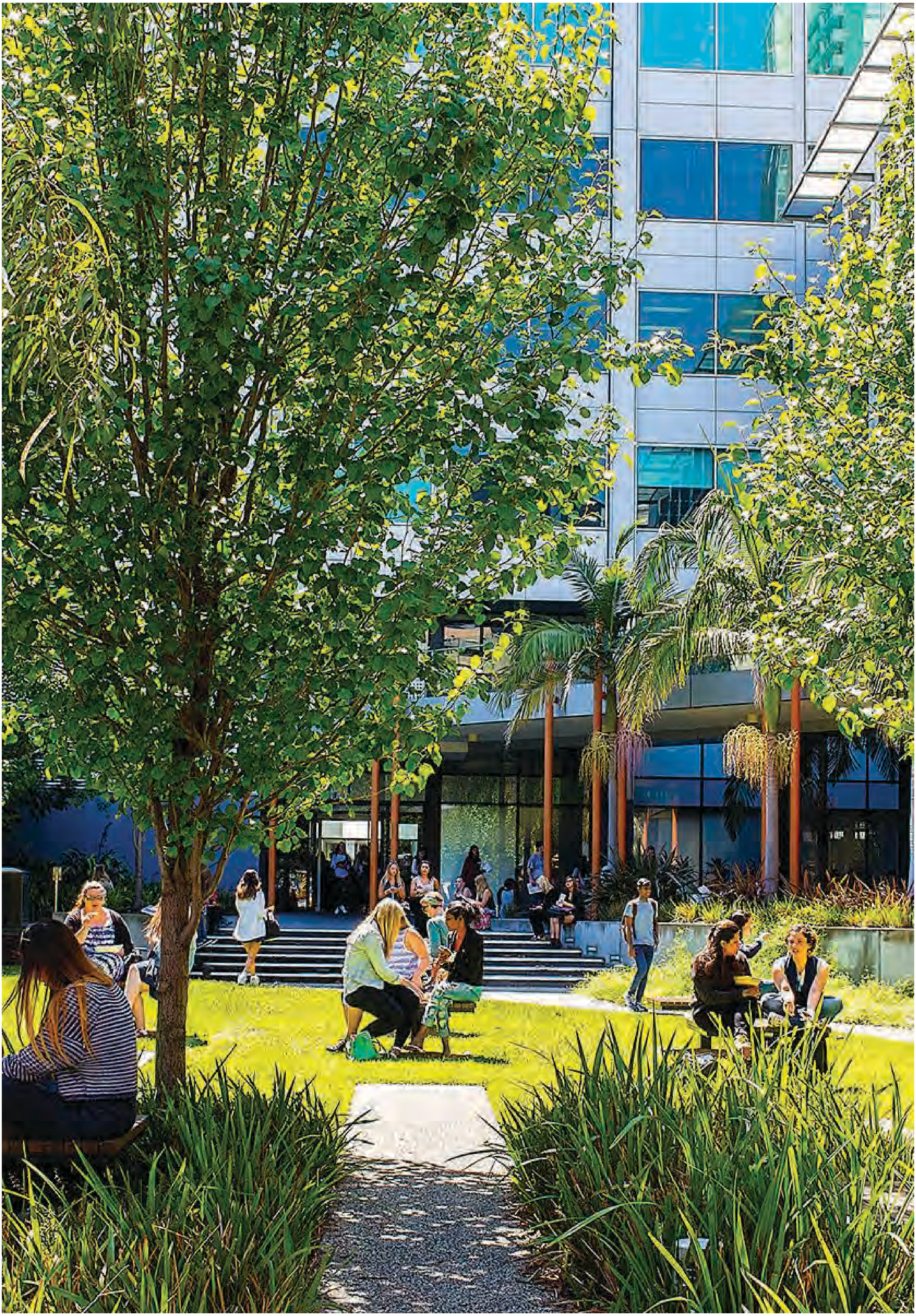
William Angliss Institute

ANNUAL REPORT 2015

William Angliss Institute | CELEBRATING 75 YEARS | Specialist centre for foods, tourism, hospitality & events



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WILLIAM ANGLISS INSTITUTE'S LATROBE STREET CAMPUS MELBOURNE.

Vision, Mission, Purpose and Values

Vision

The leading educational provider of Australian hospitality, tourism, foods and culinary arts knowledge and expertise locally, nationally and internationally.

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

Key Strategies

1. Review and improve: continuous improvement in price, cost and yield
2. Share and leverage: partnerships with other providers (TAFE/university/RTO)
3. Market leader: new delivery models, new products and services around WAI's specialisations
4. Regionally active: international development
5. Augmenting the brand: exploring brand alignment
6. Capturing our specialisation: transitioning our content to a next generation educational platform, the Provedore project

Mission and Purpose

To deliver the highest quality specialist skills and education to inspire, empower and develop people passionately devoted to being service industry professionals, leaders and innovators.

TOURISM AND HOSPITALITY MANAGEMENT GRADUATE KOSTA ATSIARIS (RIGHT), WAS SELECTED TO TAKE PART IN THE ASCOTT MANAGEMENT ASSOCIATES PROGRAM.

About William Angliss Institute

About William Angliss Institute

William Angliss Institute is Australia's largest specialist centre for foods, tourism, hospitality and events training. The Institute operates nationally and internationally, delivering industry-focused training from half day programs through to four year degrees, from traditional pub hospitality to five star customer service, from campus to youth program to the workplace and to remote areas.

Established in 1940 by prominent Melbourne businessman and philanthropist Sir William Angliss, as Australia's first trade college dedicated to providing training for the food industry, the Institute is now a renowned specialist education and training Institute offering more than 97 nationally recognised training programs.

75th Anniversary

In 2015, William Angliss Institute celebrated 75 years of training excellence with a calendar of campus events including a Gala Dinner, a series of food and wine demonstrations, a 75th anniversary film compiled from archival footage and the official launch of the *Great Chefs Cookbook*, a 156-page publication highlighting the Great Chefs Program and the history of the Institute. Details of the cookbook can be found at www.angliss.edu.au/cookbook.

Programs

Within its specialisations, the Institute offers a full complement of programs from VCAL and VET in Schools through Certificate, Diploma and Degree programs. The Institute is delivering training in every State and Territory in Australia.

The Institute continues to develop program offerings internationally. Three partnerships in China, one partnership in Sri Lanka and a Tourism Continuing Education & Training (CET) Centre in Singapore support an international delivery platform. The Institute continues to conduct off-shore project development work with industry, governments and development-aid agencies.

The Institute's programs are delivered to nearly 17,500 students annually at its Melbourne, Sydney and offshore campuses, as well as various workplaces in Australia and offshore. The 20,645 enrolments in 2015 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

Tourism

- Eco Tourism
- Tour Guiding
- Travel
- Aviation (Flight Operations)
- Beauty Therapy

Hospitality

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

Events

- Event Management

Locations

Along with the main campus in the centre of Melbourne, William Angliss Institute also delivers training direct to industry partners through a Sydney campus, offices in Queensland, South Australia, Western Australia and Northern Territory. Further afield, the Institute has a Singapore campus, three joint venture campuses in China and projects around the world including Malaysia, Thailand, Sri Lanka and Vietnam.

Board Chair's Report

Dr Anne Astin PSM
Board Chair

On behalf of the Board of William Angliss Institute, I am pleased to present to you a summary of our achievements in 2015. This Annual Report provides details of our objectives and priorities as well as the educational services that have been provided during the year.

In 2015 at William Angliss Institute we sought to maintain our position and continue to adapt and tailor programs to suit students and meet industry needs across vocational and higher education within this challenging market.

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

During the past twelve months the Institute has continued to provide its educational services, delivering 4.447 m student contact hours.

The Institute has continued to provide skills development and training services in Melbourne, Sydney and across Australia and will continue to explore future partnerships nationally and internationally.

International education activities remain a strong component of the Institute's revenue mix with over 1,500 International students enrolled in 2015.

I would like to acknowledge the contribution and commitment from outgoing Board Chair Dr Michele Allan who joined the Board in 2008. Michele chaired the Board for six years, providing leadership and support to the Institute during a time of considerable reform. It is also appropriate to thank Brian Kearney who retired from the Board in 2015. Brian's considered view was always appreciated. Welcome to our new board members Hon. John Pandazopoulos and Matteo Pignatelli who were appointed 1 December 2015.

The Institute Board extends its appreciation and thanks to the Hon. Steve Herbert MP, Minister for Training and Skills and also to the staff of the Higher Education Skills Group (HESG) for their ongoing support.

I would also like to thank the Board Members, the Executive team and our valuable staff for their commitment to the Institute throughout the year. It is the commitment to our students and their skill development and future success that supports our future.

Dr Anne Astin PSM
Board Chair
29 April 2016

CEO's Report

Nicholas Hunt
Chief Executive Officer

As a specialist centre for foods, tourism, hospitality and events, William Angliss Institute celebrated its 75th anniversary in 2015 and continues to build on the vision and foundation of the William Angliss Food Trades School which was established on 18 September 1940.

To celebrate its 75th anniversary, the Institute hosted an industry dinner with keynote speaker Virgin Australia CEO and managing director John Borghetti, plus a series of special demonstrations with industry guests and events for students, alumni and staff throughout the year.

Active engagement with industry and the education sector continues to be critical to our future success. With our core of industry specific programs, the Institute has sought to focus on products and partnerships within Victoria, interstate markets and our international programs.

In October 2015, the Tertiary Education Quality and Standards Agency (TEQSA) accredited William Angliss Institute to deliver five new Bachelor courses and one Associate Degree to join the existing three Bachelor qualifications.

In 2015 the Institute was awarded $4.47 million in funding from the Victorian Government to develop much needed skills for the tourism and hospitality industries.

The funding includes $2.72 million for a regional tourism employability initiative which will provide highly skilled staff for Victoria's iconic regional destinations. A second grant of $1.74 million has been awarded for the Institute to launch Melbourne's first International Hotel School to train the next generation of outstanding hotel management professionals.

William Angliss Institute established a partnership with Box Hill Institute to deliver vocational programs with the re-opening of Lilydale Lakeside campus in 2016.

In 2015 the Institute renewed its registration as a vocational and training provider with the Australian Skills Quality Authority (ASQA) for seven years until 2022.

During 2015, the Institute's commitment to education excellence through the talents of our students was rewarded with a number of awards which are detailed in the overview of achievements.

Financially, the Institute has reported a result within our budget expectations and one that continues to reflect improvements against our key performance indicators.

I would like to thank the Board, and in particular our outgoing Board chair Dr Michele Allan. Michele's leadership and support of the Executive team was highly valued. The Board's team approach and commitment to the Institute has provided sound support and added value to the Executive team throughout the year.

I would also like to thank the staff across all aspects of the Institute's operations as it is their passion for our specialist areas that mean we can continue to develop our students and give them the best educational outcomes.

Nicholas Hunt
Chief Executive Officer
29 April 2016

Overview of achievements

Domestic Highlights

Accreditation

William Angliss Institute was re-registered by the Australian Skills Quality Authority (ASQA) for seven years until 2022.

Vocational Education and Training (VET)

William Angliss Institute's VET programs are its core business and provide practical learning, on-the-job training and pathways to work for employers across the foods, tourism, hospitality and events industries.

Regional Tourism Employability Project

In June 2015, William Angliss Institute commenced a regional tourism employability initiative to provide highly skilled staff for hotels, restaurants and other facilities in Victoria's regional destinations. The Regional Tourism Employability Project (RTEP) will see William Angliss Institute partnering with seven regional TAFEs to provide cost-effective tourism, hospitality and events training in regional areas beginning in 2016. The program is expected to result in 570 direct jobs in the first five years, with many in regional Victoria.

Angliss International Hotel School

In late 2015, William Angliss Institute began developing the Angliss International Hotel School (AIHS), one of Melbourne's first international hotel schools, to train students to become the next generation of outstanding hotel management professionals.

With a first intake commencing in February 2016, AIHS will offer a Diploma of Hospitality delivered over 12 months. After completing the Diploma, students will qualify for guaranteed entry into the second year of the Institute's Bachelor Degree programs, including the new Resort and Hotel Management degree.

Higher Education

New qualifications

In October 2015, the Tertiary Education Quality and Standards Agency (TEQSA) accredited William Angliss Institute to deliver five new Bachelor courses and one Associate Degree to join the existing three Bachelor qualifications.

The degrees are:

- Bachelor of Food Studies
- Bachelor of Food Studies (Community Engagement),
- Associate Degree of Resort and Hotel Management
- Bachelor Resort and Hotel Management
- Bachelor Resort and Hotel Management (International Practice)
- Bachelor Resort and Hotel Management (Professional Practice)

The new courses were developed in collaboration with industry and local and international academic colleagues, and mark a significant growth in the Higher Education offering.

Sustain Network

William Angliss Institute also partnered with the Australian Food Sovereignty Alliance in October 2015 to launch Sustain, a new national food network. Sustain will work with local governments, research institutions and other key food system stakeholders across public, private and community sectors to support the development of a wider understanding of and appreciation of food.

Short Courses

Carpigiani Gelato

In June 2015, William Angliss Institute partnered with Majors Group to begin delivering specialist gelato training in Australia, the first of its kind in the country. The Institute hosted five new short courses based around gelato-making which were run in Sydney, Perth and New Zealand.

National Training

William Angliss Institute works closely with industry on a range of activities including tailored learning solutions, consultancy services and student work placements and partnerships.

In partnership with the National Indigenous Culinary Institute (NICI) Victoria, the first intake of apprentice NICI trainees commenced Certificate III in Commercial Cookery at William Angliss Institute in August 2015. The program has strong industry support with apprentices placed in top end Sydney and Melbourne restaurants that include Rockpool, Rosetta, The European and Bistro Guillaume.

In October 2015, a partnership between William Angliss Institute and the National Centre of Indigenous Excellence in NSW was established whereby graduating classes in Certificate II in Hospitality were provided employment opportunities with both Voyages and Compass to continue their Certificate III in Hospitality workplace-based traineeship.

In an effort to increase the number of indigenous programs offered Australia-wide, William Angliss Institute and Voyages signed another three year contract in January 2015 to deliver Certificate III traineeships in Hospitality and Tourism at Ayers Rock Resort in the Northern Territory, Mossman Gorge Centre in Far North Queensland and Home Valley Station in Western Australia.

Other ongoing national training partners include Mission Australia, Woolworths, J B Swift, Sentio, Haigh's Chocolates, Compass Group, Cornerstone and AHA Western Australia.

Community and Industry Engagement

In 2015, the Angliss Global Network connected graduates and industry representatives through Speed Networking events, as mentors for students and through a networking session with guest speaker and entrepreneur Geoff Bainbridge, to rejuvenate the Angliss Global Network and celebrate 10 years of delivering degrees at William Angliss Institute.

To provide William Angliss Institute students with opportunities to experience real-world environments that enhance their knowledge and understanding, over 100 students were involved in the Melbourne Food and Wine Festival. Working with Peter Rowland Catering, students participated in the annual World's Longest Lunch, which hosted more than 1,500 visitors along the Yarra River in Melbourne.

Other student career development opportunities included the annual Careers and Employment Expo, the Mentoring Program for Higher Education students, two Professional Networking events, a wide range of employers recruiting students on campus, two visits from Disney Programs representatives, and the City of Melbourne's offered volunteering opportunities at some of Melbourne's major events plus a wide variety of work experience options and career progression opportunities.

William Angliss Institute held a range of activities to engage prospective students, including the annual Open Day in Melbourne (August) and Sydney (September), Trial-a-Trade events, Midyear Expo, Experience Angliss Day, Career Practitioners Day with 84 attendees, 189 campus tours and school visits, over 500 one-on-one consultations, and 147 off-campus events in Victoria, New South Wales and Tasmania.

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 over 20 key industry competitions and over 25 events for the foods, tourism, hospitality and events industries.

These included the Australian Barista Championships, the Fonterra Proud to be a Chef Program, Fine Foods Australia, L'Oreal Melbourne Fashion Festival, the Nestle Golden Chef's Hat Award National & Regional Cooking Competition, The Age VCE and Careers Expo and the William Angliss Institute Chocolate Competition.

During 2015, the Institute's commitment to education excellence was rewarded with a number of awards including:

- VicTAFE Cookery Challenge – 1st place
- 2015 Dilmah High Tea Challenge – winner, Leaf & Artisan Sustainability Award
- Australian Event Awards – finalist
- 2015 Nestle Golden Chefs Hat Award – Victorian winners
- 2015 Thierry Marx career development award competition – two runners up
- 2015 Most Inspiring Student at the Council of International Students Australia Awards – winner
- Les Toques Blanches 2015 Apprentice Cook of the Year – winner

Foundation and Scholarships

The William Angliss Institute Foundation provides educational opportunities and financial assistance to 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.

In 2015, the following scholarships were offered:

- Sir William Angliss Scholarship VIC & NSW – for domestic students commencing or continuing in any study area
- The Memorial Fund Scholarship – for continuing international students only
- Nestle Golden Chefs Hat Scholarship VIC & NSW – for commencing and continuing students undertaking studies in Commercial Cookery
- Phyllis Budd Scholarship (VIC) – for apprentices and trainees within the Foods area
- The Academic Excellence Scholarship and Equity Scholarships – for commencing Bachelor Degree students only
- UK Scholarship – for cookery apprentices to undertake six weeks work experience at the Michelin-starred St John Restaurant in the United Kingdom

Key stakeholders were invited to participate in a fundraising event held at the RACV Cape Shanck Gold Club Resort on 11 November 2015 to help raise funds to support a scholarship experience in the UK at the St John Restaurant. Over 120 industry partners and suppliers attended the golf day, with significant donations to support the scholarship.

Sponsorships

William Angliss Institute values its positive partnerships and has developed a partnership framework that attracts organisations that can leverage or benefit from the Institute's industry status and leadership position. Our major sponsors in 2015 included Fonterra, Hostplus, Nestle, Peerless, Robot Coupe, Cacao Barry and Marana Forni.

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

Support Services

The William Angliss Institute's Support Services – Disability Services, Counselling and Personal Development and Learning Advisors – provide students with an opportunity to enhance their capacity to achieve success in an accessible, welcoming environment.

The Crisis Aid and Support Team (CAST) ensures the Institute cares for its staff, students, stakeholders and local communities to the best of its ability in response to a critical incident. Chaired by the Senior Counsellor, CAST met four times in 2015 and organised Professional Development sessions including Psychological First Aid.

In 2015, 100 students received regular support from the Disability Service, a 12 per cent increase from 2014. The Institute became a member of the Australian Network on Disability, with involvement in discussions on improving employment outcomes for people with disability.

International Highlights

Partnerships

Over 1,500 international students from more than 56 countries complement the Institute's domestic student population. The Institute achieved CRICOS re-registration and also maintained a very low Risk Rating with the Department of Immigration and Border Protection, the result of proactive recruitment practices, rigorous screening of quality students and the delivery of quality education.

In 2015, William Angliss Institute has commenced the International Ambassador Program with international students representing the Institute at various marketing events and activities throughout the year.

The Institute has built a strong support system in nurturing the potential of international students. One of our international students from Indonesia, Harriyadi Irawan, won the Australian Most Inspiring International Student of the Year Award 2015.

Global Collaborations

In 2015, William Angliss Institute was engaged by Incentives, Conventions and Events Society Asia-Pacific (ICESAP) to develop online training programs for the Meetings, Incentives, Conventions and Events sector. The project commenced in the second quarter of 2015 with the development of an online learning portal.

The Institute received approval in 2015 to run pilot Tourism and Hospitality vocational training programs in Dong A University in Danang, Vietnam, funded by the Department of Foreign Affairs and Trade. This pilot program will cover industry-specific English language and Hospitality skills training for 80 participants – 60 in front-line hospitality and 20 in culinary service.

