

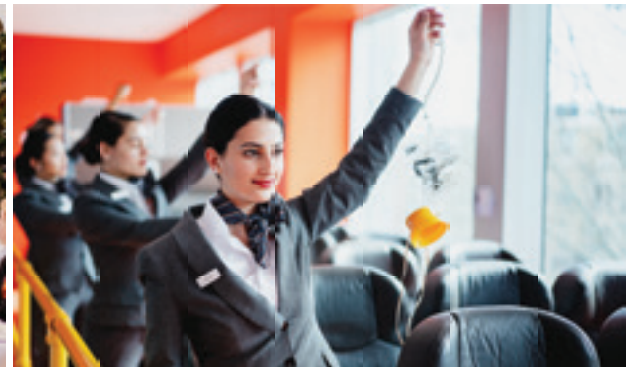


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ANNUAL REPORT 2018

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SPECIALIST CENTRE:
FOODS
TOURISM
HOSPITALITY
EVENTS



Contents

Vision, Mission and Values	2
About William Angliss Institute	3
Board Chair's Report	4
CEO's Report	5
Overview of Achievements	6
Governance	11
Board Members	12
Attendance, Code of Conduct & Committees	18
Organisational Chart	21
Executive Team	22
Performance Statement	24
Compliance	26
People & Capability	28
Compulsory Student Services and Amenities Fees	31
Environmental Impacts and Sustainability	31
Publications and Research	34
Financial Summary	36
Disclosures	37
VAGO Auditor General Letter Statement of Performance	38
VAGO Auditor General Letter Financial Report	40
Financial Report Declaration	43
Financial Report	44
Disclosure Index	96

Vision, Mission and Values

Vision

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

Mission

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

Strategic Priorities to 2020

1. Enhance program flexibility
2. Broaden our scope, integration and specialisations
3. Develop and expand international partnerships
4. Develop a national operating network
5. Become a recognised part of higher education
6. Develop an applied research capability
7. Invest in facilities and infrastructure

Strategic Plan 2018-2020

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

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

Institute Values

Personal Responsibility:

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

Inspiration:

Passionate, stimulating and optimistic

Empowerment:

Nurturing, encouragement and challenging

Community:

Sharing, partnership and connections

Expertise:

Leadership, innovation and industry practice



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 youth learning and half day programs through to bachelor and masters degrees, from traditional pub hospitality to five star customer service, from on-campus to the workplace and remote sites.

Established in 1939 by prominent Melbourne businessman and philanthropist Sir William Angliss, as Australia's first trade college dedicated to providing training for the food industry, the Institute is now a renowned specialist education and training Institute offering more than 72 nationally recognised training programs.

Programs

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

The Institute continues to develop program offerings internationally. Three partnerships and one joint venture 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 over 20,634 students annually at its Melbourne, Lilydale, Sydney and offshore campuses, as well as various workplaces in Australia and offshore. The 22,325 enrolments in 2018 comprised local and international students based on campus or participating in workplace training.

The Institute provides training in the following specialist sectors:

Foods

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

Tourism

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

Hospitality

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

Events

- Event Management

Locations

Along with the main campus in the centre of Melbourne, William Angliss Institute also delivers training direct to industry partners through a Lilydale campus, a Sydney campus, and offices in Queensland, South Australia, Western Australia and Northern Territory. The Institute has a Singapore campus, four campus partnerships in China and campuses in Sri Lanka and Vietnam.

Responsible Body's Declaration

In accordance with the Financial Management Act 1994, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions. I am pleased to present William Angliss Institute's Annual Report for the year ending 31 December 2018.



Nicholas Hunt
Chief Executive Officer
25 February 2019

Board Chair's Report



Dr Anne Astin PSM
Board Chair

I am pleased to present to you a summary of our strategic and financial achievements for 2018, on behalf of the Board of William Angliss Institute.

This Annual Report provides details of our priorities and educational services throughout 2018 as we continue to be regionally active, develop our international footprint and pursue our key strategies towards continuous improvement and specialisation across our industries.

The Institute provides skills development and training services in Melbourne, Sydney and across Australia and will continue to explore future partnerships nationally. The Institute has been able to maintain our position and adapt our programs to suit students and meet the needs of industry in what continues to be a challenging and competitive marketplace.

The Institute has provided a wide range of educational services across vocational and higher education as the specialist centre for foods, tourism, hospitality and events during the past 12 months.

In 2018, the Institute's Higher Education programs sustained their growth with a 40% increased delivery in higher education student contact hours. The Institute continued to deepen its specialist offering commitment with the addition of three tourism degrees and a Master of Philosophy (M.Phil). William Angliss Institute is the first and only TAFE in Australia to offer a higher degree by Research.

