled entities	Country of Incorporation	Class of Shares	2019 %	2018 %
Angliss Consulting Pty Ltd	Australia	Ordinary	100	100
William Angliss Institute Foundation	Australia	Ordinary	100	100
Angliss Solutions Pty Ltd	Australia	Ordinary	100	100
Angliss Multimedia Pty Ltd	Australia	Ordinary	100	100
William Angliss Institute Pte Ltd	Singapore	Ordinary	100	100
Angliss (Shanghai) Education Technology Co Ltd	China	Ordinary	100	100

Angliss Consulting Pty Ltd

The company has been established to manage overseas operations.

William Angliss Institute Foundation

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. It is a company limited by guarantee and the Institute is the sole member of the Foundation.

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 Foundation would need to be distributed to another gift recipient educational institution. The Institute is also a registered gift recipient educational institution.

The Institute currently, however, is the sole member of the Foundation. It controls the day to day operations 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.

Angliss Solutions Pty Ltd

The company is a wholly owned subsidiary of Angliss Consulting Pty Ltd and has never traded.

Angliss Multimedia Pty Ltd

The company is a wholly owned subsidiary of Angliss Consulting Pty Ltd and has never traded.

William Angliss Institute Pte Ltd

The company is a wholly owned subsidiary of The Institute and was established to support the delivery of a contract with the SkillsFuture Singapore (SSG).

Angliss (Shanghai) Education Technology Co Ltd

This company is a wholly owned subsidiary of Angliss Consulting Ltd and was established to support the Institute's operations in China.

9.4 Events after reporting date

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Institute and the Consolidated group, the results of those operations or the state of affairs of the Institute and the Consolidated group in subsequent financial years.

9.5 Application of standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to AASB 3)
- Definition of Material (Amendments to AASB 101 & AASB 108)
- Interest Rate Benchmark Reform (Amendments to AASBs 7, 9 & 139)
- AASB 1059 Service Concession Arrangements: Grantors

Disclosure Index

Item No.	Source Reference	SUMMARY OF REPORTING REQUIREMENT	Page
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22H	Manner of establishment and the relevant Minister	10
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	2-10
3	FRD 22H	Nature and range of services provided including the communities served	10
MANAGEMENT AND STRUCTURE			
4	FRD 22H	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	11-17
5.	FRD 03A	Accounting for Dividends	N/A
6.	FRD 07B	Early adoption of authoritative accounting pronouncements	91
7.	FRD 10A	Disclosure Index	92-94
8.	FRD 17B	Long Service leave and annual leave for employees	51-52
9.	FRD 22H	Operational and budgetary objectives, including performance against objectives and achievements	30
10.	FRD 22H	Occupational health and safety statement including performance indicators, performance against those indicators.	22-23
11.	FRD 22H	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	23-24
12.	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	30
13.	FRD 22H	<i>Summary of significant changes in financial position</i>	30
14.	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	6-9, 21
15.	FRD 22H	Post-balance sheet date events	91, 94
16.	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982	20
17.	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	30
18.	FRD 22H	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
19.	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	N/A
20.	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	20
21.	FRD 22H	Statement on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	20
22.	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act	20
23.	FRD 22H & FRD 24D	Summary of Environmental Performance.	25-27
24.	FRD 22H 5.13 5.14 5.15	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period 	31

Item No.	Source Reference	SUMMARY OF REPORTING REQUIREMENT	Page
25.	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	21
26.	FRD 22H	An entity shall disclose the following in the report of operations: a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: i Operational expenditure (OPEX); and ii Capital expenditure (CAPEX).	31
27.	FRD 25D	Local Jobs First	20
28.	AASB 16	Leases	56-59
29.	SD 5.1.4	Financial Management Compliance Attestation Statement The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	21
30.	FRD 119A	Transfers through contributed capital	71
31.	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	2
32.	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	2
33.	CG 10	Summary of Major Commercial Activities	21
34.	CG 12	TAFE Institute Controlled Entities.	90
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984			
35.	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and • the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.	37
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS / FINANCIAL MANAGEMENT ACT 1994			
36.		An Agency's financial statements must include a signed and dated declaration by: • the Accountable Officer; • subject to Direction 5.2.2(c), the CFO; and • for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body.	37
37.		Rounding of Amounts	44
38.		The Responsible Body must establish an Audit Committee to: • review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament	14
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39.	FRD 11A	Disclosure of ex-gratia payments	31
40.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	85-87
41.	FRD 102A	Inventories	66
42.	FRD 103H	Non-financial physical assets	59-61
43.	FRD 105B	Borrowing costs	N/A
44.	FRD 106B	Impairment of assets	60
45.	FRD 107B	Investment properties	N/A
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS / FINANCIAL MANAGEMENT ACT 1994			
46.	FRD 109A	Intangible assets	62
47.	FRD 110A	Cash flow statements	43
48.	FRD 112D	Defined benefit superannuation obligations	53
49.	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	90
50.	FRD 114C	Financial instruments	72-79
51.	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	44-91

Item No.	Source Reference	SUMMARY OF REPORTING REQUIREMENT	Page
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
52.	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"> • <i>Education and Training Reform Act 2006 (ETRA)</i> • <i>TAFE institute constitution</i> • <i>Directions of the Minister for Training and Skills (or predecessors)</i> • <i>TAFE institute Commercial Guidelines</i> • <i>TAFE institute Strategic Planning Guidelines</i> • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Protected Disclosure Act 2012</i> • <i>Local Jobs First Act 2003</i> 	21
53.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	25
54.	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	20
55.	Key Performance Indicators	See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting. Institutes to report against: <ul style="list-style-type: none"> • Employment costs as a proportion of training revenue; • Training revenue per teaching FTE; • Operating margin percentage; • Training revenue diversity. 	18
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
56.	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	<ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved. 	8-9

COVID-19 Disclosure

At the time of finalising the financial statements in this Annual Report and receiving the audit opinion from the Victorian Auditor-General's Office, the potential impact of COVID-19 on subsequent reporting periods was not known. William Angliss Institute has since introduced measures to assist those affected, including ongoing advice and support, as the situation continues to evolve. William Angliss Institute continues to monitor the non-financial and financial impacts of COVID-19 on its operations and cashflow however, due to the significant amount of material uncertainty, it is not possible to quantify the full economic outflow at present. To mitigate this risk, the Department of Education and Training will provide a letter of comfort to William Angliss Institute to provide a level of assurance that financial assistance will be made available for William Angliss Institute to continue as a going concern. William Angliss Institute is working closely with the Department of Education and Training to ensure that an appropriate funding model is developed to minimise the loss in training revenue in the event that this should occur.



For over 75 years William Angliss Institute has been a learning community devoted to students with a passion for foods, hospitality, tourism and events, inspiring them and nurturing their careers with expert training, education and mentoring.

Call 1300 ANGLISS or visit: www.angliss.edu.au

RT0 No. 3045 | CRICOS Provider No. 01505M | HEP 9534 | ABN: 66266583978

William
Angliss
Institute

Specialist centre
for foods, tourism,
hospitality & events