The Institute's work for the Secretariat of the Association of South-East Asian Nations (ASEAN) continued strongly in 2015. The Institute's trainers delivered training to 120 National Trainers and National Assessors in Cambodia, Lao PDR and Myanmar.

In 2015, the Institute was invited to provide skills assessment service for migrants seeking permanent migration and for all nationalities including those who are outside the nominated countries. In addition, the Institute successfully tendered and received approval to continue as a Skills Assessment Authority on behalf of Trades Recognition Australia.

In the international arena, the Institute specialises in human resource development in the tourism and hospitality sector, delivering customised solutions to local, national, regional government and industry partners. New major clients in 2015 include the Bahrain Human Resource Development Agency Tamkeen, Starwood Hotels & Resorts Group in Bahrain including The Westin, and Le Meridien Bahrain, Accor Group's Sofitel Bahrain, Galaxy Entertainment Group (Macau) and the Incentives, Conventions and Events Society Asia-Pacific (ICESAP).

Overseas Operations

Nature of Strategic and Operational Risks

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

Strategies Established to Manage Risks

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

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

Performance Measures and Targets

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

Achieving Expected Outcomes

The Institute's international activities have been particularly successful in 2015, with performance regularly achieving and exceeding set targets. International operations have contributed significantly to the Institute's commercial targets, enabling the Institute to reduce its reliance on Government funding.

Overseas Visits

In 2015, over 100 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 generous donations enabled the Institute to open as the William Angliss Food Trades School on 18 September 1940. Sir William was elected as the first President of the School Council and remained President until 1954.

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

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

During the period 1 January 2015 to 31 December 2015 the relevant office was held by the Hon. Steve Herbert MP, Minister for Training and Skills.

The objectives, functions, powers and duties of the Institute are stipulated in the *Education Training Reform Act 2006*, the William Angliss Institute Constitution Order 2013 and the Board Charter.

Strategic Themes

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

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

The 2015 – 2017 Strategic Plan sits within this 10 year planning horizon.

Business Strategy

- To be a leader in foods, tourism, hospitality and events education, training and industry services
- Use differentiation as a strategy based on WAI's specialist expertise, broad range of programs (vocational and higher education), the quality of facilities, our connection to the industry and our corporate experience
- Grow in a manageable and profitable manner working to achieve the owner's target for return on investment

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 in Victoria, nationally 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 2015 course enrolments were 20,645 across the Institute's foods, tourism, hospitality and events programs.

Board Directors

Board Chair

Dr Anne Astin PSM

BOARD CHAIR APPOINTED 1 JUNE 2015
BOARD DIRECTOR APPOINTED 1 JUNE 2014

Director

Anne was the inaugural CEO of the Victorian Government's statutory authority, Dairy Food Safety Victoria. She previously 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.

Anne is currently President and Chair of the Australian Institute of Food Science and Technology (AIFST), Chair of SafeFish and the immediate past Chair of the Australian and New Zealand Implementation SubCommittee for Food Regulation (ISFR). She is also Chair of Wellsprings for Women Inc. a not-for-profit organisation that delivers integration and training programs to isolated women. She is a non-Executive Director of Australian Dairy Farmers Ltd and a member of EnergySafe Victoria's Audit and Risk Committee.

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.

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 professional member of the Australian Institute of Food Science and Technology and a member of the Dairy Industry Association of Australia.

Ministerial Directors

Dean Minett

APPOINTED 16 APRIL 2013
(FORMER BOARD – SEPTEMBER 2012 TO 15 APRIL 2013)

Director, Minett Consulting Pty Ltd

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

Dean is the principal of his own management consultancy, specialising in tourism and hospitality and, prior to this, was Country General Manager/Director, Australia for The Ascott Limited, the world's largest owner/operator of serviced residences. Dean has been actively involved in many aspects of the industry via board or committee membership including the Catering Institute of Australia, The Hospitality Management Guild, Australian Institute of Hospitality Management, Australian Hotel Association, Hotel Motel and Accommodation Association and Victoria University. He was involved with the Victorian Tourism Awards from 2001 to 2005 in the capacity of both judge and Chairman of the Mentor Panel and was recognised as a 'Legend of Tourism' by Tourism Training Australia in 2004.

Dean completed his Master of Business (Hospitality and Tourism) in 2007, researching Ethics and Leadership in Hospitality and is a graduate of the Australian Institute of Company Directors.

Hon John Pandazopoulos
APPOINTED 1 DECEMBER 2015

Director

John currently holds the position of Chair of Destination Phillip Island Regional Tourism Board, one of Australia's best known tourism regions.

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. Former Minister for Multicultural Affairs, Racing, Major Projects and Employment. Former Member of the 'Cleanevent' Advisory Board, one of Australia's largest Events businesses at the time. Local Councillor and Mayor in the then City of Berwick and Executive of the Municipal Association of Victoria. Former Chair and Deputy Chair Victorian Parliament Environment and Natural Resources Committee.

Madelyn-Anne Ring
APPOINTED 16 APRIL 2013
(FORMER BOARD – OCTOBER 2011 TO 15 APRIL 2013)

Head of HR Business Partnering – Commercial, Carlton United Brewery

Madelyn-Anne Ring has over 20 years' global experience in communications and human resources. She has worked in Canada, the UK and Australia in various industries including consulting, government, pharmaceuticals, airlines and, more recently, consumer goods. Her experience includes public relations, internal communications, change management, organisational development, learning and development and employment relations.

Madelyn holds a Bachelor of Arts in Organisational Communication, a Postgraduate Certificate in Change Management and will complete a Masters of Business Administration in 2016. Her current role focuses on developing organisational capability to improve business performance. She is also a board member of Women in Drinks, which is part of the Drinks Association.

Beth Schofield
APPOINTED 16 APRIL 2013
(FORMER BOARD – OCTOBER 2011 TO 15 APRIL 2013)

Finance Consultant

Beth Schofield is a finance professional with experience across various disciplines in both professional practice and industry. Beth spent 13 years in various advisory roles at Ernst & Young, a global chartered accounting firm, across business services, corporate finance and mergers and acquisitions, providing advice to listed and private companies across a wide range of industries particularly food, financial services and telecommunications.

She left the firm as an Associate Director to take up a role as Chief Financial Officer and company secretary of Patties Foods Limited, an ASX listed public company and market leading manufacturer and marketer of frozen foods nationally and internationally under such iconic brands as Four'n Twenty, Nannas, Herbert Adams, Creative Gourmet and Patties.

Beth currently provides financial consulting and advisory services to clients predominantly looking to expand, restructure or create strategic improvements in their business, providing her the flexibility to concurrently raise a young family. Beth holds a Masters of Applied Finance from Macquarie University, a Bachelor of Commerce from Melbourne University and is a member of the Institute of Chartered Accountants.

Board Directors

Dr David Foster
APPOINTED 22 MAY 2013

Director

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

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

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

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

Morris Lieberman
APPOINTED 1 JUNE 2014

Group GM Business Systems Integration, Programmed Maintenance Services Ltd

Morris Lieberman has more than 25 years experience working in a range of global executive and management positions for iconic brands such as Shell, Cadbury Schweppes, Fosters, Treasury Wines and Skilled Group. Previous experience includes Business and IT Transformations, Asia Pacific CIO, Online Channel Management, IT Management and Outsourcing, Organisational Change & Demergers, Program & Financial Management and Retail Operations. His current role focuses on organisational structural change, strategic repositioning and delivering transformational initiatives to enhance the total business model.

Morris holds a Bachelor of Business in Accountancy from Queensland University of Technology. He is a graduate of the Australian Institute of Company Directors, a member of the Australian Society of Certified Practicing Accountants and a member of the Australian Computer Society.

Matteo Pignatelli
APPOINTED 1 DECEMBER 2015

Owner/Operator – Matteo's Restaurant since 1994

Matteo Pignatelli graduated from the 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. While studying, he complemented his studies by working part-time at fine dining establishments such as Jacques Reymond, Masani's and Tansy's.

After graduation, Matteo worked full time as partner/manager 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. Housed in a Victorian terrace just past the bohemian enclave of Fitzroy's famous Brunswick Street, Matteo's is an elegant restaurant serving contemporary Australian cuisine.

Since opening, Matteo's has built a strong following and a fine reputation. This is not only reflected by its loyal customer base but by the many awards won through Matteo's commitment to a high standard of cuisine and service. Matteos is currently awarded 2 Hats in *The Age Good Food Guide*. He is currently National President of the Restaurant & Catering Association of Australia, Chairman of Restaurant & Catering Association Victorian Council (since 2008), and a Trustee of Restaurant & Catering Association Education Foundation. He is also a board member of City of Melbourne's Melbourne Retail and Hospitality Advisory Board.

Dr Michele Allan

BOARD CHAIR APPOINTED 16 APRIL 2013 – RESIGNED 31 MAY 2015 (FORMER BOARD, BOARD DIRECTOR JUNE 2008, BOARD PRESIDENT AUGUST 2009 TO 15 APRIL 2013)

Director

Current roles include Chancellor – Charles Sturt University; Chair – Meat and Livestock Australia; Chair – Grains and Legumes Nutrition Council; Independent Non-Executive Director – Callaghan Innovation; Independent Non-Executive Director – CRC Hearing; Independent Non-Executive Director – Apple and Pear Australia Limited; Independent Non-Executive Director – Tasmanian Irrigation Pty Ltd; Fellow – Australian Institute of Company Directors, and Professional Member – Australia Institute of Food Science and Technology.

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

Other executive positions she has held have been: General Manager Research and Technology – Amcor; Interim Chief Executive Officer – Tasmanian Bioinformatics Centre of Excellence; General Manager Bioscience and Technology – Bonlac Foods; Corporate Quality and Environment Manager – Kraft Foods Limited, and Corporate Quality and Materials Manager – ICI Dulux.

Rick Aylett

APPOINTED 16 APRIL 2013 – RESIGNED 31 AUGUST 2015
(FORMER BOARD – MAY 2009 TO 15 APRIL 2013)

Industry Consultant

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

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

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

Brian Kearney

APPOINTED 22 MAY 2013 – RESIGNED 31 AUGUST 2015
(FORMER BOARD – MAY 2009 TO 15 APRIL 2013)

Chief Executive Officer Australian Hotels Association (Victoria)

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

Governance

Attendance at Board and Committee Meetings 2015

Board Member	Board	RR&BM	FARM	Building Fund	Annual Meeting
Astin, A (Board Chair from 1 June 2015)	7/7	1/1	1/1		1/1
Allan, M (Board Chair to 31 May 2015)	3/3	1/1			1/1
Aylett, R	3/5	0/1	0/3		1/1
Foster, D	7/7			1/1	1/1
Kearney, B	4/5		0/2		1/1
Lieberman, M	7/7		4/4		1/1
Minett, D	6/7	2/2	3/4	1/1	1/1
Pandazopoulos, J	0/0				0/0
Pignatelli, M	0/0				0/0
Ring, M	6/7	2/2	2/3		1/1
Schofield, B	7/7		4/4	1/1	1/1

Key:		
	FARM	Finance, Audit and Risk Management Committee
	RR&BM	Remuneration Review and Board Membership Committee

Dr A Astin PSM appointed Board Chair effective 1 June 2015.

Dr M Allan appointed as Board Chair effective 16 April 2013, resigned as Board Chair effective 31 May 2015.

Rick Aylett resigned as Ministerial Director effective 31 August 2015.

Brian Kearney resigned as Board Director effective 31 August 2015.

Hon John Pandazopoulos appointed Ministerial Director 1 December 2015.

Matteo Pignatelli appointed Board Director 1 December 2015.

The Board met seven times during the year. Institute Committees met seven times to review and monitor various aspects of the Institute's operations. An Annual Meeting was held on 25 May 2015. During 2015, no Board Members declared a potential pecuniary interest in issues discussed during Board meetings.

Board Composition

The Board consists of nine members:

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

The role of Board Secretary was held by Judy Slevison.

Governance Charter

The Board annually reviews the Board Governance Charter; this was undertaken in May 2015.

Code of Conduct

The Board originally developed and approved its own Code of Conduct in 2006, which is reviewed annually. The Code of Conduct outlines how the Board conducts its business.

It articulates that the Board is committed to the highest standards of good governance, professionalism, principles of transparency and service to all of the Institute's stakeholders. This Code of Conduct compliments the Institute's staff Code of Conduct and the State Government's Code of Conduct for public sector organisations.

Performance and Summary of Activities

The Board annually:

- Approves and submits the Strategic Plan to the relevant Minister
- Approves and submits the Annual Statement of Corporate Intent to the relevant Minister
- Approves the audited financial 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 by 30 June
- 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 agreed Board Members' Code of Conduct.

Board Committees

Finance, Audit and Risk Management Committee

Committee Members:

Beth Schofield (Chair), Anne Astin, Rick Aylett, Brian Kearney, Morris Lieberman, Dean Minett and Madelyn Ring.

Resignations from the Committee:

Anne Astin 1 June 2015
Rick Aylett 31 August 2015
Brian Kearney 31 August 2015

The main objective of the Finance, Audit and Risk Management (FARM) 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 of the Committee are described within the FARM Committee Terms of Reference and include detail relating to the areas of risk management, internal control, financial statements, legislative and policy compliance, internal and external audit and governance.

During 2015 the Finance, Audit and Risk Management Committee held four meetings.

Remuneration Review and Board Membership Committee

Committee Members:

Michele Allan (Chair to 31 May 2015), Anne Astin (Chair from 1 June 2015), Rick Aylett, Dean Minett and Madelyn Ring.

Resignations from the Committee:

Michele Allan 31 May 2015
Rick Aylett 31 August 2015

Responsibilities of the Committee are described within the Remuneration Review and Board Membership Committee Terms of Reference and include detail relating to the areas of employment conditions and remuneration for the CEO and Executive group, compliance with the Government Sector Executive Remuneration Panel (GSERP) guidelines and review of Board membership requirements.

During 2015 the Remuneration Review and Board Membership Committee held two meetings.

Building Fund Committee

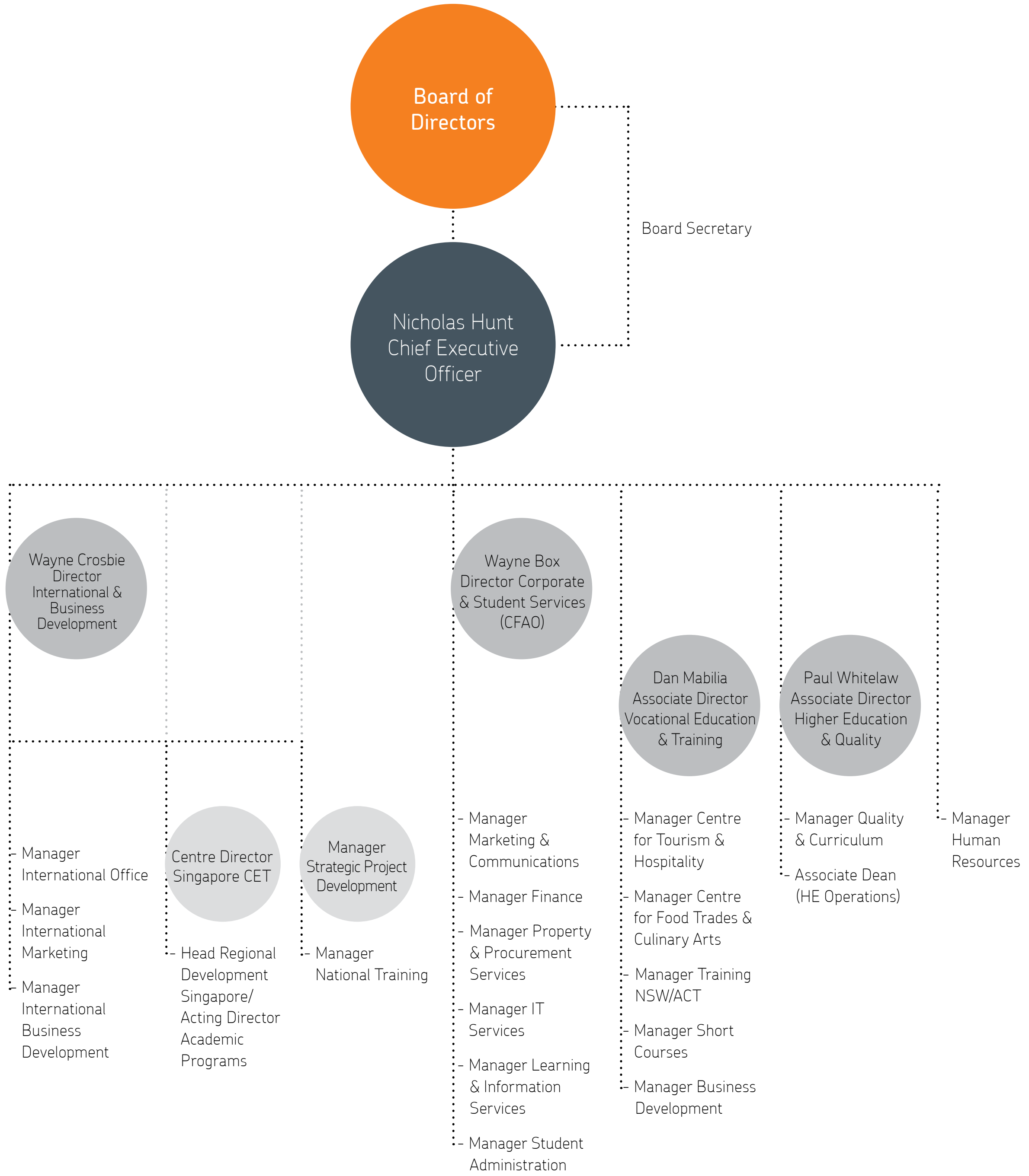
Committee Members:

Dean Minett (Chair), David Foster, Beth Schofield

Established in June 2015, the main objective of the WAI Building Fund Committee is to work with management on the development of the WAI Master Plan 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 WAI Master Plan.

During 2015 the Building Fund Committee held one meeting.

Organisational Structure



Executive Team

Nicholas Hunt
CHIEF EXECUTIVE OFFICER (CEO)

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

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

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

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

Nicholas holds a Bachelor of Arts (Hons), a Master of Education Policy (International) and is a Graduate of the Australian Institute of Company Directors (GAICD).

Wayne Box
DIRECTOR CORPORATE AND STUDENT SERVICES

The Corporate and Student Services Director is responsible for all administrative units of the Institute including financial and business analysis, information technology, marketing and student activities, corporate governance, student learning and information services, student records and enrolments, and property and procurement services.

The Corporate and Student Services Division also provides research, analysis and other data for the Institute's strategic and related planning processes. It prepares and responds to reports for the Executive and the Board as required.

The Corporate and Student Services Director is the Chief Finance and Accounting Officer for the Institute, and chaired the Occupational Health and Safety, Food Safety, Sponsorship, Environmental Sustainability committees, and the Information Technology Change Control Board in 2015.

Wayne has extensive strategic financial leadership experience across a range of industries including FMCG, events, media, not-for-profit, arts, education and public sector.

Wayne holds a Bachelor of Business (Accounting), is a Chartered Accountant (CA) and is a Graduate of the Australian Institute of Company Directors (GAICD).

Executive Team

Wayne Crosbie

DIRECTOR INTERNATIONAL AND BUSINESS DEVELOPMENT

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

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

Wayne has over 35 years' experience working within the tourism and hospitality industries. Wayne holds a Diploma of Education and a Bachelor of Business.