The Institute's commitment to the student experience, its specialist focus and the provision of educational services have combined to support student completion and transition to employment. Close consultation with industry ensures students have an informed learning experience and graduates build connections to support opportunities and positive career outcomes.

In 2018 the Institute enrolled more than 1,750 international students across both the Sydney and Melbourne campuses, international education activities remain a strong component of the Institute's student community.

I had the opportunity to attend the graduation ceremony at the Institute's Sri Lanka campus. The experience was rich and rewarding, with 151 students graduating at an impressive ceremony.

I would like to acknowledge the contribution and commitment of board member, Dean Minett. His support and contribution to the Board and Board Committees was outstanding. We welcomed new board member Roger Clifton, appointed 1 July 2018.

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

I would like to acknowledge the commitment and support of my fellow Board Members, the Executive team and the Institute's valuable staff for their commitment to students' success throughout the year.

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

Dr Anne Astin PSM
Board Chair
25 February 2019

CEO's Report



Mr Nicholas Hunt
Chief Executive Officer

Each year presents the opportunity for William Angliss Institute to pursue our strategy, set targets for continuous improvement and most importantly, stay focused on our core purpose, the development of our students with the skills and knowledge to support them in achieving their goals.

2018 was the first year of our new Strategic Plan. Our priorities for the 2018-2020 period are: Educational Excellence, Enhanced Student Experiences, Partnerships, International Development, Innovation and Sustainability. The William Angliss Institute Strategic Plan 2018-2020 identifies a range of activities which support our vision, mission, business strategy and values as we continue to strive to deliver the highest quality specialist vocational and higher education programs to inspire and empower our students while adding value to our industry and community.

As part of our activities during the year we released the first instalment of our 'Experience is Everything' campaign. The campaign focuses on the core values of the 'experience industries' and draws on research identifying key motivators for new entrants to the industry we, as a specialist Institute, focus on. The consumer demand for seeking out experiences is creating new business opportunities and driving the growth of the foods, tourism, hospitality and events sectors as people seek 'experiences' to enjoy and share rather than 'things'.

Through the Government's Skills First initiatives, the Institute has been able to provide additional services to enhance and support active engagement with industry, enabling a smoother transition to employment. The Skills and Jobs Centre focused on providing advisory services to individuals interested in training and work placements and conducted 400 consultations during the year.

Growth within the industry nationally and internationally has seen the Institute support the skills demand across a range of areas. These include: the development of enhanced specialist facilities at our campus in Alexandria, Sydney; the introduction of commercial cookery studies in China; the first graduates from a joint venture with the Tourism College of Zhejiang in the Sino Australia International Hotel Management School; and the first intake for our new Higher Education programs in the Bachelor of Tourism, Bachelor of Tourism (Ecotourism) and Bachelor of Tourism (Marketing).

It was also pleasing this year for the Institute to be recognised for the quality of our programs and our educational teams. The Institute was delighted to be the winner of the Premier's Award – International Education Provider of the Year, winner of the Skills Provider of the Year – Education Investor Asia Awards, and Gold Winner of the Victoria Tourism Awards for Best Tourism Education and Training Provider.

I would like to thank the Board and in particular our Board Chair, Dr Anne Astin, for her continued support and leadership. The Board's team approach and commitment to the Institute has provided strong support for the current strategic direction and added value as we have considered the current challenges of the day and the mid-term opportunities further ahead.

In closing, it is important to thank and recognise the contribution and commitment that all staff across the Institute's operations make to ensure we can provide the best educational outcomes for our students.

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

Mr Nicholas Hunt
Chief Executive Officer
25 February 2019

Overview of Achievements

Local Highlights

Vocational Education and Training (VET)

William Angliss Institute maintains its unique position within the VET Training Sector as Australia's only foods, tourism, hospitality and events specialist training Institute. In the local market, the Institute continues to be regarded as the premier training provider and educator with exceptional industry reach and coverage. Industry experiences which support a smooth transition to employment are a central part of the Institute's vocational programs. During the year students participated in a range of signature industry events.

Over 100 students and staff volunteered alongside the Melbourne Food and Wine Festival to provide events, cookery and food and beverage support for the world-famous World's Longest Lunch. Working with Peter Rowland Group and Chefs Jerry Mai (Annam) and Adam D'Sylva (Coda/Tonka), students participated in this annual event which hosted 1,650 visitors at the record 600-metre-long table for the first time on the banks of the Maribyrnong River.