Dan Mabilia

ASSOCIATE DIRECTOR VOCATIONAL EDUCATION AND TRAINING (VET)

The Associate Director VET is responsible for the delivery of a diverse range of industry based and on campus VET programs offered in five areas: Centre for Tourism and Hospitality; Centre for Food Trades and Culinary Arts; William Angliss Institute Sydney Campus; Short Courses and Industry Training, and the Angliss International Hotel School.

The role works closely with the Director Corporate and Student Services, the Director International and Business Development and the Associate Director Higher Education and Quality to ensure the Institute maintains high quality training and support services to industry clients and to domestic and international students.

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

Dan has significant experience in the secondary education system, program management roles in the delivery of labour market training programs and the hospitality industry. In the last 18 years, Dan has built his knowledge and expertise in vocational education and training at William Angliss Institute, undertaking many teaching and executive roles and chaired the Victorian TAFE International Association.

Dan holds VET training qualifications, a Bachelor of Science Education and a Postgraduate Diploma in Business Administration.

Paul A Whitelaw (PhD)

ASSOCIATE DIRECTOR HIGHER EDUCATION AND QUALITY

The Associate Director Higher Education and Quality is responsible for the delivery of Higher Education courses offered by the Institute. At this stage, this includes five undergraduate degree programs: Bachelor of Tourism and Hospitality Management, Bachelor of Culinary Management, Bachelor of Event Management, Bachelor of Food Studies and Bachelor of Resort and Hotel Management. Plans are underway to expand this with bachelor-level courses in institutional management and professional cookery. Long term, the area will seek permission to accredit and deliver both bachelors and masters level courses.

The role is also responsible for supporting teaching areas to comply with the various State and Commonwealth compliance frameworks by which the Institute is registered to deliver both Vocational and Higher Education courses. This involves establishing, maintaining and documenting policies, procedures and systems that ensure that the Institute's courses are of the highest standard and meet both State and Commonwealth legislative and regulatory requirements.

Prior to joining the Institute, Paul had over 20 years' experience in various teaching and executive roles at the School of Hospitality, Tourism and Marketing in the Faculty of Business at Victoria University, and nearly 15 years' experience in various line and executive positions in the hospitality industry as well as rigorous academic training in finance, accounting and statistics.

Paul completed his PhD on career progression in the hospitality industry, he holds a Masters of Business (Finance), a Bachelor of Business Accounting (Dist.), a Bachelor of Business Catering and Hotel Management (Dist.) and a Certificate of Business Studies (Marketing).

Performance Statement

During 2015 the Institute worked towards achieving key performance targets. The table below provides a snapshot of these measures.

Key Performance Indicators 2015	Actual 2014*	Target 2015	Actual 2015*	Variance 2015 Actuals vs. Targets	Variance Explanations
Educational					
Enrolled Student Contact Hour (SCH)	4,931,428	4,512,653	4,447,265	-65,388	The variance at 1.4% is minimal.
Course Enrolments	23,250	24,123	20,644	-3,479	The reduction in course enrolments reflects a shift to qualifications which are longer in duration, hence a similar level of SCH delivery with a lesser number of enrolments.
Module Load Completion Rate	88.36%	80.00%	91.03%	11.03%	Overall improved outcomes for students through better student engagement and blended delivery models. Larger percentage of the student cohorts have higher levels of ability with respect to language, literacy and numeracy.
Student Satisfaction	76.50%	80 - 90%	74.40%	-5.60%	Student expectations remain high and there has been limited capacity to rebuild student services to meet student expectations.
Industry Satisfaction	68.50%	78-85%	65.60%	-12.400%	Industry expectations remain high and employers are seeking more customised programs and expecting higher levels of skill development for their apprentices.
Financial					
Revenue	$55.949m	$56.068m	$59.726m	$3.658m	"Government support through specific project funding was recognised as revenue which offset the decline in VET training revenue.
Surplus/Deficit (excluding Capital Income and Depreciation)	$2.238m	$0.603m	$5.836m	$5.233m	The 2015 Actual includes project funding which was not included in target.
Working Capital Ratio	1.37	>1:1	1.77	0.77	Improved cash position at the end of the year positively impacted on working capital ratio.
Return On Investment	-0.9%	0.6%	2.6%	2.0%	The increase in revenue and profitability resulted in favourable movement.
Employment costs as a proportion of Training Revenue	79.1%	N/A	76.7%	N/A	Employment costs have decreased during 2015.
Training Revenue per Teaching FTE	$205.16	N/A	$222.54	N/A	Revenue generated has remained steady while training costs decreased during 2015.
Operating Margin %	-1.7%	N/A	5.1%	N/A	The Revenue includes government project funding.
Revenue Diversity - Government vs. Non Government Funded Training	29% vs 71%	N/A	25% vs 75%	N/A	The shift towards non government funded revenue reflects the increase in student fees for both government supported and full fee paying students.
People Management					
Full Time Equivalent (excluding casuals)	270	289.5	258.2	-31.3	Reduction in staff reflects operating efficiencies.
Staff Satisfaction	79.90%	**70%	**66%	-4%	Staff expectations remain high.
Lost time due to injuries	53 days	< 90 days	77 days	-13	Positive result due to fewer accidents and injuries occurring.

*Actual result is for William Angliss Institute of TAFE Consolidated entity

'** New survey (VPSC People Matters) implemented in 2015 with revised target

Performance Statement

William Angliss Institute
Specialist centre for foods, tourism, hospitality & events

PERFORMANCE STATEMENT FOR 2015

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

In our opinion, the accompanying Statement of Performance of the William Angliss Institute consolidated entity, in respect of the 2015 financial year, is presented fairly in accordance with Departmental guidelines.

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.

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 PSM
Board Chair

Date 29 April 2016

Place Melbourne

Nicholas Hunt
Chief Executive Officer

Date 29 April 2016

Place Melbourne

Wayne Box
Chief Finance and Accounting Officer

Date 29 April 2016

Place Melbourne

William Angliss Institute
Established 1940
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RTO No. 3045 HEP 9534
CRICOS Provider No. 01505M

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Performance Statement - Auditor's Report

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board members, William Angliss Institute of TAFE

Performance Statement

I have audited the accompanying performance statement for the year ended 31 December 2015 of the William Angliss Institute of TAFE, which comprises the statement, the related notes and the declaration by the board chair, chief executive officer and chief finance and accounting officer.

The Board members' Responsibility for the Performance Statement

The Board members of William Angliss Institute of TAFE are responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the performance statement of the William Angliss Institute of TAFE in respect of the 31 December 2015 financial year presents fairly, in all material respects.

MELBOURNE
3 May 2016

for Dr Peter Frost
Acting Auditor-General

Auditing in the Public Interest

THE INSTITUTE'S INTERNATIONAL STUDENTS COMPRISE 37% OF THE STUDENT POPULATION.

Compliance

Freedom of Information

The Institute respects the right of the public under the *Freedom of Information Act (VIC) 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 and charges may apply in accordance with the Victorian Freedom of Information (Access Charges) Regulations 2014.

For the period 1 January 2015 to 31 December 2015 there no requests for information received under the Freedom of Information Act by the Institute.

Compliance with the *Building Act 1993*

The Institute has established policies and mechanisms to ensure that works to existing buildings conform to building standards and statutory obligations, which relate to health and safety matters. All Institute works conform to building regulations and appropriate building permits and compliance certificates were obtained.

Compliance with the *Protected Disclosure Act 2012*

The Institute does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct.

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

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

Street address:
Level 1, North Tower, 459 Collins St, Melbourne, VIC 3000

Postal address:
GPO Box 24234, Melbourne, VIC 3001

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

Email: See the IBAC website for means of electronic contact.

For the period 1 January 2015 to 31 December 2015, the Institute did not become 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 Sector Travel Principles

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

Compliance with the *Carers Recognition Act 2012*

William Angliss Institute is compliant with the *Carers Recognition Act 2012* and implements the provisions of the staff EBAs and Institute policy annually to ensure compliance with the Act.

STUDENTS GRADUATE FROM THE NATIONAL INDIGENOUS TRAINING ACADEMY AT VOYAGES AYERS ROCK RESORT.

Compliance with other Legislation and Subordinate Instruments

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

- *Education and Training Reform Act 2006 (ETRA)*
- *William Angliss Institute of Technical and Further Education Constitution Order 2013*
- *TAFE Institute Commercial Guidelines*
- *TAFE Institute Strategic Planning Guidelines*
- Directions of the Minister for Training and Skills (or predecessors)
- *Financial Management Act 1994*
- *Public Administration Act 2004*
- *Building Act 1983*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*
- *Freedom of Information Act 1982*

Risk Management

I, Nicholas Hunt certify that as at 31 December 2015 William Angliss Institute has complied with the *Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes* and the Finance, Audit and Risk Management Committee verifies this.

Nicholas Hunt
Chief Executive Officer
22 February 2016

Major Commercial Activities

During the period 1 January 2015 to 31 December 2015 there were no major commercial activities to report.

Capital Projects

During the period 1 January 2015 to 31 December 2015 there were no capital building projects undertaken.

Additional Information Available on Request

Consistent with the *Financial Management Act 1994* and in line with the Institute's Freedom of Information policy, further information on the following is available upon request from the Institute:

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

These requests should be directed to:

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

Human Resources

Institute staff are offered a range of learning and development opportunities each year to ensure that employees acquire the skills and knowledge to meet current and future requirements of the Institute as outlined in the Institute's Strategic and Workforce Management Plans.

Learning and Development

The Institute has a workforce that spans Victoria, New South Wales, Queensland, South Australia, Western Australia and Northern Territory and has international joint campuses arrangements with partner education institutions in China (Hangzhou, Zhongshan and Nanjing), Malaysia (Kuala Lumpur), Thailand (Bangkok), Sri Lanka (Colombo) and a standalone Tourism Continuing Education and Training (CET) Centre in Singapore.

The Institute prides itself on attracting and retaining staff who are capable of providing quality skills solutions to industry and government. The Institute is seen as offering appealing career prospects and is attracting high numbers of quality candidates.

In 2015, the Institute offered a wide variety of learning and development activities to ensure that all employees acquire the skills and knowledge to meet the current and future requirements of the Institute and to assist employees in their career development. The focus on workforce learning and development contributes to the Institute's position as the State government endorsed Specialist Centre for Foods, Tourism, Hospitality and Events. To ensure that the abilities of the Institute's staff support its operational intent, the focus this year was on the following:

- People management training
- Systems training
- Compliance training
- Change management

The Institute supported a number of staff during the year by providing financial assistance, via an application process, to obtain a formal qualification to enable staff to perform their role more effectively and to enhance their career development.

William Angliss Institute was also awarded five grants by the VET Development Centre in 2015 that enabled individuals and teams to undertake training to address workforce development needs.

Scholarly Profile

The Institute's 'Scholarly Profile' was updated to reflect the 2015 activities and this has been positively benchmarked against the Institute's previous research activity with respect to research publications, seminar attendance, conference participation, various scholarly projects, funded and self-directed research projects along with academic and industry association membership.

Off Shore Opportunities

Staff members also had the opportunity to undertake personal and professional development overseas in 2015. This was made available through the Institute's diverse international project work and global network of industry and education partners. Throughout the year, staff also presented at a number of local and international events.

Reward and Recognition

In 2015, a number of employees were recognised and presented awards for demonstrating outstanding achievements in the areas of Client Service Excellence, Innovation, Teaching Excellence and Occupational Health and Safety.

Workforce Data

Overall, the Institute workforce decreased by 5.3 Equivalent Full-time (EFT) employees in 2015 compared to the 2014 staffing figures. The following table provides a snapshot of staff numbers as at 31 December 2015.

Employment and Conduct Principles

In 2015, the Institute continued to support the employment and conduct principles via the provision of induction information for new staff, and training for all staff informing them of their rights and responsibilities. Employees have been correctly classified in workforce data collections prepared during the 2015 calendar year.

The Institute reviewed its approach to managing conflict of interest in line with guidance material from the Victorian Public Sector Commission.

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

As at 31 December

Occupational Health And Safety Measure		2013	2014	2015
Incidents	Number of incidents	25	24	20
	Rate per 100 FTE	8.93	9.26	7.75
Claims	Number of standard claims	6	1	3
	Rate per 100 FTE	2.14	0.37	1.16
	Number of lost time claims	6	3	3
	Rate per 100 FTE	2.14	1.11	1.16
	Average cost of standard claims	$3888	$4569	$4789
Fatalities	Number of fatality claims	Nil	Nil	Nil
Incident Reporting	% reported within 2 days of occurrence	66%	87%	70%
Lost time	Number of lost days	91	53	72
Training	Manager/Supervisor attendance at mandatory safety and related people management training	68%	72%	75%

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 2015 continues the Institute's focus on 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.

In relation to preventative strategies, selected aspects of the Institute's safety management practices were the subject of internal spot audits to measure the effectiveness of their application. This included a review of work undertaken at heights with a focus on fall prevention. In addition, policies on smoking and prevention of bullying were reviewed and republished during the year.

Mandatory on-line training for staff (incorporating occupational health and safety and workstation ergonomics) was also reviewed and updated. In addition to training, 16 employees received one to one assistance in improving their workstation ergonomics. To support the health of employees the Institute also provides an annual flu vaccination program with 94 employees receiving vaccination in 2015.

Injury management performance is regularly monitored through a range of performance measures. These include 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 contributes to improvements in workplace culture, employee satisfaction and reduced workers compensation insurance costs.

In general, there has been a gradual reduction in the number of incidents reported and a lower number of both standard and lost time claims since 2013. Average claims cost has seen a gradual increase due to the nature of the injuries and associated lost time.

Industrial Relations

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

In 2015, negotiations took place for both Teacher and Professional, Administrative, Clerical, Computing and Technical (PACCT) Staff Enterprise Agreements. An interim multi-employer agreement (MEA) was approved by the Fair Work Commission for Teachers until 2 July 2016 and came in to effect on 2 December 2015. Agreement on an enterprise bargaining agreement (EBA) for PACCT staff was reached on 22 October 2015 which is awaiting approval.

As at 31 December 2015

Teaching Staff		F/Time	P/Time	Total	EFT
Ongoing	Female	34	15	49	43.4
	Male	44	5	49	46.9
Fixed term	Female	10	3	13	12.0
	Male	15	1	16	15.3
Subtotal		103	24	127	117.6
Casual**	Female	-	19	19	10.2
	Male	-	19	19	10.5
Subtotal		-	38	38	20.7
TOTAL		103	62	165	138.3
Non-Teaching Staff		**F/Time**	**P/Time**	**Total**	**EFT**
Executive Officers	Female	0	0	0	0
	Male	5	0	5	5
Subtotal		5	0	5	5.0
PACCT* ongoing	Female	65	22	87	78.3
	Male	38	2	40	39.4
PACCT fixed term	Female	14	1	15	12.9
	Male	5	0	5	5.0
Subtotal		122	25	147	135.6
TOTAL		127	25	152	140.6
Total Female		123	60	183	156.8
Total Male		107	27	134	122.0
Grand Total		230	87	317	278.9

* Professional, Administrative, Clerical, Computing and Technical Staff

** Casual data based on labour effort reported in last pay period in December.

Executive staff employed and classified as executive officers under Part 3 of the *Public Administration Act 2004*	
Age	Employee (Headcount)
Under 25	-
25-34	-
35-44	-
45-54	3
55-64	2
Over 64	-

Staff Declaration of Outside Employment and Pecuniary Interests

Employees who have obtained simultaneous employment with employers other than the Institute, while employed at the Institute, are required to complete the Institute's Declaration of Outside Employment/Conflict of Interest form for approval.

In 2015 declarations were received from 66 employees.

As at 31 December 2014

Teaching Staff		F/Time	P/Time	Total	EFT
Ongoing	Female	36	13	49	43.9
	Male	51	5	56	53.1
Fixed term	Female	10	5	15	12.7
	Male	13	1	14	13.3
Subtotal		110	24	134	123.0
Casual**	Female	-	42	42	9.8
	Male	-	47	47	12.4
Subtotal		-	89	89	22.2
TOTAL		110	113	223	145.2
Non-Teaching Staff		**F/Time**	**P/Time**	**Total**	**EFT**
Executive Officers	Female	0	0	0	0
	Male	6	0	6	6
Subtotal		6	0	6	6
PACCT* ongoing	Female	63	23	86	77.8
	Male	40	2	42	41.5
PACCT fixed term	Female	15	3	18	17.0
	Male	5	0	5	5.0
Subtotal		123	28	151	141.3
Other ongoing	Female	0	0	0	0
	Male	0	0	0	0
Other fixed term	Female	0	0	0	0
	Male	0	0	0	0
Subtotal		0	0	0	0
TOTAL		129	28	157	147.3
Total Female		124	86	210	161.2
Total Male		115	55	170	131.3
Grand Total		239	141	380	292.5

* Professional, Administrative, Clerical, Computing and Technical Staff

** Casual data based on labour effort reported in last quarter 2014

Executive staff employed and classified as executive officers under Part 3 of the *Public Administration Act 2004*	
Age	Employee (Headcount)
Under 25	-
25-34	-
35-44	2
45-54	3
55-64	1
Over 64	-

Environmental Impacts

Energy

The Institute consumes energy for a number of different uses including: office facilities, theory classrooms, three restaurants, two retail food outlets, Conference Centre, 12 training kitchens, confectionery centre 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.

	2014			2015		
Indicator	Electricity	Natural gas	Green power	Electricity	Natural gas	Green power
Total energy usage	3109.7 MWh	10495 GJ	777.4 MWh	3,003.9MWh	12,450GJ	750.97MWh
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tCO2e)	4561.88	670.61	0	4406.72	797.05	0
Percentage of electricity purchased as green power	25%	-	-	25%	-	-
Units of energy used per Student Contact Hour (MJ/SCH)	2.36	2.34-	-	2.52	3.23-	-

Waste

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

	2014				2015			
Indicator	General	Commingled recycling	Cardboard	Glass	General	Commingled recycling	Cardboard	Glass
Total units of waste disposed of by destination (kg/yr)	239,563	22,464	20,019	1,740	237,420	36,912	23,897	2,040
Units of waste disposed of per FTE by destinations (kg/FTE)	819	77	68	6	826	128	83	7
Recycling rate (percentage of total waste)	15.6%				16%			

Actions Undertaken

- Green WAI intranet site regularly updated with statistical information and the promotion and encouragement of recycling benefits in 2015.

Targets

- Increase recycling rate to 25% by December 2016

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	2014	2015
Total units of copy paper used (reams)	4314	3,636
Units of copy paper used per FTE (reams/FTE)	14.74	12.66
Percentage of 100% recycled content copy paper purchased	1.2%	3%
Percentage of 75% recycled content copy paper purchased	N/A	N/A
Percentage of 50% recycled content copy paper purchased	3.7%	N/A

Water

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

Indicator	2014	2015
Total units of metered water consumed by usage types (kilolitres)	21,830	21,779

Actions Undertaken

- Rectify water leakage requests as soon as practicable.
- Additional 22,000 litre water tanks installed onto the site for the rain garden

Transportation

The data in the table is derived from kilometres and fuel usage from the Institute's 15 vehicle fleet Australia-wide.

Indicator	2014	2015
Total kilometres travelled from vehicle fleet	282,809	271,121
Total litres used from vehicle fleet	22,678	21,083
Total distance travelled by air (kilometres)	46,955#	1,672,936

Domestic air travel only for 3 months in 2015

Greenhouse Gas Emissions

Indicator	2014	2015
Total Greenhouse Gas Emissions associated with energy use (tonnes CO2-e)	5232.49	5354.85
Total Greenhouse Gas Emissions from vehicle fleet (tonnes CO2-e)	56.695	52.707
Total Greenhouse Gas Emissions from air travel (tonnes CO2-e)	11.92#	318.59
Total Greenhouse Gas Emissions associated with waste disposal (tonnes CO2-e)	263.51	261.23

Domestic air travel only for 3 months in 2015

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.