Other student and graduate career development opportunities included the annual Careers and Employment Expo and networking events, an all-new Careers and Jobs Fair and the Mentoring Program for Higher Education students. A wide range of employers recruited students including Disney's Cultural Exchange Program, IHG graduate program and The Big Group for the Spring Racing Carnival.

Charcoal Lane offered three Certificate II in Hospitality intakes with 29 Indigenous trainees enrolled. Six have completed and the remaining 23 will be continuing the program in 2019. William Angliss Institute and Charcoal Lane were acknowledged for its training delivery by the Duke and Duchess of Sussex who dined for lunch at Charcoal Lane and were served by the trainees during their visit to Melbourne in 2018.

A focus on the globalisation of the Institute's programs saw students and staff from the Institute venture abroad to a number of countries including Malaysia, New Zealand, and Singapore.

Key delivery targets for all VET areas in 2018 have been achieved.

Lilydale Campus

It was pleasing to see Commercial Cookery completions at Lilydale in 2018. The large increase in short courses and skill sets training had 434 participants with steady growth in mainstream qualifications.

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 22 key industry competitions and 28 events for the foods, tourism, hospitality and events industries.

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

During 2018, the Institute's commitment to education excellence was rewarded with a number of awards including:

- Victorian International Education Awards:
 - Premier's Award – International Education Provider of the Year
 - Excellence in International Education – TAFE category
 - Finalist – Excellence in International Student Employability & Career Development
- Education Investor Asia Awards – Winner, Skills Provider of the Year; Finalist, Excellence in Curriculum and Assessment, Singapore
- Asian Culinary Cup – FHC Global Food & Hospitality Expo, Shanghai, China
- RACV Victorian Tourism Awards – Best tourism education and training provider
- Finalist – Northern Territory Training Awards, Industry Collaboration Category for Training Indigenous Young People with Voyages Indigenous Tourism Australia at Ayers Rock Resort
- Finalist – Queensland Training Awards, Premier's Industry Collaboration Category for Training Indigenous Young People with Mossman Gorge Training Centre.

Higher Education

In 2018 the Institute saw the first intake of students for the Bachelor of Tourism, Bachelor of Tourism (Marketing) and Bachelor of Tourism (Ecotourism), with 12 students being admitted across the second semester.

William Angliss Institute's Higher Education student team were finalists in the prestigious STR Market Study competition held in New York, USA in mid-November. The five-member team received sixth place in a fierce competition against 23 global teams. It is the best result for William Angliss Institute since 2016 – the highest ranked non-university and the second highest ranked school outside of the USA.

Aidan Coffey represented the Institute at the VTIC Student Entrepreneurial Awards with his proposal for an e-sports road show through regional Victoria. Awarded second place, Aidan, who is studying a Bachelor of Tourism and Hospitality Management, competed against students from other universities with their proposals to support and encourage new ideas to develop Victoria's visitor economy.

Five Higher Education students represented the Institute at the Asia Pacific Incentives Student Event Competition in July. Co-hosted by the Institute's Singapore campus, the students developed a thoughtful and exciting event proposal - East & West Achieving Great Things Together - which received third prize.

In 2018, the Institute was part of a collaborative project with the University of Melbourne for Meat and Livestock Australia, Western Australia Department of Primary Industry and Regional Development and (WA) Regional Development Corporation to build the infrastructure for a new category of food - dry-aged sheep meat.

Other collaborations included:

- curating and hosting a dinner with author Bruce Pascoe and Attica's Ben Shewry as part of the Urban Agriculture Forum
- creating and hosting an industry panel 'Regenerating Communities' with Matthew Evans, the Gourmet Farmer
- coordinating and delivering 'Microscopic Metropolis: the Dirt on Food' workshop in partnership with Scale Free Network as a part of Melbourne Knowledge Week
- hosting the National Sustainable Communities Summit

Short Courses

During 2018, a total of 10,646 participants completed a short course at William Angliss Institute. Two new short courses were introduced in 2018 - First Aid - Provide First Aid and Carpigiani (CGU) Gelato Level 2.

Short courses activity at Lilydale increased 111% on the previous year, with 434 participants completing a short course in 2018.

Sydney campus

2018 saw the opening of the new Alexandria campus which includes state-of-the-art kitchen facilities, a modern bar area, open learning spaces, supplier demonstration areas, student chill-out zones, a new student training restaurant and a street front café. With the opening of the student training restaurant, Rubric Restaurant, in late October, over 1,050 guests were served over seven weeks.

The Sydney campus also introduced paid 10 weeks of industry placements into its courses and has formed key partnerships with Merivale, Sofitel, Park Royal Hotels and Four Seasons.

William Angliss Institute was successful in being appointed as an approved training provider by the Liquor and Gaming NSW to co-develop and deliver training to support the new licensee laws.

The Sydney campus also hosted 40 VET in Hospitality teachers at an industry immersion experience organised by the NSW Department of Education in December. With the aim of providing teachers with the knowledge to enhance the delivery of industry-related hospitality courses to Higher School

Certificate students, the one week training program included learning about emerging trends in tea mixology, edible art, molecular gastronomy and food pop-ups.

National Training

In addition to offering nationally accredited courses for individual learners, National Training works directly with employers to develop customised training solutions for a range of levels, from new entrants to the industry through to upper level management.

The Institute's partnership with Voyages Indigenous Tourism Australia is now in its seventh year. In 2018, the Institute commenced delivery of the Certificate IV in Leadership & Management to selected Indigenous employees at the Ayers Rock Resort who are being mentored to move into supervisory management positions.

Mossman Gorge, part of the Voyages portfolio, completed two Certificate III in Hospitality programs in 2018 and students were offered employment at hotel sites in Port Douglas.

Community and Industry Engagement

In 2018, Angliss Alumni and industry representatives connected with the Institute through the annual Speed Networking Event, Faculty of Higher Education Mentoring Program and Careers recruitment events. The Institute hosted two events during the Melbourne Food and Wine Festival with Chef Matthew Evans from Fat Pig Farm, connecting industry experts with young learners. Alumni were invited to attend a range of professional development events including Four Pillars Gin Masterclass, a Women & Leadership Seminar with AccorHotels, Sake Masterclass with Sake Master Andre Bishop, Cheese Science and Wine Pairing in collaborating with RMIT food science, All Things Truffle with Australian Truffle Growers, Association President, Dr Peter Stahle, Small Business Workshops supported by Business Victoria and a wine tasting workshop with the Institute's in-house wine experts.

The Institute's VET Student Representative attended the World Federation of Colleges and Polytechnics Young Leader's Camp. The event brought together youth from all over the globe to discuss the state of professional and technical education and training from the perspective of students in the sector.

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

The Melbourne campus hosted the annual Career Practitioners' Day which attracted 90 attendees. Over 100 events and campus tours were hosted at the Institute campuses, with Institute representatives also attending over 160 off-campus events across Victoria and New South Wales.

Skills and Jobs Centre

The Skills and Jobs Centre (SJC) is the first point of call for prospective students, unemployed workers needing support and workers seeking to reskill. The SJC provided consultations to over 400 individuals throughout the course of 2018. The SJC is also active in engaging the broader community including industry, schools and LLENs.

Foundation and Scholarships

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

The Foundation was established in recognition of the pioneering work in the areas of hospitality and foods by the late Sir William Charles Angliss.

In 2018, the following scholarships were offered:

- The Sir William Angliss VET Scholarship (VIC & NSW) – for domestic VET students commencing or continuing in any study area
- The Sir William Angliss Higher Education Scholarships (VIC) – for domestic Higher Education students commencing or continuing in any study area
- The Sir William Angliss Aboriginal & Torres Strait Islander Scholarship (VIC/NSW) – for Aboriginal or Torres Strait Islander students commencing or continuing in any study area
- The Sir William Angliss International Merit Scholarships (VIC/NSW) – for international students continuing in any study area
- The Memorial Fund Scholarship (VIC/NSW) – for international students continuing in any study area
- Nestlé Golden Chefs Hat Scholarship (VIC) – for domestic and international students commencing or continuing in Commercial Cookery
- Nestlé Golden Chefs Hat Scholarship (NSW) – for domestic and international students commencing or continuing in Commercial Cookery
- Latrobe Community Health Services Scholarship (VIC) – for commencing or continuing domestic students from a rural or regional area in Victoria
- The Hostplus Indigenous Scholarship (VIC) – for Aboriginal or Torres Strait Islander students commencing or continuing in the foods or hospitality area
- The Hostplus 3 Star Scholarship (VIC) – for domestic students continuing in the foods or hospitality areas
- The Savvy Academy Scholarship (VIC) – for continuing domestic and international students in the hospitality or foods areas
- The Schnitz Spencer Outlet Scholarship (VIC) – for continuing domestic students in hospitality management

- The Bulla Scholarship (VIC) – for domestic students continuing in baking or patisserie courses
- The Fonterra Merit Scholarship (VIC) – for domestic students continuing in Certificate IV in Commercial Cookery
- The Aprimo Trading Access Scholarship (VIC) – for domestic students continuing in Certificate IV in Patisserie.