Environmental 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, teaching cookery specifically requires the running of many large ovens, water supply including supply of hot water for hygiene requirements and some food waste. The Institute continues to introduce sustainable practices to manage these resources and reduce waste.

Stage 2 of the Rain Garden Project

To further enhance our facilities and offer more involvement and opportunities to connect with our environment, food production, and environmental sustainability, the second stage of the Rain Garden project was completed in 2015.

This stage included the establishment of an outdoor classroom which incorporated an outdoor cooking practical demonstration area, solar lighting, retractable awning and seating for up to 25 students.

Further enhancements to the edible garden included directional signage and on-site composting and worm farms. An environmental pond, designed to provide beneficial fresh water to insects and bees, was also installed.

This project is a versatile learning tool for students who can experience edible plants in their native state, helping put learning into holistic practice and helps reinforce the Institute as a specialist training centre.In 2015 the Institute:

- Purchased renewable green energy sources for 25% of all electricity usage at the Melbourne campus
- Introduced worm farms to fertilise the Rain Garden by using food scraps from training kitchens
- Removed 20 individual desk printers by introducing 'follow me' photocopiers (MFD's).
- Reduced the number of MFD's by 28 units by strategically positioning them into common locations
- Purchased four cylinder Holden Cruze Institute fleet vehicles as the preferred fleet vehicle
- Encouraged staff to use public transport with discounted 'Commuter Club' membership (six continuous years)
- Aimed for best practice in energy and environmental management through a strategic action plan, reviewed for progress and updated each year
- Conducted a lighting audit of the entire Melbourne campus in order to reduce energy consumption throughout the site.

Fees and Charges

In 2015, fees payable by enrolling students were made up of three components:

1. Tuition contributions

Tuition contributions were charged as an hourly rate which varied from course to course. A large portion of the tuition fee was subsidised by the Victorian Government as part of the Victorian Training Guarantee (VTG).

- The fees were calculated based on the number of hours of enrolment per calendar year, at a rate that varied depending on the course.
- All hourly rates were set by the Institute as part of the budget process.
- Those students eligible for concession fees paid 20 per cent of the published standard hourly rate.

2. General services fee set by the Institute

General services fees are applicable to all students attending on-campus. Those students who met the eligibility criteria for the VTG were charged general services fees at a minimum of 50 cents per nominal hour enrolled per calendar year. For those students who did not meet the eligibility criteria, the general services fees were built into the course tuition fee.

- General services fees contribute to the provision of the following student services: counselling, careers, resources, library, student user account, wireless internet and a wide range of student facilities including the student portal.

3. Class materials

Class materials fees are charged to cover the costs of materials and other incidentals. This fee varied according to the course being undertaken.

In addition to the general services and class materials fees, the Institute made the following charges to students for services provided at times other that the completion of the academic year, or completion of a student's course:

First Issue of a certificate (includes results on transcript paper)	free
First issue of an RSA certificate	$15
Reissue of a certificate any type	$40
Archived results	$60
Archived certificate	$60
Results on plain paper	free
Results on transcript paper	$10
Reinstatement Fee	$100
Replacement Student ID Card	$25
Administration fee for making changes to Short Course bookings	$20
Re-issue of Letter of Completion*	$10
Re-issue of letter for legal purposes*	$10
Telegraphic Transfer (TT) of tuition fees*	$25
No-show for pre-booked airport reception service*	$60
Penalty for late tuition fee payment (per week)*	$100
Re-issue of Letter of Offer*	$100
Re-issue of Confirmation of Enrolment*	$150

*: International Students

Publications and Research

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

Books

- Rose, N. (2015). (Ed.). Fair food: Stories from a movement changing the world. Australia: Penguin Books.

Book Chapters

- Chhetri, P., Jayatillake, G., Gekara, V., Manzoni, A., & Corbitt, B. (2015). Simulating the impact of extreme weather events on port operation. In R. Sharma, S. Asthana & C.S. Lalwani (Eds.), *Global supply chain management and emerging markets.* New Delhi: Bloomsbury.
- Lockstone-Binney, L., Smith, K., Holmes, K., & Baum, T. (2015). Exploring future forms of event volunteering. In I. Yeoman, M. Robertson, U. McMahon-Beattie, E. Backer & K. Smith (Eds.), *The future of events & festivals* (pp. 175-186). Routledge Advances in Events Book Series. London: Routledge.
- Winter, C., & Young, W. (2015). Fatalities and fascinators: A new perspective on thoroughbred racing. In N. Carr (Ed.), *Domestic animals and leisure* (pp. 241-258). London: Palgrave MacMillan.
- Winter, C. (2015). The Pozières son et lumière: Peace and memory after the Great War. In A. Jepson & A. Clarke (Eds.), *Exploring community festivals and events* (pp. 212-223). London: Routledge.

Refereed Journal Articles

- Frost, W., Laing, J., & Williams, K. M. (2015). Exploring the contribution of public art to the tourist experience in Istanbul, Ravenna and New York. *Journal of Heritage Tourism,* 10(1), 57-73.
- Lockstone-Binney, L., Holmes, K., Smith, K., Baum, T., & Storer, C. (2015). Are all my volunteers here to help out? Clustering event volunteers by their motivations. *Event Management,* 19(40), 461-477.
- Manzoni, A., & Islam, S. M. N. (2015). Corporate social responsibility and organisation behaviour. *Corporate ownership and control,* 12(4), 647-652.
- McWha, M., Frost, W., Laing, J., & Best, G. (2015) Writing for the anti-tourist? Imagining the contemporary travel magazine reader as an authentic experience seeker, *Current Issues in Tourism,* 19(1). DOI: 10.1080/13683500.2015.1013525.
- Tolkach, D., King, B, & Whitelaw, P. (2015). Creating Australia's National Landscapes: Issues of collaborative destination management. *Journal of Destination Marketing & Management,* published online December 9 2015, DOI: http://www.sciencedirect.com/science/article/pii/S2212571X15000542.
- Whitelaw, P., & Wrathall, J. (2015). Developing practice orientated undergraduate courses in a quality framework: a case study: Bachelor of event management. *Quality Assurance in Education,* 23(4), 395-409.
- Winter, C. (2015). Social memory and battle names: Exploring links between travel, memory and the media. *Tourism and Hospitality Research,* published online December 29, DOI: 10.1177/1467358415624006.
- Winter, C. (2015). Ritual, remembrance and war: Social memory at Tyne Cot. *Annals of Tourism Research,* 54, 16-29.

Funded Research Projects

Creating and sustaining a strong future for volunteering in Australia

Funding Scheme: Australian Research Council, Linkage Projects Scheme - $203,144, 2015-2017

This project is conducted by Associate Professor Kirsten Holmes, Curtin University, Associate Professor Debbie Haski-Leventhal, Macquarie University and Associate Professor Leonie Lockstone-Binney, William Angliss Institute, Professor Melanie Oppenheimer, Flinders University and Professor Lucas Meijs, Erasmus University.

Volunteering is essential to organisations, communities and societal wellbeing across Australia. Yet, not enough people volunteer in Australia and as such, some services cannot be delivered. The aim of this study is to understand what motivates people to volunteer, what prevents some from doing so, and what can be done to help more people start to volunteer in a range of sectors, including tourism and events.

The project is funded by the Australian Research Council with additional partner funding from William Angliss Institute, Volunteering South Australia/NT, Volunteering Victoria, Volunteering WA and the WA Department of Local Government and Communities.

Evaluating the volunteering infrastructure legacy of the Olympic Games: Sydney 2000 and London 2012

Funding Scheme: Advanced Olympic Research Grant Programme, Olympic Studies Centre, International Olympic Committee (IOC) - $19,500 USD, 2015-2016.

The project is conducted by Associate Professor Leonie Lockstone-Binney, William Angliss Institute (Project Leader); Associate Professor Kirsten Holmes, Curtin University, Australia; Professor Karen Smith, Victoria University Wellington, New Zealand; Dr Richard Shipway, Bournemouth University, United Kingdom.

This study seeks to examine how Olympic and Paralympic Games' have transformed volunteering within host cities before, during and after the events. Two Games will be used as case studies: the recent case of London 2012 and the longer term case of Sydney 2000. The study will identify how Olympic volunteer programs can lead to post-Games volunteering legacies for host cities through engagement with the established volunteer management infrastructure and in doing so, it will provide new insights into best practice Games volunteer management that may inform future host city bids and Games planning for sustainable positive volunteering legacies.

Financial Summary

Summary of Financial Results

	Consolidated				
	2015	2014	2013	2012	2011
	$'000	$'000	$'000	$'000	$'000
Revenue	59,726	55,949	51,990	60,377	57,295
Expenditure	56,707	56,887	58,113	61,413	58,215
Assets	140,181	123,483	124,333	117,454	114,656
Liabilities	15,666	15,534	15,461	12,468	11,885

Summary of Significant Changes in Financial Position

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

Summary of Operational and Budgetary Objectives

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

The Institute Achieved

Student contact hours delivered were 98.6% of target.

An overall module-based completion rate of 91.03% in 2015 was better than the target of 80%.

Consultancies

In 2015, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure was $151,790 (ex GST). There were ten consultancies where the total fees payable were less than $10,000. The total expenditure incurred was $30,447.

Business Consolidation

Consolidated revenue for the year was $59.7 million. Main revenue streams include Government contract, commercial revenue and international activity.
The Institute's overseas operations including overseas projects and Singapore subsidiary are included in the consolidated financial statements.

Financial Viability

The consolidated operating profit (including capital and depreciation) for the year was $3.0 million. Total current assets in 2015 were $22.6 million with current liabilities of $12.8 million. Events subsequent to balance date— nil.

Organisational Viability

The Institute's commitment to responsible financial management and planning was maintained in 2015. Financial performance was impacted directly by the adjustment to government subsidy rates late in 2013 and the flow on effect of reduced industry engagement.

The William Angliss Institute's revenue of $59.7 million (excluding capital contributions) was higher than budget for the year and generated a surplus of $5.8 million before capital, depreciation and fixed asset write off. The Institute also maintained a working capital ratio of 1.77 at year-end. The Institute's total assets were valued at $140 million, an increase of $16.6 million from 2014.

Consultants

Consultancy valued in excess of $10,000	Description	$	Future Commitment $
EDWARDS MOORE	Architectural services	90,715	53,100
BIRUU PTY LTD	Strategic Analysis	21,818	
PITCHER PARTNERS	Review of strategy regarding TAFE Structural Adjustment Fund Project	21,532	26,790
OCCCORP PTY LTD	OH&S Management Strategies	17,724	

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

Liabilities & Disclosures

Disclosures of Ex-Gratia Payments

In 2015 there were no ex-gratia payments made by the Institute.

Disclosures of Remuneration of Executive Officers

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

Key management personnel disclosures	Consolidated		Institute	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Base remuneration of executive officers	721	797	721	797
Total remuneration of executive officers	801	919	801	919

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

	Consolidated		Institute	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Income range				
Less than $10,000	3	1	2	1
$10,000 - $19,999	-	3	-	3
$20,000 - $29,999	8	-	8	-
$30,000 - $39,999	-	6	-	6
$40,000 - $49,999	1		1	
$60,000 - $69,999	-	1	-	1
$190,00 - $199,999	-	1	-	-
$200,00 - $209,999	1	-	-	-
Total number of Responsible Persons	13	12	11	11

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 $189K outstanding contributions payable to the above funds.

Activity Table

Note A1 – Operating Statement					
Total operating Expenses	Note	Consolidated		The Institute	
		2015	2014	2015	2014
		$000	$000	$000	$000
Delivery provision and support activity	A2	31,497	31,517	30,696	31,517
Administration and general services activity	A3	7,137	7,726	7,137	7,726
Property, plant and equipment services activity	A4	6,122	6,072	6,122	6,072
Student and other activity	A5	11,951	11,572	8,822	6,877
Total Operating Expenses		56,707	56,887	52,777	52,192

Note A2 – Operating Statement					
Delivery provision and support activity	Note	Consolidated		The Institute	
		2015	2014	2015	2014
		$000	$000	$000	$000
Salaries, wages, overtime and allowances		16,684	16,351	16,312	16,351
Superannuation		1,498	1,444	1,463	1,444
Payroll Tax		842	822	823	822
Other salary related costs		138	26	131	26
Communication expenses		87	109	86	109
Consumables		1,918	1,784	1,918	1,784
Contract Services		24	26	24	26
Energy Costs		50	53	50	53
Equipment		71	24	71	24
Fees		687	603	511	603
Rent/Leasing charges		1,113	1,118	1,113	1,118
Repairs & maintenance		269	32	269	32
Travel & motor vehicle expenses		369	119	184	119
Other direct delivery expenses		7,747	9,006	7,741	9,006
		31,497	31,517	30,696	31,517

Note A3 – Operating Statement					
Administration and general services activity	Note	Consolidated		The Institute	
		2015	2014	2015	2014
		$000	$000	$000	$000
Salaries, wages, overtime and allowances		3,946	4,529	3,946	4,529
Superannuation		436	360	436	360
Payroll Tax		187	207	187	207
Other salary related costs		33	130	33	130
Communication expenses		57	25	57	25
Consumables		270	624	270	624
Contract Services		4	5	4	5
Equipment		12	34	12	34
Fees		1,051	820	1,051	820
Rent/Leasing charges		8	19	8	19
Repairs & maintenance		16	6	16	6
Travel & motor vehicle expenses		98	86	98	86
Other expenses		1,019	881	1,019	881
		7,137	7,726	7,137	7,726

Note A4 – Operating Statement					
Property, plant and equipment services activity	Note	Consolidated		The Institute	
		2015	2014	2015	2014
		$000	$000	$000	$000
Salaries, wages, overtime and allowances		734	694	734	694
Superannuation		61	58	61	58
Payroll Tax		34	34	34	34
Other salary related costs		7	6	7	6
Communication Expenses		14	12	14	12
Consumables		17	17	17	17
Contract Services		395	382	395	382
Depreciation		2,617	2,931	2,617	2,931
Energy Costs		629	593	629	593
Fees		6	-	6	-
Rent/Leasing charges		174	185	174	185
Repairs & maintenance		375	222	375	222
Travel & Motor Vehicle Expenses		11	1	11	1
Other expenses		1,048	937	1,048	937
		6,122	6,072	6,122	6,072

Note A5 – Operating Statement					
Student and other activity	Note	Consolidated		The Institute	
		2015	2014	2015	2014
		$000	$000	$000	$000
Salaries, wages, overtime and allowances		5,237	4,955	3,973	3,029
Superannuation		350	335	297	226
Payroll Tax		162	143	153	119
Other salary related costs		83	76	28	24
Communication expenses		41	33	16	22
Consumables		839	311	823	290
Contract Services		-	1	-	-
Depreciation		105	230	-	-
Energy Costs		25	28	-	-
Equipment		165	15	9	9
Fees		590	644	726	625
Rent/Leasing charges		916	1,002	3	2
Repairs & maintenance		193	25	5	1
Travel & Motor Vehicle Expenses		422	1,021	213	195
Other expenses		2,823	2,753	2,576	2,335
		11,951	11,572	8,822	6,877

Financial Report Declaration

Declaration

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2015

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

We certify that the attached financial statements for the William Angliss Institute of TAFE has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994* , applicable Financial Reporting Directions issued under that legislation, *Australian Charities and Not for Profit Commission Act 2012* , Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement , balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2015 and financial position of the Institute and the consolidated entity as at 31 December 2015.

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

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

Board Chair
Dr A Astin PSM
Date: 29 April 2016

Melbourne

Chief Executive Officer
Mr N Hunt
Date: 29 April 2016

Melbourne

Chief Finance and Accounting Officer
Mr W Box
Date: 29 April 2016

Melbourne

Financial Report - Auditor's Report

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board members, William Angliss Institute of TAFE

The Financial Report

I have audited the accompanying financial report for the year ended 31 December 2015 of the William Angliss Institute of TAFE which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by the board chair, chief executive officer and chief finance and accounting officer. The consolidated entity comprises the Institute and the entities it controlled at the year's end or from time to time during the financial year.

The Board members' Responsibility for the Financial Report

The Board members of the William Angliss Institute of TAFE are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Financial Report - Auditor's Report

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards, relevant ethical pronouncements and the *Australian Charities and Not-for-profits Commission Act 2012*.

I confirm that I have given to the Board members a written independence declaration, a copy of which is included in the Board members Report.

Opinion

In my opinion, the financial report of William Angliss Institute of TAFE is in accordance with the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Institute's and the consolidated entity's financial position as at 31 December 2015, and of their financial performance and cash flows for the year ended on that date

(b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Regulation 2013*.

MELBOURNE
3 May 2016

for Dr Peter Frost
Acting Auditor-General

Auditing in the Public Interest

Financial Report

Comprehensive Operating Statement – William Angliss Institute of TAFE

for the year ended 31 December 2015

		Consolidated		Institute	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Continuing operations					
Income from transactions					
Government contributions - operating	2(a)(i)	**21,332**	18,390	**21,332**	18,390
Sale of goods and services	2(b)	**36,593**	35,739	**32,957**	32,211
Interest	2(c)	**275**	165	**219**	109
Other income	2(d)	**1,526**	1,655	**887**	844
Total income from transactions		**59,726**	**55,949**	**55,395**	**51,554**
Expenses from transactions					
Employee expenses	3(a)	**30,379**	30,113	**28,569**	28,001
Depreciation and amortisation	3(b)	**2,722**	3,161	**2,618**	2,931
Bank fees	3(c)	**113**	102	**110**	100
Grants and other transfers	3(d)	**74**	61	**2**	7
Supplies and services	3(e)	**13,503**	15,203	**13,360**	15,063
Other operating expenses	3(f)	**9,916**	8,247	**8,118**	6,090
Total expenses from transactions		**56,707**	**56,887**	**52,777**	**52,192**
Net result from transactions (net operating balance)		**3,019**	**(938)**	**2,618**	**(638)**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	4(a)	**102**	192	**(9)**	51
Other gains/(losses) from other economic flows	4(b)	**(7)**	(177)	**(7)**	(4,361)
Total other economic flows included in net result		**95**	**15**	**(16)**	**(4,310)**
Net result from continuing operations		**3,114**	**(923)**	**2,602**	**(4,948)**
Net result		**3,114**	**(923)**	**2,602**	**(4,948)**
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	15	**13,452**	-	13,452	-
Total other economic flows – Other comprehensive income		**13,452**	**-**	**13,452**	**-**
Comprehensive result		**16,566**	**(923)**	**16,054**	**(4,948)**

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance Sheet - William Angliss Institute of TAFE
for the year ended 31 December 2015

		Consolidated		Institute	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Assets					
Financial assets					
Cash and deposits	5	**16,408**	9,433	**12,795**	5,681
Receivables	6	**5,574**	6,975	**5,385**	4,163
Investments and other financial assets	7	**-**	-	**2,550**	2,550
Total financial assets		**21,982**	**16,408**	**20,730**	**12,394**
Non-financial assets					
Inventories	8	**62**	62	**62**	62
Property, plant and equipment	9	**108,038**	95,906	**107,890**	95,710
Intangible assets	10	**9,511**	10,370	**9,477**	10,317
Other non-financial assets	11	**588**	737	**329**	357
Total non-financial assets		**118,199**	**107,075**	**117,758**	**106,446**
Total assets		**140,181**	**123,483**	**138,488**	**118,840**
Liabilities					
Payables	12	**11,219**	9,226	**13,455**	8,000
Provisions	13	**4,447**	4,308	**4,447**	4,308
Borrowings	14	**-**	2,000	**-**	2,000
Total liabilities		**15,666**	**15,534**	**17,902**	**14,308**
Net assets		**124,515**	**107,949**	**120,586**	**104,532**
Equity					
Accumulated surplus/(deficit)	15(b)	**23,865**	20,751	**19,168**	16,566
Reserves	15(c)	**71,214**	57,762	**71,214**	57,762
Contributed capital	15(a)	**29,436**	29,436	**30,204**	30,204
Net worth		**124,515**	**107,949**	**120,586**	**104,532**
Commitments for expenditure	17	**7,988**	**7,184**	**6,970**	**5,878**
Contingent assets and contingent liabilities	18	**-**	**-**	**-**	**-**