Partnerships

William Angliss Institute values its industry partners and has developed a partnership framework so organisations can add their support to our educational programs for the benefit of our students. Our major sponsors in 2018 included Fonterra, Hostplus, Nestlé Professional, Peerless, Robot Coupe, Cacao Barry, Australian Leisure and Hospitality Group, Bulla and Dilmah.

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

Support Services

William Angliss Institute's Support Services – Disability 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 extent of these services is made possible through the valued contribution of *Skills First* TAFE Community Service funding.

Disability Services provides disability support to students with diagnosed disability, medical or mental health conditions to provide equitable access to learning, facilities and services at the Institute. In 2018, 124 students registered for disability support for disabilities, medical or mental health conditions, compared to 107 students in 2017.

A total of 85 of these students received in class support, study support or individual support in the Access Hub, compared to 53 students receiving these services in 2017. The increase in individual support in 2018 is largely due to the commencement of the Access Hub service, which has provided more flexibility and access opportunities for students with disability to access individual support throughout the week.

The Wellbeing Officer provided 72 wellbeing consultations and 21 counselling sessions to students. Through their collaboration with Student Opportunities, the Wellbeing Officer provided mental health promotion activities such as Health and Wellbeing Day. They also held a key role in engaging and supporting the counselling interns who were completing their placement with WACS as part of their Masters in Counselling.

Learning Advisors had 661 unique interactions with students in Semester 1, attended 11 classes and held 10 Language Lounge sessions.

During 2018, there were 227,723 visitors to the Learning Resource Centre (LRC). Digital downloads of full text articles continue to increase, with 138,834 downloads over the same period, including 30,484 off-campus logins to the LRC's electronic resources. A highlight of 2018 was the creation of the Research Repository to collect, preserve and provide access to the scholarly and research publications produced by the academic community of the Institute.

International Highlights

International Students in Australia

The Institute won the Victorian International Education Awards 2018 'Excellence in International Education – TAFE' and the prestigious 'Premier's Award – International Education Provider of the Year'. The awards recognise the Institute's outstanding achievements in all aspects of international student experience and international education.

International student enrolments were strong in 2018, with 1,750 students from more than 53 countries commencing studies at our Melbourne and Sydney campuses. The Institute has maintained a reputation for excellence in recruiting high quality students, evidenced by maintaining the lowest possible 'evidence level' with the Department of Home Affairs – an indicator that the Institute has high integrity recruitment practices that align with the government's visa and immigration policy.

Global Collaborations

In Singapore, William Angliss Institute Pte Ltd has completed our Interim Edutrust Audit, a requirement of the four year Edutrust certification we received in 2017. This enables us to continue to develop and deliver Australian qualifications in Singapore, the first of which has commenced – the Advanced Diploma of Hospitality Management.

William Angliss Institute Pte Ltd saw the successful graduation of over 50 students who completed full qualifications in 2018, with a large number of our graduates securing industry employment placements upon completion.

We remain focused on continuing strong industry partnerships in Singapore, with the Singapore Grand Prix (SGP) particularly of note – we were appointed in 2017 for the sixth consecutive year to train over 2,000 customer service and security staff for the 2018 SGP. Other large industry training partners include Hanbaobao (McDonalds) Restaurants, Singapore Discovery Centre, Singapore SportsHub, Scoot Airlines and our newest partners, AETOS Singapore and The Arts House.

The Institute's operation in China continues to lead the field of Australian tourism and hospitality training delivered in country with the introduction of commercial cookery to our joint venture campus at Thousand Island Lake, Zhejiang Province. Enrolment for this program was heavily oversubscribed, highlighting the need to expand the program in 2019.

In 2018, the Institute's partnership with the Colombo Academy of Hospitality Management (CAHM) grew to three student intakes and includes international students. There was an increasing number of Sri Lankan students choosing to take advantage of the academic pathways to further their studies and attain a degree at the Melbourne campus. It is expected that enrolment numbers will continue to grow in both hospitality and cookery streams.

William Angliss Institute was engaged by the Human Resource Development Centre of Danang in Vietnam to conduct a very successful three day Risk Management and Incident Response seminar for government and industry.

In partnership with TAFE Directors Australia, the Institute commenced project work in Taiwan, assisting the Workforce Development Agency in building MICE & events capability in the region as well as with the Taipei Travel Agents Association in developing the expertise of its members.

2018 saw further growth in skills assessment services for skilled culinary professionals from 10 countries nominated under a Deed with Trades Recognition Australia. These were applicants for a work visa of up to four years to work for approved Australian employers to fill their skills shortages in cookery, bakery and pastry cooking. Skills assessment services for culinary professionals seeking permanent residency were also provided for all nationalities. There was a further increase in applicants from Asian, European and South American countries during the year.





Overseas Operations

Nature of Strategic and Operational Risks

The William Angliss Institute Strategic Plan identifies the priority of developing and expanding international partnerships. The Institute recognises the inherent risks associated with offshore activity and these risks have been identified 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 an annual basis. Risk management is a priority for the Board and as such, the Institute provides:

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

Performance Measures and Targets

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

Achieving Expected Outcomes

The Institute's international activities have continued to be successful in 2018, with performance regularly achieving set targets and has contributed significantly to the Institute's commercial targets.

Overseas Visits

In 2018, over 140 overseas visits were undertaken to deliver industry training and assessment programs as well as formal education courses, secure consulting projects, strengthen partnerships, oversee International operations, recruit students and attend conferences and exhibitions.

Governance

Manner of Establishment and the Relevant Minister

The Institute is named after the late Sir William Angliss, whose public spirited and generous benefaction enabled the Institute to open as the William Angliss Food Trades School on 14 December 1939. Sir William was elected as the first President of the School Council and remained President until 1954.

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

William Angliss Institute was established by an Order in Council under the Vocational Education and Training Act 1990, which was incorporated into the Education and Training Reform Act 2006. The current Constitution of William Angliss Institute of Technical and Further Education Order 2016 was made on 3 May 2016 and came into operation on 1 July 2016.

During the period 1 January 2018 to 31 December 2018 the relevant office of Minister for Training and Skills and Minister for Higher Education was held by the Hon. Gayle Tierney MP.

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

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 2018 – 2020 Strategic Plan sits within this 10 year planning horizon.

Business Strategy

- To be the first choice provider of foods, tourism, hospitality and events education, training and industry services
- To use differentiation as a strategy based on William Angliss Institute's specialist expertise, broad range of programs (vocational and higher education), the quality of facilities, our connection to the industry and our corporate experience
- To grow in a manageable and profitable manner working to achieve the owner's target for financial sustainability

Nature and Range of Service

As a specialist training provider to the foods, tourism, hospitality and events industries, the Institute currently offers a range of educational, training, product development, project management and consultancy services locally, 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 2018 course enrolments were 22,325 across the Institute's foods, tourism, hospitality and events programs.

Board Members



Dr Anne Astin PSM

BOARD CHAIR

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. Prior to this, Anne was a senior tutor at Monash University, working in biomedical research and education.

Anne is currently Chair of Dairy Food Safety Victoria, Chair of The Food Agility Co-operative Research Centre, Chair of SafeFish and Chair of the Australian Industry Skills Council's Food, Beverage and Pharmaceutical Industry Reference Committee. She is the Commonwealth Government's representative on Australia's Health Star Rating Advisory Committee, a member of EnergySafe Victoria's Audit and Risk Committee, a Non-Executive Director of Sheep Producers Australia, a Non-Executive Director of the Australian Packaging Covenant Organisation (APCO), a member of New Zealand's Food Safety, Science and Research Centre's International Science Advisory Panel, a Trustee of Kildare Ministries and a Council member of Catholic Social Services Victoria.

Previous positions she has held include CSIRO's Agriculture and Food Advisory Committee, President and Chair of the Australian Institute of Food Science and Technology (AIFST), the immediate past Chair of the Australian and New Zealand Implementation Sub-Committee for Food Regulation (ISFR), Chair of Wellsprings for Women Inc., non-Executive Director of Australian Dairy Farmers Ltd, Director of Dairy Australia, Director on the Melbourne Royal Botanic Gardens and Chair of Victoria's Women in Primary Industries Advisory Panel.

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

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

Roger Clifton

MINISTERIAL DIRECTOR

APPOINTED 1 JULY 2018

Roger was trained in Marketing and Advertising Principles and Practice at RMIT. After completing National Service in the Australian Army and serving in Vietnam, Roger joined Young & Rubicam (Y&R) as a Group Head and subsequently became General Manager of their joint venture Dentsu Y&R.

In the late 80s, Roger formed his own advertising agency called Clifton Court Smith, with two partners. This business grew and acquired the Melbourne office of Ogilvy & Mather to become Clifton Court Smith Ogilvy & Mather (CCSO&M). Roger served as its Managing Director and it grew to be in the top ten such businesses in Melbourne. CCSO&M then merged with Singleton Advertising in 1996, bringing together two very successful agencies and Roger was appointed Managing Director.