The above Balance Sheet should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity - William Angliss Institute of TAFE
for the year ended 31 December 2015

Consolidated	Note	Physical asset $'000	Accumulated surplus $'000	Contributions by owner $'000	Total $'000
At 1 January 2014		**57,762**	**21,674**	**29,436**	**108,872**
Net result for the year	15(b)		**(923)**		**(923)**
Other comprehensive income for the year					**-**
Year ended 31 December 2014		**57,762**	**20,751**	**29,436**	**107,949**
Net result for the year			**3,114**		**3,114**
Other comprehensive income for the year		**13,452**			**13,452**
Year ended 31 December 2015		**71,214**	**23,865**	**29,436**	**124,515**

Institute	Note	Physical asset $'000	Accumulated surplus $'000	Contributions by owner $'000	Total $'000
At 1 January 2014		**57,762**	**21,514**	**30,204**	**109,480**
Net result for the year	15(b)		**(4,948)**		**(4,948)**
Other comprehensive income for the year					**-**
Year ended 31 December 2014		**57,762**	**16,566**	**30,204**	**104,532**
Net result for the year			**2,602**		**2,602**
Other comprehensive income for the year		**13,452**			**13,452**
Year ended 31 December 2015		**71,214**	**-**	**30,204**	**120,586**

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Cash Flow Statement - William Angliss Institute of TAFE
for the year ended 31 December 2015

	Note	Consolidated		Institute	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Cash flows from operating activities					
Receipts					
Government contributions - operating	2(a)(i)	**21,332**	13,890	**21,332**	13,890
Government contributions - capital	2(a)(ii)	**-**	-	**-**	-
Receipts from Customers		**39,466**	37,596	**33,801**	36,780
User fees and charges received		**-**	165	**-**	109
Goods and services tax recovered from the ATO		**1,797**	1,851	**1,761**	1,851
Other receipts		**1,526**	1,655	**887**	844
Total receipts		**64,121**	55,157	**57,781**	53,474
Payments					
Payments to suppliers and employees		**(53,408)**	(53,326)	**(46,205)**	(51,937)
Goods and services tax paid to the ATO		**(1,472)**	(1,761)	**(1,467)**	(1,760)
Interest and other costs of finance paid		**175**	(102)	**119**	(100)
Total payments		**(54,705)**	(55,189)	**(47,553)**	(53,797)
Net cash flows from/(used in) operating activities	**16 (a)**	**9,416**	(32)	**10,228**	(323)
Cash flows from investing activities					
Payment to related entities		**-**	-	**(599)**	(743)
Purchases of non-financial assets		**(686)**	(552)	**(561)**	(350)
Sales of non-financial assets		**245**	133	**46**	30
Net cash provided by/(used in) investing activities		**(441)**	(419)	**(1,114)**	(1,063)
Cash flows from financing activities					
Receipts from /(Payments to) related entities		**(2,000)**	2,000	**(2,000)**	2,000
Net cash flows from/(used in) financing activities		**(2,000)**	2,000	**(2,000)**	2,000
Net increase/(decrease) in cash and cash equivalents		**6,975**	1,549	**7,114**	614
Cash and cash equivalents at the beginning of the financial year		**9,433**	7,884	**5,681**	5,067
Cash and cash equivalents at the end of the financial year	**5 (a)**	**16,408**	9,433	**12,795**	5,681
Non-cash financing and investing activities	16 (c)				

The above cash flow statement should be read in conjunction with the notes to the financial statements.

NOTE 1

Statement of significant accounting policies

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented for the year ended 31 December 2014.

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

1.01 Statement of compliance

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

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

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

1.02 Basis of accounting preparation and measurement

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

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute, and have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets. Exceptions to the historical cost convention include:

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

Critical accounting judgement and key sources of estimation uncertainty

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment; and
- superannuation expense.

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

- the institute has control over all of its subsidiaries.
- revenue recognition - part of the Institute'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.
- Trade and student debtor receivables - The Institute 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.
- The 2015 business process audit - Management have assessed the potential financial impact as a result of the 2015 Business Process Audit to be significantly less than that incurred with respect to the 2014 Business Process Audit. Key factors supporting this assessment included the establishment and implementation of the Business Process Audit Outcomes Rectification Plan and increased training and development resulting in improved understanding of the documentary evidence requirements required by the funding contract by relevant staff.

Fair value measurement

Consistent with AASB 13 *Fair Value Measurement* , the Institute determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

NOTE 1

Statement of significant accounting policies (cont.)

1.02 Basis of accounting preparation and measurement (cont.)

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
In addition, the Institute determines whether transfers have occurred between levels in the hierarchy by re assessing 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.

The Valuer General Victoria (VGV) is the Institute's independent valuation agency.
The Institute, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.
The Institute is required to provide a description of the valuation policies and processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period.]

The Institute follows the guidelines set out in Financial Reporting Directions (FRD) 103F. If it appears that the compounded movement in fair values (since the last interim or scheduled revaluation) is less than 40%, but greater than 10%, then the Institute must consider a managerial revaluation. If the compounded movement since the last scheduled, interim or managerial revaluation is less than 10% then no change to carrying amounts is required.

1.03 Reporting entity

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

Its principal address is:
William Angliss Institute of TAFE
555 La Trobe St
Melbourne Victoria 3000

The financial statements include all the controlled activities of the Group.

1.04 Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements* , the consolidated financial statements of the Institute combine like items of assets, liabilities, equity, income, expenses and cash flows of the Institute with those of the reporting entities controlled by the Institute. Uniform accounting policies for like transactions and other events in similar circumstances are applied in the preparation of consolidated financial statements.

A controlled entity is an entity over which the Institute has exposure or rights to variable returns from its involvement with the entity, and the ability to affect those returns though the use of its power over the entity.

The existence of power over an entity is established when the Institute has existing rights that give it the current ability to direct the activities of the controlled entity which would significantly affect the returns of the controlled entity.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in full on consolidation.

If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Entities consolidated into the Institute's reporting entity include:
William Angliss Institute of TAFE
Angliss Consulting Pty Ltd
William Angliss Institute Foundation
William Angliss Institute Pte Ltd
Angliss Solutions Pty Ltd
Angliss Multimedia Pty Ltd

Consistent with the requirements of AASB1004, *Contributions* , contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of income and expenses of the Institute.

1.05 Events after reporting date

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

1.06 Goods and Services Tax (GST)

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

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

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

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

NOTE 1

Statement of significant accounting policies (cont.)

1.07 Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value. Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Institute's major activities as follows:

Government contributions

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

Sale of goods and services
(i) Student fees and charges

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

(ii) Fee for Service

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

(iii) Revenue from sale of goods

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

Interest
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.

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

Other income
(i) Rental income
Rental income is recognised on a time proportional basis and is brought to account when the Institute's right to receive the rental is established.

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

1.08 Expenses from transactions

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

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

Retirement benefit obligations
(i) Defined contribution plan
Contributions to defined contribution plans are expensed when they become payable.

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

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

NOTE 1

Statement of significant accounting policies (cont.)

1.08 Expenses from transactions (cont.)

Depreciation and amortisation
Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis, 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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

		2015	2014
Class of asset	Method	**Rate/Rates**	**Rate/Rates**
Buildings	Straight	1% - 14%	1% - 14%
Plant & equipment	Straight	5% - 33%	5% - 33%
Motor vehicles	Straight	20.0%	20.0%
Library collections	Straight	10% - 20%	10% - 20%

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

Amortisation

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

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

(a) annually and;
(b) whenever there is an indication that the intangible asset may be impaired.
Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Interest Expense
Interest expense is recognised in the period in which it is incurred.

Interest expense includes interest on advances, loans, overdrafts, bonds and bills, deposit, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

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

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

Fair value of assets and services provided free of charge or for nominal consideration
Resources provided free of charge or for nominal consideration are recognised at their fair value when the Institute obtains control over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

NOTE 1

Statement of significant accounting policies (cont.)

1.09 Other economic flows included in net result

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

Net gain/(loss) on non-financial assets

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

Disposal of non-financial assets

Any gain or loss on disposal of non-financial 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.

Impairment of non-financial assets

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

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

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

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

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

Net gain/(loss) on financial instruments

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

Revaluations of financial instruments at fair value

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

Impairment of financial assets

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

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

Other gains/(losses) from other economic flows

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

This classification is consistent with the whole government reporting format and is allowed under AASB 101 Presentation of Financial Statements.

1.10 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 non‑derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument 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, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

NOTE 1

Statement of significant accounting policies (cont.)

1.11 Financial assets

Cash and deposits

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

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

Receivables

Receivables consist of:

• statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and

• contractual receivables, which include debtors in relation to goods and services, loans to third parties, and accrued investment income.

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.

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

Investments and other financial assets

Investments are classified in the following categories:

• loans and receivables.

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

Any dividend or interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

Derecognition of financial assets

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

• the rights to receive cash flows from the asset have expired; or
• the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
• the Institute has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset; or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.
In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

NOTE 1

Statement of significant accounting policies (cont.)

1.12 Leases

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

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

Operating Leases Institute as lessee

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

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

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

1.13 Non-Financial Assets

Inventories

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

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

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

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to a land held for sale (undeveloped, under development, developed) and to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

Property, plant and equipment

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

Non-financial physical assets such as other Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

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

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

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

For the accounting policy on impairment of non-financial physical assets refer to Note 1.09 on Impairment of non-financial assets.

Library collections

Library collections are measured at cost less accumulated depreciation.

Leasehold improvements

The cost of a leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

NOTE 1

Statement of significant accounting policies (cont.)

1.13 Non-Financial Assets (cont.)

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 Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

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

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

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

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

Intangible assets

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

When recognition criteria of AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation/amortisation and impairment.

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

		Rate/Rates	
	Method	2015	2014
Capitalised software development cost (years)	Straight	6.67%	6.67%
Internal use software	Straight	20% - 33%	20% - 33%

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which It is incurred.

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

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

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Prepayments

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.

NOTE 1

Statement of significant accounting policies (cont.)

1.14 Liabilities

Payables

Payables consist of:

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

• statutory payables, such as goods and services tax and fringe benefits tax payables.

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

Provisions

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

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

Employee benefits

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.

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and 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 vale - if the Institute does not expect to wholly settle within 12 months.

(ii) Long service leave

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

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 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 representing less than 7 years. 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.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for termination of employment. The Institute recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits on-costs

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

Performance Payments

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

NOTE 1

Statement of significant accounting policies (cont.)

1.14 Liabilities (cont)

Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Institute has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Institute determines the classification of its interest bearing liabilities at initial recognition.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in the likelihood that the guarantee may have to be exercised, then it is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

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

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

Onerous contracts

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

1.15 Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclose as commitments once the related liabilities are recognised on the balance sheet.

1.16 Contingent assets and contingent liabilities

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

1.17 Equity

Contributed capital

Funding that is 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.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distribution to owners.

NOTE 1

Statement of significant accounting policies (cont.)

1.18 Foreign currency translations

Functional and presentation currency

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

Transactions and balances

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

Foreign currency translation differences are recognised in other economic flows and accumulated in a separate component of equity, in the period in which they arise.

Group entities

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

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

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

1.19 Materiality

In accordance with Accounting Standard AASB 108 A*ccounting Policies, Changes in Accounting Estimates and Error* , when an Australian Accounting Standard specifically applies to a transaction, other event or condition, the accounting policies applied to that item shall be determined by applying the Standard, unless the effect of applying them is immaterial.

Accounting policies will be considered material if their omission or misstatement could, either individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

1.20 Rounding of amounts

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

1.21 Comparative information

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

1.22 Change in accounting policy

Subsequent to the 2014 reporting period, the following new and revised accounting standards have been adopted in the current period with their financial impact detailed as below.

AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value

The Minister for Finance has approved the early adoption of AASB 2015-7. This enables Victorian not-for-profit public sector entities to benefit from some limited scope exemptions in relation to the fair value disclosure for the 2014-15 reporting period. The Institute has chosen to apply this early adoption. For fair value measurements that have been categorised within Level 3 of the fair value hierarchy, the Institute is no longer required to provide quantitative information about the 'significant unobservable inputs' used in determining the fair value measurement.

NOTE 1

Statement of significant accounting policies (cont.)

1.23 New and revised AASBs in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2015 reporting period.

As at 31 December 2015 the following standards and interpretations (applicable to the Institute) had been issued but were not mandatory for financial year ending 31 December 2015. The Institute has not, and does not intend to, adopt these standards early.

Standard/Interpretation	*Summary*	*Application date of standard*	*Impact on The Institute's financial statements*
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 14 Regulatory Deferral Accounts #	AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP.	1-Jan-16	The assessment has indicated that there is no expected impact , as those that conduct rate-regulated activities have already adopted Australian Accounting Standards.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-17 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1-Jan-18	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: · establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; · prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1-Jan-16	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1-Jan-16	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.

NOTE 1

Statement of significant accounting policies (cont.)

1.23 New and revised AASBs in issue but not yet effective (cont.)

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: · a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and · a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1-Jan-16	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1-Jan-16	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2015 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2015 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB 2014 1 Amendments to Australian Accounting Standards [PART D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts only] #
- AASB 2014 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014 6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2014 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014 8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2015 2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015 3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015 4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent [AASB 127, AASB 128] #
- AASB 2015 5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12, AASB 128] #

Note:
This Standard or Amendment may not be relevant to Victorian not-for-profit entities when operative.

1.24 Business Process Audits

During 2015, an audit of 2014 business processes was carried out in accordance with the 2014-2016 VET Funding Contract of the Institute. A further audit of 2015 business processes was undertaken in 2016.

The 2014 Business Process Audit was finalised in March 2016. A number of outcomes were identified as a result of the 2014 Business Process Audit including a Rectification Plan and increased training and development of relevant staff resulting in improved understanding of the documentary evidence requirements of the relevant funding contract.

The total financial impact of each of the Business Process Audits is detailed below:

Year	Amount	Basis	Treatment in 2015 Financial Statements	Reference
2014	$1,535,405	Outcome finalised in March 2016	Expense	3(f)(ii)
2015	$616,000	Management Estimate	Reduction of reported revenue	2(a)(i)
Total	$2,151,405		Payables	12

NOTE 1

Statement of significant accounting policies (cont.)

1.25 Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Fair value measurements and valuation processes

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is summarised below and at notes 9 and 25.

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

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

Critical judgements in applying accounting policies

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

Impairment – general

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

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

Provision for impairment of receivables

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

Useful Life of Student Management System (SMS)

At implementation, the SMS has been assessed as having a useful life of 15 years. This assessment has been maintained and the asset depreciated on a straight line basis. The SMS investment has a substantial value and also the previous student management software was in use for 13 years until replaced by the current software. The estimated useful life of SMS will be evaluated each financial year for reasonableness.

Revaluation of non-current assets

During the year, there was a managerial revaluation of Land held as non-current assets by the Institute. This revaluation was undertaken in accordance with FRD103F. This revaluation was due to an increase of 25.58% in the relevant value of indices since the last revaluation of this asset class. The relevant indices for the asset class of buildings increased by 7.2% during this same period, accordingly no revaluation was made to this class of assets.

Going Concern

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

NOTE 2

Income from Transactions

	Consolidated		Institute	
	2015	2014	2015	2014
2 Income from transactions	$'000	$'000	$'000	$'000
(a) Grants and other transfers (other than contributions by owners)				
Government financial assistance				
(i) Government contributions - operating				
State government recurrent - contestable	**21,332**	18,390	**21,332**	18,390
Total government contributions - operating	**21,332**	18,390	**21,332**	18,390
(ii) Government contributions - capital				
Commonwealth capital	**-**	-	**-**	-
Total government contributions - capital	**-**	-	**-**	-
Total government contributions	**21,332**	18,390	**21,332**	18,390
(b) Sales of goods and services				
Student fees and charges	**20,214**	17,734	**17,186**	14,365
Rendering of services				
Fee for service - other	**12,499**	13,067	**11,891**	12,908
Total rendering of services	**12,499**	13,067	**11,891**	12,908
Other non-course fees and charges				
Sale of goods	**1,848**	1,691	**1,848**	1,691
Student Fees and Charges	**2,032**	3,247	**2,032**	3,247
Total other fees and charges	**3,880**	4,938	**3,880**	4,938
Total revenue from sale of goods and services	**36,593**	35,739	**32,957**	32,211
(c) Interest				
Interest from financial assets not at fair value through P/L:				
Interest on bank deposits	**275**	165	**219**	109
Total interest from financial assets not at fair value through P/L	**275**	165	**219**	109
Net interest income	**275**	165	**219**	109
(d) Other income				
Rental income:				
Investment properties	**70**	64	**70**	64
Total rental income	**70**	64	**70**	64
Donations, bequests and contributions	**569**	487	**(3)**	-
Other revenue	**887**	1,104	**820**	780
Total other income	**1,526**	1,655	**887**	844

NOTE 3

Expenses from transactions

3 Expenses from transactions	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
(a) (i) Employee expenses from transactions with related entities				
Other	**-**	-	**229**	188
(b) (ii) Employee expenses from transactions with other entities				
Salaries, wages, overtime and allowances	**24,632**	24,636	**22,842**	22,621
Superannuation	**2,345**	2,197	**2,257**	2,088
Payroll tax	**1,225**	1,206	**1,198**	1,182
Worker's compensation	**208**	165	**197**	155
Long service leave	**494**	438	**472**	413
Annual leave	**1,422**	1,399	**1,370**	1,324
Termination benefits	**-**	-	**-**	-
Other	**53**	72	**4**	30
Total employee expenses	**30,379**	30,113	**28,569**	28,001
(b) Depreciation and amortisation				
Depreciation of non-current assets				
Buildings	**1,015**	1,056	**932**	957
Plant and equipment	**724**	1,030	**724**	918
Motor vehicles	**90**	96	**90**	96
Library collections	**32**	45	**32**	45
Total depreciation	**1,861**	**2,227**	**1,778**	**2,016**
Amortisation of non-current physical and intangible assets				
Software	**861**	934	**840**	915
Total amortisation	**861**	**934**	**840**	**915**
Total depreciation and amortisation	**2,722**	3,161	**2,618**	2,931
(c) Bank fees				
Bank fees	**113**	102	**110**	100
Total bank fees	**113**	102	**110**	100
(d) Grants and other transfers (other than contributions by owners)				
Grants and subsidies other VET Programs	**74**	61	**2**	7
Total grants and other transfers	**74**	61	**2**	7
(e) (i) Supplies and Services from transactions with related entities				
Purchase of supplies and consumables	-	-	5	5
Communication expenses	-	-	1	3
Fees and charges	-	-	312	417
Total supplies and services from transactions with related entities	**-**	-	**318**	425
(e) (ii) Supplies and Services from transactions with other entities				
Purchase of supplies and consumables	**790**	806	**766**	780
Communication expenses	**260**	233	**232**	221
Contract and other services	**1,455**	1,361	**1,394**	1,306
Cost of goods sold/distributed (ancillary trading)	**2,258**	1,929	**2,258**	1,929
Building repairs and maintenance	**336**	95	**336**	95
Plant & Equipment repairs and maintenance	**320**	281	**303**	259
Minor equipment	**93**	72	**92**	66
Fees and charges	**6,315**	9,052	**6,019**	8,691
Other Charges	**1,676**	1,374	**1,642**	1,291
Total supplies and services from transactions with other entities	**13,503**	15,203	**13,042**	14,638
Total supplies and services	**13,503**	15,203	**13,360**	15,063

NOTE 3

Expenses from transactions (Cont.)