In 2000, Roger was invited to join the largest agency network in the world, McCann Erickson, as its Melbourne Office Managing Director and the business grew to be in the top ten in its market. With an increasing interest in social marketing and behaviour change, Roger accepted an invitation in 2005 to run The Shannon Company as Managing Director. The Shannon Company was Australia's leading Social Marketing communications organisation and it grew to nearly double its size during Roger's tenure.

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

Since retiring from full time work in 2008, Roger has served as Chairman of the Prahran Market Governance Board, lectured in advertising at Holmesglen Institute, mentored young aspiring advertising professionals, worked as a professional mediator and served the community as an Honorary Justice of the Peace.





Vicky McIver

MINISTERIAL DIRECTOR

Vicky is currently a Board member on the Leadership Plus Board and a Director of Arrus Knoble (Aus). At William Angliss Institute, she is Chair of the Future Building and Infrastructure Committee, a member of the Remuneration Review and Board Membership Committee and the William Angliss Institute Pte Ltd Board (Singapore).

She has previous Board experience on Argyle Community Housing Board, the Council of Lauriston Girls' School and Ashwood School Council. Vicky has more than 25 years' experience in working with Boards and Executive teams to develop and implement new strategic directions in private, public and not for profit sectors.

Vicky worked with Ernst & Young in the Performance Improvement and Information Technology Division and led many path-finder change management projects associated with the transformation brought about by new technology.

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

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



Dean Minett

MINISTERIAL DIRECTOR

RESIGNED 30 JUNE 2018

Graduating from William Angliss in 1982 with a Certificate of Catering, Dean took on his first General Management role at the age of 22. He has since worked in, managed or consulted to hotels, motels, resorts, restaurants and casinos across all States of Australia and is co-author of two best-selling hospitality & tourism textbooks, *The Road to Hospitality* and *The Road to Tourism*.

Dean is the principal of Minett Consulting Pty Ltd, working with hotel and tourism owners, operators and developers. He was previously Country General Manager, Australia/Director 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 & Tourism) in 2007, researching Ethics and Leadership in Hospitality and is a Graduate of the Australian Institute of Company Directors.



Hon. John Pandazopoulos

MINISTERIAL DIRECTOR

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

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



Matteo Pignatelli

MINISTERIAL DIRECTOR

"Working in, with and for the hospitality industry for over 35 years"

Matteo Pignatelli graduated with a Diploma of Business in Hospitality Management at William Angliss in 1989, after winning individual awards for Culinary Studies, Food and Beverage Operations and Most Outstanding 2nd year Student. 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 Managing Director at Fedele's, Glen Waverley. After four years building up his successful business, he opened Matteo's in 1994, in the building once occupied by Mietta's in North Fitzroy. 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.

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



Brenda Richardson

CO-OPTED DIRECTOR

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

In 1999, she was appointed to the Operating Committee of Ford Australia, as Vice President of Information Technology and Business Initiatives for Ford Australia/New Zealand. She has extensive experience of managing dispersed sites, and bringing together the needs of diverse stakeholders and has held a series of roles with Asia-Pacific and global responsibility.

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

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

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



Dr David Foster

CO-OPTED 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) 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.



Wendy Jones

CO-OPTED DIRECTOR

Wendy Jones is a passionate tourism and hospitality industry practitioner, with a background in association management. She has worked with executive teams and boards across the tourism industry, the environment sector and community. Wendy stepped down from her role as Executive Officer of Goulburn River Valley Tourism in mid-2017, a position she held since July 2013. Previously she was a founding director of its board for three years and remains passionate about the importance of the visitor economy to regional Victoria.

Wendy's tourism and hospitality experience varies from owner-operator to industry association management in both Victoria and the Northern Territory. Her previous roles have included CEO of both the Restaurant & Catering Association of Victoria and Keep Australia Beautiful Victoria. Wendy also spent nearly ten years living in Darwin where she headed up the Northern Territory Tourism Industry Training Council before returning to live in regional Victoria. Wendy has also been a Judge for the RACV Victorian Tourism Awards for the past four years.

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



Karon Hepner

ELECTED DIRECTOR

Elected Director – The Elected Director is a staff member of the Institute and is elected by the staff of the Institute to the elected director position.

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

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

Karon has been the recipient of a number of industry awards prior to joining the Institute, including Tourism Training Australia for training contribution to the Hospitality and Tourism Industries; Australian Institute of Hospitality Management for contribution to Hospitality Training and Tourism Training Australia – National Trainers Award.