3 Expenses from transactions	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
(f) (i) Other Expenses from transactions with related entities				
General Expenses				
Marketing and promotional expenses	**-**	-	**3**	**16**
Travel and motor vehicle expenses	**-**	-	**55**	**41**
International Representation	**-**	-	**2**	-
Other expenses	**-**	-	**12**	**1**
Total other expenses from transactions with related entities	**-**	-	**72**	58
Operating lease rental expenses:				
Minimum lease payments	**-**	-	**2**	**-**
Total operating lease rental expenses	**-**	-	**2**	-
Subtotal expenses from transactions from related entities	**-**	-	**74**	58
(f) (ii) Other Expenses from transactions with other entities				
General Expenses				
Marketing and promotional expenses	**663**	460	**638**	418
Audit fees and services	**309**	106	**252**	58
Staff development	**111**	118	**109**	118
Travel and motor vehicle expenses	**956**	1,411	**508**	433
Utilities	**796**	770	**770**	742
Cleaning and Sanitation	**51**	58	**51**	58
Signage	**4**	5	**4**	5
International Commissions	**1,259**	1,003	**1,259**	1,003
International Medibank	**509**	479	**509**	479
International Promotions	**150**	184	**150**	183
Student Excursions	**375**	627	**371**	620
Recruitment	**5**	25	**5**	25
Administration Expenses	**1,569**	-	**1,569**	-
International Representation	**43**	91	**41**	91
Other expenses	**849**	543	**464**	446
Total other expenses	**7,649**	5,880	**6,700**	4,679
Operating lease rental expenses:				
Minimum lease payments	**2,213**	2,324	**1,295**	1,323
Total operating lease rental expenses	**2,213**	2,324	**1,295**	**1,323**
Subtotal	**9,862**	8,204	**7,995**	6,002
Bad and Doubtful Debts from Transactions	**54**	43	**49**	30
Total other operating expenses	**9,916**	8,247	**8,118**	6,090

NOTE 4

Other economic flows included in net result

	Consolidated		Institute	
	2015	2014	2015	2014
4 Other economic flows included in net result	$'000	$'000	$'000	$'000
(a) Net gain/(loss) on financial and non-financial assets (including PPE and intangible assets)				
Net gain/(loss) on disposal of physical assets	**(13)**	18	**(13)**	18
Net FX gain/(loss) arising from non-financial assets	**115**	174	**4**	33
Total net gain/(loss) on non-financial assets and liabilities	**102**	192	**(9)**	51
(b) Other gains/(losses) from other economic flows				
Other gains /(losses) from other economic flows	**-**	(74)	**-**	(74)
Net gain/(loss) arising from revaluation of long service leave liability	**(4)**	(100)	**(4)**	(100)
Net gain/(loss) arising from revaluation of annual leave liability	**(3)**	(3)	**(3)**	(3)
Inter entity account written off by mutual agreement	-	-	-	(4,184)
Total other gains/(losses) from other economic flows	**(7)**	(177)	**(7)**	(4,361)

NOTE 5

Cash and cash equivalents

	Consolidated		Institute	
	2015	2014	2015	2014
5 Cash and deposits	$'000	$'000	$'000	$'000
Cash at bank and on hand	**9,643**	7,810	**7,295**	5,666
Deposits - at call	**6,765**	1,623	**5,500**	15
Total cash and cash equivalents	**16,408**	9,433	**12,795**	5,681

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

	Consolidated		Institute	
	2015	2014	2015	2014
(a) Reconciliation to cash at the end of the year	$'000	$'000	$'000	$'000
Balances as above	**16,408**	9,433	**12,795**	5,681
Balance as per cashflow statement	**16,408**	9,433	**12,795**	5,681

(b) Cash at bank and on hand

The Cash at bank and on hand are bearing floating interest rates between 2.00% and 2.60% (2014: 2.00% and 2.65%).

(c) Deposits at call

The deposits are bearing floating interest rates between 2.03% and 3.36% (2014 - 3.41% and 3.62%).

These deposits have an average maturity of 90 days.

NOTE 6

Receivables

	Consolidated		Institute	
	2015	2014	2015	2014
6 Receivables	$'000	$'000	$'000	$'000
Current receivables				
Contractual				
Trade receivables[1]	**1,672**	2,276	**1,672**	2,276
Provision for doubtful contractual receivables(a) (See also Note 6(a) below)	**(305)**	(286)	**(305)**	(286)
Other Amount owing from William Angliss Institute Pte Ltd	**-**	-	**599**	-
other parties	**4**	145	**4**	145
Total contractual	**1,371**	2,135	**1,970**	2,135
Statutory				
GST receivable from ATO	**363**	161	**353**	161
Revenue receivable[1]	**3,840**	4,679	**3,062**	1,867
Total statutory	**4,203**	4,840	**3,415**	2,028
Total current receivables	**5,574**	6,975	**5,385**	4,163
Total receivables	**5,574**	6,975	**5,385**	4,163

1 The average credit period on sales of goods and services is 30 days. No interest is charged on other receivables for the first 30 days from the date of the invoice. Thereafter, no interest is charged on the outstanding balance. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

	Consolidated		Institute	
	2015	2014	2015	2014
(a) Movement in the provision for doubtful contractual receivables	$'000	$'000	$'000	$'000
Balance at beginning of the year	**(286)**	(281)	**(286)**	(281)
Reversal of unused provision recognised in the net result	**41**	43	**41**	43
Increase in provision recognised in the net result	**(89)**	(87)	**(89)**	(87)
Reversal of provision for receivables written off during the year as uncollectible	**29**	39	**29**	39
Balance at end of the year	**(305)**	(286)	**(305)**	(286)

(b) Ageing analysis of contractual receivables

Please refer to Note 25(i) for the ageing analysis of contractual receivables.

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

Please refer to Note 25(i) for the nature and extent of credit risk arising from contractual receivables.

(d) Nature and extent of risk arising from loans and other financial assets

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

NOTE 7

Investments, loans and other financial assets

	Consolidated		Institute	
	2015	2014	2015	2014
7 Investments and other financial assets	$'000	$'000	$'000	$'000
Non-current investments and other financial assets				
Investments Long Term - Shares in William Angliss Institute Pte Ltd	-	-	2,550	2,550
Total non-current investments and other financial assets	**-**	-	**2,550**	2,550
Total investments and other financial assets	**-**	-	**2,550**	2,550

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

Please refer to the table in Note 25(i) for the ageing analysis of investments, loans and other financial assets.

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

Please refer to Note 25(i) for the nature and extent of risks arising from investments, loans and other financial assets.

NOTE 8

Inventories

	Consolidated		Institute	
	2015	2014	2015	2014
8 Inventories	$'000	$'000	$'000	$'000
Current				
Supplies and consumables - at cost	**62**	62	**62**	62
Total current inventories	**62**	62	**62**	62

NOTE 9

Property, plant and equipment

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

(a) Consolidated	Land at Fair Value $'000	Buildings $'000	Assets under Construction $'000	Plant & Equipment [1] $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Library $'000	Total $'000
At 1 January 2014								
Cost	-	679	-	17,003	466	-	1,100	**19,248**
Valuation	52,587	41,863	-	-	-	-	-	**94,450**
Accumulated depreciation	-	(1,193)	-	(13,643)	(148)	-	(845)	**(15,829)**
Net book amount	**52,587**	**41,349**	**-**	**3,360**	**318**	**-**	**255**	**97,869**
Year ended 31 December 2014								
Opening net book amount	52,587	41,349	-	3,360	318	-	255	**97,869**
Additions	-	-	13	123	67	-	32	**235**
Disposals	-	-	-	(20)	(12)	-	-	**(32)**
Depreciation expense [1]	-	(1,056)	-	(1,030)	(96)	-	(45)	**(2,227)**
Exchange differences	-	44	-	17	-	-	-	**61**
Closing net book amount	**52,587**	**40,337**	**13**	**2,450**	**277**	**-**	**242**	**95,906**
At 31 December 2014								
Valuation	52,587	42,617	13	17,157	510	-	1,131	**114,015**
Accumulated depreciation	-	(2,280)	-	(14,707)	(233)	-	(889)	**(18,109)**
Net book amount at the end of financial year	**52,587**	**40,337**	**13**	**2,450**	**277**	**-**	**242**	**95,906**
Year ended 31 December 2015								
Opening net book amount	52,587	40,337	13	2,450	277	-	242	**95,906**
Additions	-	234	100	334	120	148	16	**952**
Revaluation	13,452	-	-	-	-	-	-	**13,452**
Transfer to other asset categories	-	-	(13)	-	-	13	-	**-**
Disposals	-	(254)	-	(104)	(69)	-	-	**(427)**
Depreciation expense [1]	-	(985)	-	(724)	(90)	(30)	(32)	**(1,861)**
Exchange differences	-	13	-	-	-	3	-	**16**
Closing net book amount	**66,039**	**39,345**	**100**	**1,956**	**238**	**134**	**226**	**108,038**
At 31 December 2015								
Fair Value	66,039	42,234	100	15,344	418	164	1,147	**125,446**
Accumulated depreciation	-	(2,889)	-	(13,388)	(180)	(30)	(921)	**(17,408)**
Net book value at the end of the financial year	**66,039**	**39,345**	**100**	**1,956**	**238**	**134**	**226**	**108,038**

(b) Institute	Land at Fair Value $'000	Buildings $'000	Assets under Construction $'000	Plant & Equipment $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Library $'000	Total $'000
At 1 January 2014								
Cost	-	236	-	16,676	466	-	1,100	**18,478**
Valuation	52,587	41,863	-	-	-	-	-	**94,450**
Accumulated depreciation	-	(1,001)	-	(13,411)	(148)	-	(845)	**(15,405)**
Net book amount	**52,587**	**41,098**	**-**	**3,265**	**318**	**-**	**255**	**97,523**
Year ended 31 December 2014								
Opening net book amount	52,587	41,098	-	3,265	318	-	255	**97,523**
Additions	-	-	13	123	67	-	32	**235**
Disposals	-	-	-	(20)	(12)	-	-	**(32)**
Depreciation expense [1]	-	(957)	-	(918)	(96)	-	(45)	**(2,016)**
Closing net book amount	**52,587**	**40,141**	**13**	**2,450**	**277**	**-**	**242**	**95,710**
At 31 December 2014								
Valuation	52,587	42,099	13	16,774	510	-	1,131	**113,114**
Accumulated depreciation	-	(1,958)	-	(14,324)	(233)	-	(889)	**(17,404)**
Net book amount at the end of financial year	**52,587**	**40,141**	**13**	**2,450**	**277**	**-**	**242**	**95,710**
Year ended 31 December 2015								
Opening net book amount	52,587	40,141	13	2,450	277		242	**95,710**
Additions	-	137	74	334	119	-	16	**680**
Revaluation	13,452	-	-	-	-	-	-	**13,452**
Transfer to other asset category	-	-	-	-	-	-	-	**-**
Disposals	-	(2)	-	(104)	(68)	-	-	**(174)**
Depreciation expense	-	(932)	-	(724)	(90)	-	(32)	**(1,778)**
Closing net book amount	**66,039**	**39,344**	**87**	**1,956**	**238**	**-**	**226**	**107,890**
At 31 December 2015								
Fair Value	66,039	42,234	87	14,942	418	-	1,147	**124,867**
Accumulated depreciation	-	(2,890)	-	(12,986)	(180)	-	(921)	**(16,977)**
Net book value at the end of the financial year	**66,039**	**39,344**	**87**	**1,956**	**238**	**-**	**226**	**107,890**

Footnote

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

NOTE 9

Property, plant and equipment (Cont.)

Notes

1 Property, plant & equipment includes all operational assets.

Fair value assessments have been performed at 31 December 2015 for all classes of assets. This assessment demonstrated that for all asset groups except the valuation of land, the fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this Institute will be conducted in 2017, unless an earlier valuation is assessed to be required based on the factors outlined in FRD 103E.

2 Other Property, plant & equipment includes non-operational assets such as artworks.

(a) Valuations of land and buildings

The Institute's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Institute's freehold land and buildings as at 31 December 2012 were performed by the Valuer General of Victoria, independent valuers not related to the Institute. The Valuer General of Victoria has the appropriate qualifications and experience in the fair value measurement of properties in Australia. Land has been assessed to have increased by 25.58% since the 2012 valuation was completed and requires a management valuation adjustment.

Revaluation of non-current assets

During the year, there was a managerial revaluation of Land held as non-current assets by the Institute. This revaluation was undertaken in accordance with FRD103F. This revaluation was due to an increase of 25.58% in the relevant value of indices since the last revaluation of this asset class. The relevant indices for the asset class of buildings increased by 7.2% during this same period, accordingly no revaluation was made to this class of assets.

Details of the Institute's and consolidated entity's land and buildings and information about the fair value hierarchy as at 31 December 2015 are as follows:

(b) Specialised land, specialised buildings and specialised plant and equipment

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. 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.

For the Institute's specialised building and specialised plant and equipment, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

(c) Vehicles

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.

(d) Plant and equipment

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.

There were no changes in valuation techniques throughout the period to 31 December 2015.

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

Institute	Level 1	Level 2	Level 3	Fair Value as at 31/12/15
	AUD '000	AUD '000	AUD '000	AUD '000
Specialised land and buildings of the institute contain:				
- freehold land	-	-	4,932	4,932
- Crown land	-	-	61,107	61,107
- buildings used solely for educational purposes	-	-	39,344	39,344
- plant and equipment	-	-	1,956	1,956
- motor vehicles	-	-	238	238
- library	-	-	226	226

Institute	Level 1	Level 2	Level 3	Fair Value as at 31/12/14
	AUD '000	AUD '000	AUD '000	AUD '000
Specialised land and buildings of the institute contain:				
- freehold land	-	-	3,927	3,927
- Crown land	-	-	48,660	48,660
- buildings used solely for educational purposes	-	-	40,141	40,141
- plant and equipment	-	-	2,463	2,463
- motor vehicles	-	-	277	277
- library	-	-	242	242

Consolidated	Level 1	Level 2	Level 3	Fair Value as at 31/12/15
	AUD '000	AUD '000	AUD '000	AUD '000
Specialised land and buildings of the institute contain:				
- freehold land	-	-	4,932	4,932
- Crown land	-	-	61,107	61,107
- buildings used solely for educational purposes	-	-	39,344	39,344
- plant and equipment	-	-	1,956	1,956
- motor vehicles	-	-	238	238
- library	-	-	226	226

Consolidated	Level 1	Level 2	Level 3	Fair Value as at 31/12/14
	AUD '000	AUD '000	AUD '000	AUD '000
Specialised land and buildings of the institute contain:				
- freehold land	-	-	3,927	3,927
- Crown land	-	-	48,660	48,660
- buildings used solely for educational purposes	-	-	40,337	40,337
- plant and equipment	-	-	2,463	2,463
- motor vehicles	-	-	277	277
- library	-	-	242	242

The Land and Buildings of the institute are primarily used as an education training facility and as such are classified as specialised land and buildings.

NOTE 9

Property, plant and equipment (Cont.)

(e) Reconciliation of Level 3 fair value as at 31 December 2015

Institute	Specialised land	Specialised buildings	plant and equipment	motor vehicles	library
	$'000	$'000	$'000	$'000	$'000
At 1 January 2014					
Opening balance	52,587	41,098	3,265	318	255
Purchases (sales)	-	-	116	55	32
Gains or losses recognised in net result	-	-	-	-	-
Depreciations	-	(957)	(918)	(96)	(45)
Subtotal	**-**	**(957)**	**(802)**	**(41)**	**(13)**
Gains or losses recognised in other economic flows – other comprehensive income	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**
Closing balance as at 31 December 2014	**52,587**	**40,141**	**2,463**	**277**	**242**

Institute	Specialised land	Specialised buildings	plant and equipment	motor vehicles	library
	$'000	$'000	$'000	$'000	$'000
At 1 January 2015					
Opening balance	52,587	40,141	2,463	277	242
Purchases (sales)	-	135	304	51	16
Gains or losses recognised in net result	-	-	-	-	-
Depreciations	-	(932)	(724)	(90)	(32)
Subtotal	**-**	**(797)**	**(420)**	**(39)**	**(16)**
Gains or losses recognised in other economic flows – other comprehensive income	-	-	-	-	-
Revaluation	13,452	-	-	-	-
Subtotal	**13,452**	**-**	**-**	**-**	**-**
Closing balance as at 31 December 2015	**66,039**	**39,344**	**2,043**	**238**	**226**

Consolidated	Specialised land	Specialised buildings	plant and equipment	motor vehicles	library
	$'000	$'000	$'000	$'000	$'000
At 1 January 2014					
Opening balance	52,587	41,349	3,360	318	255
Purchases (sales)	-	-	116	55	32
Depreciations	-	(1,056)	(1,030)	(96)	(45)
Subtotal	**-**	**(1,056)**	**(914)**	**(41)**	**(13)**
Gains or losses recognised in other economic flows – other comprehensive income	-	44	17	-	-
Subtotal	**-**	**44**	**17**	**-**	**-**
Closing balance	**52,587**	**40,337**	**2,463**	**277**	**242**

Consolidated	Specialised land	Specialised buildings	plant and equipment	motor vehicles	library
	$'000	$'000	$'000	$'000	$'000
At 1 January 2015					
Opening balance	52,587	40,337	2,463	277	242
Purchases (sales)	-	(20)	317	51	16
Depreciations	-	(985)	(724)	(90)	(32)
Subtotal	**-**	**(1,005)**	**(407)**	**(39)**	**(16)**
Gains or losses recognised in other economic flows – other comprehensive income	-	13	-	-	-
Revaluation	13,452	-	-	-	-
Subtotal	**13,452**	**13**	**-**	**-**	**-**
Closing balance	**66,039**	**39,345**	**2,056**	**238**	**226**

NOTE 9

Property, plant and equipment (Cont.)

(f) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
		Useful life of specialised buildings
Motor vehicles	Depreciated replacement cost	Useful life of vehicles
Library	Depreciated replacement cost	Useful life library

Notes:

1. CSO adjustments ranging from 50 per cent to 70 per cent were applied to reduce the market approach value for the Institute's specialised land, with the weighted average 60 per cent reduction applied.

NOTE 10

Intangible assets

Consolidated	Software $'000	Total $'000
At 1 January 2014		
Cost	13,908	**13,908**
Accumulated amortisation and impairment	(2,676)	**(2,676)**
Net book amount	**11,232**	**11,232**
Year ended 31 December 2014		
Opening net book amount	11,232	**11,232**
Additions	115	**115**
Disposals or classified as held-for-sale	(67)	**(67)**
Net foreign currency exchange differences	24	**24**
Amortisation charge [1]	(934)	**(934)**
Closing net book amount	**10,370**	**10,370**
At 31 December 2014		
Cost	13,968	**13,968**
Accumulated amortisation and impairment	(3,598)	**(3,598)**
Net book amount at the end of financial year	**10,370**	**10,370**
Year ended 31 December 2015		
Opening net book amount	10,370	**10,370**
Additions	-	**-**
Disposals or classified as held-for-sale	-	**-**
Net foreign currency exchange differences	2	**2**
Amortisation charge [1]	(861)	**(861)**
Closing net book amount	**9,511**	**9,511**
At 31 December 2015		
Cost	13,970	**13,970**
Accumulated amortisation and impairment	(4,459)	**(4,459)**
Net book value at the end of the financial year	**9,511**	**9,511**

NOTE 10

Intangible assets (Cont.)

Institute	Software $'000	Total $'000
At 1 January 2014		
Cost	13,839	**13,839**
Accumulated amortisation and impairment	(2,668)	**(2,668)**
Net book amount	**11,171**	**11,171**
Year ended 31 December 2014		
Opening net book amount	11,171	**11,171**
Additions	115	**115**
Disposals or classified as held-for-sale	(54)	**(54)**
Amortisation charge [1]	(915)	**(915)**
Closing net book amount	**10,317**	**10,317**
At 31 December 2014		
Cost	13,886	**13,886**
Accumulated amortisation and impairment	(3,569)	**(3,569)**
Net book amount at the end of financial year	**10,317**	**10,317**
Year ended 31 December 2015		
Opening net book amount	10,317	**10,317**
Additions	-	**-**
Disposals or classified as held-for-sale	-	**-**
Amortisation charge [1]	(840)	**(840)**
Closing net book amount	**9,477**	**9,477**
At 31 December 2015		
Cost	13,886	**13,886**
Accumulated amortisation and impairment	(4,409)	**(4,409)**
Net book value at the end of the financial year	**9,477**	**9,477**

Notes

1 The consumption of intangible produced assets is included in 'depreciation' line item, where the consumption of the intangible non produced assets is included in 'net gain/(loss) on non financial assets' line item on the comprehensive operating statement.

2 Significant intangible assets
The Institute has capitalised software development expenditure for the development of SMS - Student Management System software. The carrying amount of the capitalised software development expenditure is $9.43 million. Its useful life is 15 years and will be fully amortised by 2028

NOTE 11

Other non-financial assets

11 Other non-financial assets	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Current other non-financial assets				
Prepayments	**588**	737	**329**	357
Total current other non-financial assets	**588**	737	**329**	357
Total other non-financial assets	**588**	737	**329**	357

NOTE 12

Payables

	Consolidated		Institute	
	2015	2014	2015	2014
12 Payables	$'000	$'000	$'000	$'000
Current				
Contractual				
Supplies and services	**5,349**	4,845	**5,226**	3,077
Income received in advance	**5,622**	4,254	**5,622**	4,254
Other	**20**	8	**20**	8
Other Amount owing to William Angliss Institute Pte Ltd	**-**	-	**-**	45
Other Amount owing to Angliss Consulting Pty Ltd	**-**	-	**2,365**	484
Total contractual	**10,991**	9,107	**13,233**	7,868
Statutory				
GST payable	**228**	119	**222**	132
Total statutory	**228**	119	**222**	132
Total current payables	**11,219**	9,226	**13,455**	8,000
Total payables	**11,219**	9,226	**13,455**	8,000

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

	Consolidated		Institute	
	2015	2014	2015	2014
(a) Foreign currency risk	$'000	$'000	$'000	$'000
Singapore Dollar	**121**	88	**-**	-
Australian Dollars	**11,098**	9,138	**13,455**	8,000
	11,219	9,226	**13,455**	8,000

Notes

1 The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice.
2 For an analysis of the sensitivity of payables to foreign currency risk refer to note 25(ii).
3 Maturity analysis of contractual payables, refer table 25(iv) in note 25.
4 During 2015, an audit of prior year business processes was carried out in accordance with a funding contract of the Institute. As a result of this audit, an expense of $1,535,405 was recorded in the current year financial results representing the amount of funds paid in previous years which have agreed to be returned to the portfolio department.

An audit of current year business processes has been undertaken and remains not yet finalised at the date of this report. Management has estimated that approximately $616,000 will need to be returned to the portfolio department in respect of the 2015 funding and the amount has been recorded as an adjustment against the reported revenue. During 2015 the Institute established and implemented a Business Process Audit Outcomes Rectification Plan and increased training and development of relevant staff resulting in improved understanding of the documentary evidence requirements of the relevant funding contract.

NOTE 13

Provisions

13 Provisions	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Current provisions				
Employee benefits (Note 13(a))[1]				
Annual leave (Note 13(a)):				
Unconditional and expected to wholly settle within 12 months[2]	**677**	656	**677**	656
Long service leave(Note 13(a)):				
Unconditional and expected to wholly settle within 12 months[2]	**207**	139	**207**	139
Unconditional and expected to wholly settle after 12 months[2]	**401**	310	**401**	310
Other provisions				
Unconditional and expected to wholly settle within 12 months[2]	**89**	74	**89**	74
	1,374	1,179	**1,374**	1,179
Provisions for on costs (Note 13(a) and Note 13(b)):				
Unconditional and expected to wholly settle within 12 months[2]	**134**	126	**134**	126
Unconditional and expected to wholly settle after 12 months[2]	**61**	49	**61**	49
	195	175	**195**	175
Total current provisions	**1,569**	1,354	**1,569**	1,354
Non-current				
Employee benefits (Note 13(a))[1]	**2,498**	2,550	**2,498**	2,550
On costs (Note 13(b))	**380**	404	**380**	404
Total non-current provisions	**2,878**	2,954	**2,878**	2,954
Total provisions	**4,447**	4,308	**4,447**	4,308

Notes:

1 Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

2 Amounts relating to current provisions are measured at nominal value.

(a) Employee benefits and on costs[1]	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Current employee benefits				
Annual leave	**677**	656	**677**	656
Long service leave	**608**	449	**608**	449
Other provisions	**89**	74	**89**	74
	1,374	1,179	**1,374**	1,179
Non current employee benefits				
Annual leave	**241**	232	**241**	232
Long service leave	**2,257**	2,318	**2,257**	2,318
	2,498	2,550	**2,498**	2,550
Total employee benefits	**3,872**	3,729	**3,872**	3,729
Current on costs	**195**	175	**195**	175
Non current on costs	**380**	404	**380**	404
Total on costs	**575**	579	**575**	579
Total employee benefits and on costs	**4,447**	4,308	**4,447**	4,308

Notes

1 Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as payroll tax and workers' compensation insurance are not employee benefits and are recognised as a separate provision.

NOTE 13

Provisions

Provisions (Cont.)

(b(i)) Movement in provisions - Consolidated	$'000 2015 On-costs	$'000 2015 Total	$'000 2014 On-costs	$'000 2014 Total
Opening balance	579	579	560	560
Additional provisions recognised	240	240	259	259
Reductions arising from payments/other sacrifices of future economic benefits	(244)	(244)	(240)	(240)
Unwind of discount and effect of changes in the discount rate	-	-	-	-
Closing balance	**575**	**575**	579	579
Current	195	195	175	175
Non-current	380	380	404	404
	575	**575**	579	579

(b(ii)) Movement in provisions - Institute	$'000 2015 On-costs	$'000 2015 Total	$'000 2014 On-costs	$'000 2014 Total
Opening balance	579	579	560	560
Additional provisions recognised	240	240	259	259
Reductions arising from payments/other sacrifices of future economic benefits	(244)	(244)	(240)	(240)
Unwind of discount and effect of changes in the discount rate	-	-	-	-
Closing balance	**575**	**575**	579	579
Current	195	195	175	175
Non-current	380	380	404	404
	575	**575**	579	579

NOTE 14

Borrowings

14 Borrowings	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Unsecured				
Current				
Other loans	-	2,000	-	2,000
Total current unsecured borrowings	-	2,000	-	2,000
Total unsecured borrowings	-	2,000	-	2,000
Total borrowings	-	2,000	-	2,000

An advance and repayment agreement with The Department of Education & Early Childhood Development ("The Department") was entered into during 2014. No assets have been pledged as part of this borrowing. This amount was repaid in full during the year ended 31 December 2015.

(a) Defaults and breaches

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

(b) Maturity analysis of borrowings

Refer to Note 25(iv) for the maturity analysis of borrowings.

(c) Nature and extent of risk arising from borrowings

Refer to Note 25 for the nature and extent of risks arising from borrowings.

NOTE 15

Equity

	Consolidated		Institute	
	2015	2014	2015	2014
15 Equity	$'000	$'000	$'000	$'000
(a) Contributed Capital				
Balance at 1 January	**29,436**	29,436	**30,204**	30,204
Capital contributions	**-**	-	**-**	-
Balance at 31 December	**29,436**	29,436	**30,204**	30,204
(b) Accumulated surplus / (deficit)				
Balance at 1 January	**20,751**	21,674	**16,566**	21,514
Net result for the year	**3,114**	(923)	**2,602**	(4,948)
Balance at 31 December	**23,865**	20,751	**19,168**	16,566
(c) Reserves				
Composition of Reserves				
Physical asset revaluation surplus	**71,214**	57,762	**71,214**	57,762
Balance at 31 December	**71,214**	57,762	**71,214**	57,762
Total equity	**124,515**	107,949	**120,586**	104,532

	Consolidated		Institute	
	2015	2014	2015	2014
15 Movements in Reserves	$'000	$'000	$'000	$'000
Asset Revaluation Surplus - Land				
Balance at 1 January	**37,095**	37,095	**37,095**	37,095
Revaluation increment on non-current assets	**13,452**	-	**13,452**	-
Balance at 31 December	**50,547**	37,095	**50,547**	37,095
Asset Revaluation Surplus - Buildings				
Balance at 1 January	**20,667**	20,667	**20,667**	20,667
Revaluation (decrement) on non-current assets	**-**	-	**-**	-
Balance at 31 December	**20,667**	20,667	**20,667**	20,667
Total reserves	**71,214**	57,762	**71,214**	57,762

Nature and purpose of reserves

Asset Revaluation Reserve - Land

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

Asset Revaluation Reserve - Buildings

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

NOTE 16

Cash flow information

16 Cash flow information	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
(a) Reconciliation of operating result after income tax to net cash flows from operating activities				
Net result for the year	**3,114**	(923)	**2,602**	(4,948)
Non-cash flows in operating result				
Depreciation and amortisation of non-current assets	**2,722**	3,161	**2,618**	2,931
Loan forgiven	-	-	-	4,184
Net (gain) / loss on sale of non-current assets	**(102)**	(18)	**9**	(18)
Doubtful debts	-	5	-	5
Settlement of advance in lieu of grant income	-	(4,500)	-	(4,500)
Total non-cash flows in operating result	**2,620**	(1,352)	**2,627**	2,602
Movements in operating assets and liabilities				
Decrease / (increase) in trade receivables	**1,401**	(485)	**(623)**	467
Decrease / (increase) in inventories	-	23	-	23
Decrease / (increase) in other assets	**149**	27	**28**	(49)
Increase / (decrease) in payables	**1,993**	2,597	**5,455**	1,381
Increase / (decrease) in employee benefits	**139**	200	**139**	201
Increase / (decrease) in current liabilities	-	(119)	-	-
Total movement in operating assets and liabilities	**3,682**	2,243	**4,999**	2,023
Net cash flows provided by/(used in) operating activities	**9,416**	(32)	**10,228**	(323)

(b) Financing facilities	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Unsecured loan facilities with various maturity dates through to 2014 and 2015 and which may be extended by mutual agreement	(500)	(2,000)	(500)	(2,000)
Amount used	202	2,000	202	2,000
Amount unused	298	-	298	-
	-	-	-	-

As part of the financing facilities the Institute has a government purchasing card credit line of $472,000 and a leasing credit line of $27,000.

(c) Non-cash investing activities

During the year ended 31 December 2014, the Institute forgave loans owing from one of its subsidiaries of $4.184 million. In addition it also converted $2.331 million of outstanding loan balance into shares in one of its subsidiaries.

NOTE 17

Commitments

	Consolidated		Institute	
	2015	2014	2015	2014
17 Commitments	$'000	$'000	$'000	$'000
(a) Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	**2,342**	2,105	**1,821**	1,410
Later than one year but not later than five years	**2,933**	1,073	**2,757**	806
Later than five years	**-**	216	**-**	204
Net lease commitments	**5,275**	3,394	**4,578**	2,420
GST reclaimable on the above	**502**	286	**454**	241
Gross commitments operating leases	**5,777**	3,680	**5,032**	2,661
Representing:				
Non-cancellable operating leases	**5,777**	3,680	**5,032**	2,661
Total lease commitments	**5,777**	3,680	**5,032**	2,661

(b) Operating leases

The Institute has a number of operating leases in place in respect of sites which its occupies under operating leases. The lease agreements are generally for a period of 1 – 5 years (2014: 1 – 5). Rental is payable in advance/in arrears to the landlord and the Institute has an option to renew at the conclusion of the lease term.

Operating lease 1 - NSW Premises
NSW office lease contract

Operating lease 2 - South Australia Premises
South Australia office lease contract

Operating lease 3 - 555 La Trobe street - 3rd floor lease
555 La Trobe street - 3rd floor rooms lease contract

Operating lease 4- Konica/Minolta - Multifunction photocopiers lease
Fuji Xerox - Multifunction photocopiers lease contract

Operating lease 5 - Queensland premises lease
Queensland office lease contract

Operating lease 6 - Scrubbers lease
Scrubbers lease - Victory Finance contract

Operating lease 7 - Western Australia premises
Western Australia office lease contract

Operating lease 8 - Singapore premises
Singapore office lease contract

Operating lease 9 - China office
China office lease contract

Other operating expenditure commitments

	Consolidated		Institute	
	2015	2014	2015	2014
17 Commitments	$'000	$'000	$'000	$'000
(c) Other operating expenditure commitments				
Commitments for operating expenditure in existence at the reporting date but not recognised as liabilities, payable:				
Within one year	**1,884**	1,998	**1,831**	1,932
Later than one year but not later than five years	**829**	1,792	**561**	1,526
Later than five years	**-**	-	**-**	-
Total other expenditure commitments	**2,713**	3,790	**2,392**	3,458
GST reclaimable on the above	**239**	346	**239**	346
Net commitments other expenditure commitments	**2,952**	4,136	**2,631**	3,804
Total lease and other expenditure commitments	**7,988**	7,184	**6,970**	5,878
Total GST reclaimable on the above	**741**	632	**693**	587
Total lease and other expenditure commitments	**8,729**	7,816	**7,663**	6,465

NOTE 18

Contingent Assets and Contingent Liabilities

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

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Institute, not the fair value of the financial guarantee. 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 2015.

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

NOTE 19

Subsequent events

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

NOTE 20

Remuneration of auditors

		Consolidated		Institute	
		2015	2014	2015	2014
20	**Remuneration of auditors**	$'000	$'000	$'000	$'000
	Remuneration of Victorian Auditor General's Office for:				
	Audit or review of the financial statements	**89**	48	**81**	43
	Total remuneration of Victoria Auditor General's Office	**89**	48	**81**	43
	Remuneration of other auditors				
	Other auditors	**49**	27	**-**	-
	Internal Audit	**171**	31	**171**	15
	Total remuneration of other auditors of subsidiaries	**220**	58	**171**	15
	Total Remuneration of auditors	**309**	106	**252**	58

NOTE 21

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.

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

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

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

	Consolidated		Institute	
	2015	2014	2015	2014
21 Superannuation	$'000	$'000	$'000	$'000
Paid Contribution for the Year				
Defined benefit plans :				
ESS Superannuation Fund – revised and new	**140**	168	**128**	168
Other	**-**	-	**-**	-
Total defined benefit plans	**140**	168	**128**	168
Accumulated contribution plans:				
VicSuper	**-**	-	**-**	-
VicSuper Scheme [2]	**955**	987	**921**	931
Other defined contribution plans [2]	**1,061**	841	**1,024**	788
Total accumulated contribution plans	**2,016**	1,828	**1,945**	1,719
Total paid contribution for the year	**2,156**	1,996	**2,073**	1,887
Contribution Outstanding at Year End				
Defined benefit plans:				
ESS Superannuation Fund – revised and new	**10**	-	**9**	-
Other	**-**	-	**-**	-
Total defined benefit plans	**10**	**-**	**9**	**-**
Defined contribution plans:				
VicSuper	**89**	111	**86**	111
Other	**90**	90	**89**	90
Total defined contribution plans	**179**	**201**	**175**	**201**
Total	**189**	**201**	**184**	**201**

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

2 The above amounts were measured as at 31 December of each year, or in the case of employer contributions they relate to the years ended 31 December.

NOTE 22

Key management personnel disclosures

Responsible persons related disclosures

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

(i) Minister

The Hon. Steve Herbert, MP was the Minster for Training and Skills, from 1 January until 31 December 2015.

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.

(ii) Chief Executive Officer (Accountable Officer)

Mr Nicholas Hunt - appointed August 2007.

Remuneration received or receivable by the Chief Executive Officer in connection with the management of the Institute during the reporting period was in the range:

$250,000 - $259,999 (2014: $240,000 - $249,999)

(iii) Members of the Board of William Angliss Institute of TAFE

Board Chair - Dr A Astin PSM - appointed 1 June 2015
Board Chair - Dr M Allan - resigned 31 May 2015
Ministerial Director - Mr R Aylett - resigned 31 August 2015
Ministerial Director - Mr D Minett
Ministerial Director - Hon J Pandazopoulos - appointed 1 December 2015
Ministerial Director - Ms M Ring
Ministerial Director - Ms B Schofield
Board Director - Dr D Foster
Board Director - Mr B Kearney - resigned 31 August 2015
Board Director - Mr M Lieberman
Board Director - Mr M Pignatelli - appointed 1 December 2015

(iv) Members of the Board of wholly owned subsidiaries

Executive Director - Mr R Petts (Executive Director of a wholly owned subsidiary) - resigned 18 December 2015
Executive Director - Mr I Nicolson (Executive Director of a wholly owned subsidiary) - appointed 17 December 2015

(v) Executive Officers

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

Mr N Hunt - Chief Executive Officer (accountable officer)
Mr W Crosbie - Director International and Business Development
Mr W Box - Director Corporate and Student Services
Mr D Mabilia - Associate Director VET
Mr D Minton - Associate Director Student Services (resigned August 2015)
Mr P Whitelaw - Associate Director Higher Education & Quality

There were no other key management personnel.

NOTE 22

Key management personnel disclosures

Responsible persons

22 Key management personnel disclosures		Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Remuneration of Board members					
Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts.		**468**	500	**254**	309
Remuneration received, or due and receivable from the Institute in connection with the management of any related party entity.		**468**	500	**254**	309

		No.	No.	No.	No.
Income range					
The number of Board members whose remuneration from the Institute was within the specified bands are as follows:					
Less than $10,000	*	**3**	1	**2**	1
$10,000 - $19,999		**-**	3	**-**	3
$20,000 - $29,999		**8**	-	**8**	-
$30,000 - $39,999		**-**	6	**-**	6
$40,000 - $49,999		**1**	-	**1**	-
$60,000 - $69,999		**-**	1	**-**	1
$190,000 - $199,999	*	-	1	-	-
$200,000 - $209,999	*	**1**	-	**-**	-
Total number of Responsible Persons		**13**	12	**11**	11

* Remuneration of these directors are related to their employment contract with a group entity.

NOTE 22

Key management personnel disclosures

Executive officers	Consolidated		Institute	
	2015	2014	2015	2014
22 Key management personnel disclosures	$'000	$'000	$'000	$'000
Executive Officers' Remuneration				
The number of executive officers including the CEO whose total remuneration exceeded $100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.				
Base remuneration of executive officers	**721**	797	**721**	797
Total remuneration of executive officers	**801**	919	**801**	919

Consolidated	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
Income range				
The number of executive officers whose remuneration from the Institute was within the specified bands are as follows:				
$20,000 - $29,999	-	1	-	1
$60,000 - $69,999	-	-	-	1
$70,000 - $79,999	-	1	-	-
$100,000 - $109,999	-	-	**1**	1
$110,000 - $119,999	**1**	1	-	1
$130,000 - $139,999	-	1	-	1
$140,000 - $149,999	-	-	**2**	1
$150,000 - $159,999	**1**	1	-	-
$160,000 - $169,999	**1**	-	**2**	-
$170,000 - $179,999	-	1	-	-
$180,000 - $189,999	**1**	-	-	-
$190,000 - $199,999	**1**	-	-	-
$200,000 - $209,999	-	-	-	1
$240,000 - $249,999	-	1	-	-
Total executive officers	**5**	7	**5**	7

Institute	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
Income range				
$20,000 - $29,999	-	1	-	1
$60,000 - $69,999	-	-	-	1
$70,000 - $79,999	-	1	-	-
$100,000 - $109,999	-	-	**1**	1
$110,000 - $119,999	**1**	1	-	1
$130,000 - $139,999	-	1	-	1
$140,000 - $149,999	-	-	**2**	1
$150,000 - $159,999	**1**	1	-	-
$160,000 - $169,999	**1**	-	**2**	-
$170,000 - $179,999	-	1	-	-
$180,000 - $189,999	**1**	-	-	-
$190,000 - $199,999	**1**	-	-	-
$200,000 - $209,999	-	-	-	1
$240,000 - $249,999	-	1	-	-
Total executive officers	**5**	7	**5**	7
Total annualised employee equivalent	**5.00**	7.00	**5.00**	7.00
Total amount	**801**	**919**	**801**	**919**

NOTE 22

Key management personnel disclosures

Loans to key management personnel

There were no loans made to and from directors or key management personnel of the Institute (2014: nil).

NOTE 23

Related parties

Key management personnel

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

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Institute	
	2015	2014	2015	2014
23 Related parties	$'000	$'000	$'000	$'000
Loans to/from related parties				
(i) Loans from subsidiaries				
Beginning of the year	**-**	-	**(529)**	5,661
Loans forgiven	**-**	-	**-**	(4,184)
Loans converted into shares	**-**	-	**-**	(2,331)
Other	**-**	-	**-**	(418)
Loans (advanced)/ repaid from subsidiaries	**-**	-	**(1,836)**	743
End of year (Payable)	-	-	**(2,365)**	(529)
(ii) Loans to subsidiaries				
Beginning of the year	**-**	-	**-**	-
Loans advanced / (repaid) to subsidiaries	**-**	-	**599**	-
End of year Receivable	-	-	**599**	-

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. During the year ended 31 December 2014 a loan was forgiven of $4.184 million as noted in note 16.

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

An advance of $2,000,000 for financing of activities was received from a related entity in 2014 and repaid in full in 2015. This has been shown in Note 14 - Borrowings.

NOTE 24

Controlled Entities

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

24 Subsidiaries	Country of incorporation	Class of Shares	Equity holding 2015 %	Equity holding 2014 %	
Angliss Consulting Pty Ltd					
Company has been established to manage China and overseas operations	Australia	Ordinary	100%	100%	
William Angliss Institute Foundation					
Company limited by guarantee has been established as a scholarship fund.	Australia	Ordinary	100%	100%	*
Angliss Solutions Pty Ltd					
The company is a wholly owned subsidiary of Angliss Consulting Pty Ltd and has never traded.	Australia	Ordinary	100%	100%	
Angliss Multimedia Pty Ltd					
The company is a wholly owned subsidiary of Angliss Consulting Pty Ltd and has never traded.	Australia	Ordinary	100%	100%	
William Angliss Institute Pte Ltd					
Company has been established to support the delivery of a contract with the Singapore Workforce Development Agency.	Singapore	Ordinary	100%	100%	

*

The William Angliss Institute Foundation (the "Foundation") was established in 2010 with the sole objective and purpose of raising funds, partly from public donations, to be invested and distributed to current and future students of the Institute in the form of scholarships. 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 company 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 operation of the Foundation within the stated purpose and it gains a substantial portion of the benefit of funds distributed through the courses undertaken at the Institute.
The Foundation has total equity at 31 December 2015 of **$2,586,111** (2014 $2,036,144) and contributed **$549,967** (2014: $481,632) to the comprehensive result of the Institute for the year ended 31 December 2015. These funds are only available to be applied in discharging the objects and purposes of the Foundation.

NOTE 25

Financial Instruments

25 Financial Instruments

Financial risk management

(i) Financial risk management objectives and policies

The Institute's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute. The Institute uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

The Institute's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), and payables (excluding statutory payables and borrowings.)

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 .

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

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

(ii) Financial risk exposures and management

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

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

(iii) Categorisation of financial instruments

Carrying amount of financial instruments by category:	Note	Category	Consolidated 2015 $'000	Consolidated 2014 $'000	Institute 2015 $'000	Institute 2014 $'000
Financial Assets						
Cash and Deposits	5	Loans and receivables	**16,408**	9,433	**12,795**	5,681
Receivables [(a)]	6	Loans and receivables	**1,371**	2,135	**1,970**	2,135
			17,779	11,568	**14,765**	7,816
Financial Liabilities						
Payables [(a)]	12	Financial liabilities at amortised costs	**5,369**	4,853	**7,611**	3,614
Borrowings	14	Financial liabilities at amortised costs	**-**	2,000	**-**	2,000
			5,369	6,853	**7,611**	5,614

(a) statutory receivables and statutory payables .

The net holding gains or losses are determined as follows:

- for cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- for financial asset and liabilities that are designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

NOTE 25

Financial Instruments

Net holding gain/(loss) on financial instruments by category	Consolidated		Institute	
Interest Income/(expense)	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial assets - loans and receivables	**275**	165	**219**	109
Interest income/(expense) - financial assets	**275**	165	**219**	109

Impairment loss	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial Assets	**54**	43	**49**	4,214
Total impairment loss	**54**	43	**49**	4,214

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. e.g. an adverse movement in interest rates or foreign currency exchange rates.

The Institute's exposures to market risk are primarily through foreign currency risk, interest rate risk and equity price risk.

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

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

Foreign currency risk

The Institute is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian Dollar, foreign currency term deposits, other receivables relating to training delivery in other countries, 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 Institute's exposures are mainly against the US dollar (USD) and Singapore dollar (SGD) and are managed through continuous monitoring of movements in exchange rates against the USD and SGD, 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.

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

Price risk

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

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

NOTE 25

Financial Instruments

Funding risk

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

The Institute manages funding risk by continuing to diversify and increase funding from Commercial activities, both domestically and off shore. The Institute delivers training nationally and has increased its training delivery activities overseas.

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.

Credit risk

Credit risk arises from the contractual financial assets of the Institute, which comprises 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 losses to the Institute.

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

There are no material amounts of collateral held as security at 31 December 2015 and 2014.

Credit risk is managed on a group basis and reviewed regularly by the Finance Audit and Risk Management (FARM) Committee. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with financial institutions.

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

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

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

The trade receivables balance at 31 December 2015 and 31 December 2014 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

Credit quality of contractual financial assets that are neither past due nor impaired [1]

Consolidated	Financial institutions (AA rating)	Government agencies (AAA rating)	Other counter-party	Total
2015	$'000	$'000	$'000	$'000
Cash and deposits	9,643	6,765	-	16,408
Receivables	-	-	1,371	1,371
Total contractual financial assets 2015	**9,643**	**6,765**	**1,371**	**17,779**
2014				
Cash and deposits	9,433	-	-	9,433
Receivables	-	-	2,135	2,135
Total contractual financial assets 2014	**9,433**	**-**	**2,135**	**11,568**

Institute	Financial institutions (AA rating)	Government agencies (AAA rating)	Other counter-party	Total
2015	$'000	$'000	$'000	$'000
Cash and deposits	7,295	5,500	-	12,795
Receivables	-	-	1,970	1,970
Total contractual financial assets 2015	**7,295**	**5,500**	**1,970**	**14,765**
2014				
Cash and deposits	5,681	-	-	5,681
Receivables	-	-	2,135	2,135
Total contractual financial assets 2014	**5,681**	**-**	**2,135**	**7,816**

Note

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

NOTE 25

Financial Instruments

Ageing analysis of financial assets

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

Consolidated	Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015 Financial assets							
Receivables[1]:							
Trade receivables	1,672	-	439	493	740	-	305
Other receivables	4	4	-	-	-	-	-
Total 2015 financial assets	**1,676**	**4**	**439**	**493**	**740**	**-**	**305**
2014 Financial assets							
Receivables[1]:							
Trade receivables	2,276	-	765	591	920	-	286
Other debtors	145	145	-	-	-	-	-
Total 2014 financial assets	**2,421**	**145**	**765**	**591**	**920**	**-**	**286**

Institute	Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015 Financial assets							
Receivables[1]:							
Trade receivables	1,672	-	439	493	740	-	305
Other receivables	603	603	-	-	-	-	-
Total 2015 financial assets	**2,275**	**603**	**439**	**493**	**740**	**-**	**305**
2014 Financial assets							
Receivables[1]:							
Trade receivables	2,276	-	765	591	920	-	286
Other debtors	145	145	-	-	-	-	-
Total 2014 financial assets	**2,421**	**145**	**765**	**591**	**920**	**-**	**286**

Note

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

NOTE 25

Financial Instruments

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Institute's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

The Institute's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Institute's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (2014: 50 basis points up and down) in market interest rates (AUD); and
- proportional exchange rate movement of 10 per cent up and down (2014: 7 per cent up and down)against the USD and SGD, from the year-end rate of 0.7306 and 1.0328 respectively (2014: 0.8202 and 1.0836)

The following tables show the impact on the Institute's net result and equity for each category of financial instrument held by the Institute at the end of the reporting period as presented to key management personnel, if the above movements were to occur.

Consolidated	**Carrying amount**	**Interest rate risk**				**Foreign exchange risk**			
		-1.00%		**1.00%**		**-10%**		**10%**	
		Result	**Equity**	**Result**	**Equity**	**Result**	**Equity**	**Result**	**Equity**
31 December 2015	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets									
Cash and deposits	16,408	(164)	(164)	164	164	(134)	(134)	121	121
Receivables [1]	1,371	-	-	-	-	(75)	(75)	67	67
Total increase/ (decrease) in financial assets	**17,779**	**(164)**	**(164)**	**164**	**164**	**(209)**	**(209)**	**188**	**188**
Financial liabilities									
Payables [1]	(5,369)	-	-	-	-	(12)	(12)	13	13
Borrowings	-	-	-	-	-	-	-	-	-
Total increase/ (decrease) in financial liabilities	**(5,369)**	**-**	**-**	**-**	**-**	**(12)**	**(12)**	**13**	**13**
Total increase/ (decrease)	**12,410**	**(164)**	**(164)**	**164**	**164**	**(221)**	**(221)**	**201**	**201**

Consolidated	**Carrying amount**	**Interest rate risk**				**Foreign exchange risk**			
		-0.5%		**0.5%**		**-7%**		**7%**	
		Result	**Equity**	**Result**	**Equity**	**Result**	**Equity**	**Result**	**Equity**
31 December 2014	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets									
Cash and cash equivalents	9,433	(46)	(46)	46	46	(75)	(75)	75	75
Receivables [1]	2,135	-	-	-	-	(47)	(47)	47	47
Total increase/ (decrease) in financial assets	**11,568**	**(46)**	**(46)**	**46**	**46**	**(122)**	**(122)**	**122**	**122**
Financial liabilities									
Payables [1]	(4,853)	-	-	-	-	-	-	-	-
Borrowings	(2,000)	-	-	-	-	-	-	-	-
Total increase/ (decrease) in financial liabilities	**(6,853)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**4,715**	**(46)**	**(46)**	**46**	**46**	**(122)**	**(122)**	**122**	**122**

NOTE 25

Financial Instruments

Institute	Carrying amount	Interest rate risk				Foreign exchange risk			
		-1.00%		1.00%		-10%		10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2015	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets									
Cash and cash equivalents	12,795	(128)	(128)	128	128	(21)	(21)	19	19
Receivables [1]	1,970	-	-	-	-	(75)	(75)	68	68
Total increase/ (decrease) in financial assets	**14,765**	**(128)**	**(128)**	**128**	**128**	**(96)**	**(96)**	**87**	**87**
Financial liabilities									
Payables [1]	(7,611)	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
Total increase/ (decrease) in financial liabilities	**(7,611)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**7,154**	**(128)**	**(128)**	**128**	**128**	**(96)**	**(96)**	**87**	**87**

Institute	Carrying amount	Interest rate risk				Foreign exchange risk			
		-0.5%		0.5%		-7%		7%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2014	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets									
Cash and cash equivalents	5,681	(27)	(27)	27	27	-	-	-	-
Receivables [1]	2,135	-	-	-	-	-	-	-	-
Total increase/ (decrease) in financial assets	**7,816**	**(27)**	**(27)**	**27**	**27**	**-**	**-**	**-**	**-**
Financial liabilities									
Payables [1]	(3,614)	-	-	-	-	-	-	-	-
Borrowings	(2,000)	-	-	-	-	-	-	-	-
Total increase/ (decrease) in financial liabilities	**(5,614)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**2,202**	**(27)**	**(27)**	**27**	**27**	**-**	**-**	**-**	**-**

Note

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

NOTE 25

Financial instruments

25 Financial instruments

(iii) Financial instrument composition and interest rate exposure

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.

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 rates on monthly/quarterly [specify frequency] basis

The Institute manages cash flow interest rate risk through a mixture of short term and longer term investments. Management monitors movement in interest rates on a regular basis

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

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

The Institute's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis table below.

Consolidated 2015	Weighted average effective rate %	Total Carrying Amount per Balance Sheet $`000	Floating interest rate $`000	Fixed interest rate $`000	Non-Interest Bearing $`000
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand	2.2%	9,643	9,643	-	-
Deposits at call	2.9%	6,765	-	6,765	-
Contractual receivables					
Trade receivables	-	1,367	-	-	1,367
Other Debtors	-	4	-	-	4
Total financial assets		**17,779**	**9,643**	**6,765**	**1,371**
Financial liabilities					
Trade and other payables	-	5,369	-	-	5,369
Borrowings					
Other loans	-	-	-	-	-
Total financial liabilities	**-**	**5,369**	**-**	**-**	**5,369**

Consolidated 2014	Weighted average effective rate %	Total Carrying Amount per Balance Sheet $`000	Floating interest rate $`000	Fixed interest rate $`000	Non-Interest Bearing $`000
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand	2.5%	7,810	7,810	-	
Deposits at call	3.5%	1,623	-	1,623	
Contractual receivables					
Trade receivables	-	1,990	-	-	1,990
Other Debtors	-	145	-	-	145
Total financial assets		**11,568**	**7,810**	**1,623**	**2,135**
Financial liabilities					
Trade and other payables	-	4,853	-	-	4,853
Borrowings					
Other loans	-	2,000	-	-	2,000
Total financial liabilities	**-**	**6,853**	**-**	**-**	**6,853**

NOTE 25

Financial instruments

Institute 2015	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
	%	$`000	$`000	$`000	$`000
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand	2.2%	7,295	7,295	-	-
Deposits at call	2.9%	5,500	-	5,500	-
Contractual receivables					
Trade receivables	-	1,966	-	-	1,966
Other Debtors	-	603	-	-	603
Total financial assets		**15,364**	**7,295**	**5,500**	**2,569**
Financial liabilities					
Trade and other payables	-	7,611	-	-	7,611
Borrowings					
Other loans	-	-	-	-	-
Total financial liabilities	**-**	**7,611**	**-**	**-**	**7,611**

Institute 2014	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
	%	$`000	$`000	$`000	$`000
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand	2.7%	5,666	5,666	-	-
Deposits at call	3.7%	15	-	15	-
Contractual receivables					
Trade receivables	-	1,990	-	-	1,990
Other Debtors	-	145	-	-	145
Total financial assets		**7,816**	**5,666**	**15**	**2,135**
Financial liabilities					
Trade and other payables	-	3,614	-	-	3,614
Borrowings					
Other loans	-	2,000	-	-	2,000
Total financial liabilities	**-**	**5,614**	**-**	**-**	**5,614**

Note

1. Other receivables does not include statutory receivables.

NOTE 25

Financial instruments

(iv) Maturity analysis of financial instruments

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 and the amounts related to financial guarantees disclosed in Note 18.

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 level of reserves and uncommitted funds 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 markets; and
- careful maturity planning of its financial obligations by matching the maturity profiles of financial assets and liabilities, and continuously monitoring forecast and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the Institute's Board, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity requirements. The institute manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. This risk is when the Institute is unable to meet its financial obligations as and when they fall due.

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

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

Consolidated	Carrying amount	Not past due and not impaired	Maturity dates				Impairment of assets
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	
2015 Financial liabilities							
Financial liabilities							
Trade and other payables	5,369	-	472	4,897	-	-	-
Other loans	-	-	-	-	-	-	-
Total 2015 financial liabilities	**5,369**	**-**	**472**	**4,897**	**-**	**-**	**-**
2014 Financial liabilities							
Financial liabilities							
Trade and other payables	4,853	-	402	4,451	-	-	-
Other loans	2,000	-	-	-	2,000	-	-
Total 2014 financial liabilities	**6,853**	**-**	**402**	**4,451**	**2,000**	**-**	**-**

Institute	Carrying amount	Not past due and not impaired	Maturity dates				Impairment of assets
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	
2015 Financial liabilities							
Financial liabilities							
Trade and other payables	7,611	-	472	7,139	-	-	-
Other loans	-	-	-	-	-	-	-
Total 2015 financial liabilities	**7,611**	**-**	**472**	**7,139**	**-**	**-**	**-**
2014 Financial liabilities							
Financial liabilities							
Trade and other payables	3,614	-	402	3,212	-	-	-
Other loans	2,000	-	-	-	2,000	-	-
Total 2014 financial liabilities	**5,614**	**-**	**402**	**3,212**	**2,000**	**-**	**-**

Note

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

NOTE 25

Financial instruments

25 Financial instruments

Fair value estimation

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

Fair values of financial instrument asset and liabilities are determined using the fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels based on the degree to which the fair value is observable.

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

The Institute considers that the carrying amount of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables.

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

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

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

Consolidated	2015		2014	
25 Financial instruments	Carrying Amount $'000	Net Fair Value $'000	Carrying Amount $'000	Net Fair Value $'000
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	9,643	9,643	7,810	7,810
Contractual receivables				
Trade receivables	1,371	1,371	2,135	2,135
Investments, loans and other financial assets				
Short Term Deposits	6,765	6,765	1,623	1,623
Total financial assets	**17,779**	**17,779**	**11,568**	**11,568**
Financial liabilities				
Payables	5,369	5,369	4,853	4,853
Borrowings	-	-	2,000	2,000
Total financial liabilities	**5,369**	**5,369**	**6,853**	**6,853**

Institute	2015		2014	
25 Financial instruments	Carrying Amount $'000	Net Fair Value $'000	Carrying Amount $'000	Net Fair Value $'000
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	7,295	7,295	5,666	5,666
Contractual receivables				
Trade receivables	2,569	2,569	2,135	2,135
Investments, loans and other financial assets				
Short Term Deposits	5,500	5,500	15	15
Total financial assets	**15,364**	**15,364**	**7,816**	**7,816**
Financial liabilities				
Payables	7,611	7,611	3,614	3,614
Borrowings	-	-	2,000	2,000
Total financial liabilities	**7,611**	**7,611**	**5,614**	**5,614**

Note

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

There have been no transfers between levels for the period.

The Institute did not have any financial instruments that are measured at fair value subsequent to initial recognition as at 31 December 2015.

NOTE 26

Institute details

26 Institute details

The registered office of the Institute is:

555 La Trobe St , Melbourne Victoria 3000

The principal place of business is:

555 La Trobe St , Melbourne Victoria 3000

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