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



Nicholas Hunt

MANAGING DIRECTOR

The Managing Director is the Chief Executive Officer of the Institute.

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

Previous positions held by Nick include CEO of Tourism Alliance Victoria, CEO of Country Victorian Tourism Council and Executive Director of Tourism Training Victoria. Nick is currently Chair of the TAFE Directors Australia Finance and Audit Committee, Chair of VTIC's Tourism Services & Hospitality Policy Committee, Director of the Victorian TAFE Association, Director of the TAFE Directors Australia National Scholarship Foundation, Deputy Chair of VTAC and a member of the VTAC Board of Trustees.

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

Attendance, Code of Conduct & Committees

Attendance at Board Meetings 2018

Board Directors	Board Meetings
Dr Anne Astin PSM	7 of 7
Roger Clifton	4 of 4
Dr David Foster	7 of 7
Karon Hepner	6 of 7
Nicholas Hunt	7 of 7
Wendy Jones	7 of 7
Vicky McIver	7 of 7
Dean Minett	3 of 3
Hon. John Pandazopoulos	6 of 7
Matteo Pignatelli	5 of 7
Brenda Richardson	7 of 7

The Board met seven times during the year. The Annual Meeting was held on 7 May 2018. During 2018, no Board Members declared a potential pecuniary interest in issues discussed during Board meetings.

Board Composition

The Board comprised ten members:

- Five Ministerial Directors appointed by the relevant Minister
- Three Co-opted Directors
- Elected Director
- Managing Director/CEO

The role of Board Secretary was held by Judy Slevison, GAICD.

Governance Charter

The Board annually reviews the Board Governance Charter; this was undertaken in May 2018.

Code of Conduct

The Board originally developed and approved its own Code of Conduct in 2006, which is reviewed annually. The Code of Conduct 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 annual financial statement
- Meets the required obligations of the Strategic Planning Guidelines and Commercial Guidelines
- Approves an annual budget
- Reviews and approves the Strategic and Risk Management Plans and sets clear annual measures that are in alignment with the Strategic Plan and Risk Management Plan
- Reviews and approves the Financial Delegations Policy 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:

Matteo Pignatelli (Chair – current) Dean Minett (Chair to 30 June 2018), Roger Clifton, Wendy Jones, Hon. John Pandazopoulos, Brenda Richardson and Peter Sexton (Co-opted Committee member)

Resignations from the Committee:
Dean Minett 30 June 2018

Appointments to the Committee:
Roger Clifton 27 August 2018

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. Specific responsibilities for internal and external audit are to:

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

The William Angliss Institute Finance, Audit and Risk Management Committee reviewed the Annual Financial Statements and made a recommendation to the William Angliss Institute Board on 20 February 2019 to authorise the William Angliss Institute Annual Financial Statements for the year ending 31 December 2018 before they are released to Parliament by the Responsible Minister.

During 2018 the Finance, Audit and Risk Management Committee held four meetings.

Remuneration Review and Board Membership Committee

Committee Members:

Dr Anne Astin (Chair), Vicky McIver, Hon. John Pandazopoulos and Matteo Pignatelli.

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 team, compliance with the Government Sector Executive Remuneration Panel (GSERP) guidelines and review of Board membership requirements.

During 2018 the Remuneration Review and Board Membership Committee held three meetings.

Future Building and Infrastructure Committee

Committee Members:

Vicky McIver (Chair – current), Dean Minett (Chair to 30 June 2018), Roger Clifton, David Foster, Hon. John Pandazopoulos and Brenda Richardson.

Resignations from the Committee:
Dean Minett 30 June 2018

Appointments to the Committee:
Brenda Richardson 1 July 2018
Roger Clifton 27 August 2018

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

During 2018 the Future Building and Infrastructure Committee held three meetings.

Higher Education Academic Board

Board Members:

Dr David Foster (Chair), Professor Kwong Lee Dow, Professor Marcia Devlin, Marianna Sigala, Nicholas Hunt, Wayne Crosbie, Dr Paul Whitelaw, Associate Professor Leonie Lockstone-Binney, Associate Professor Melanie Williams, Dr Larry Foster, Andrew Dolphin, Dr Kim Williams (Staff Representative), Emma Gronow (Staff Representative), Shontinelle Daji (Student Representative), Martin Stankovic (Student Representative) and Aradhana Prashar (Student Representative)

Resignations from the Higher Education Academic Board:
Dr Kim Williams (Staff Representative) 31 January 2018
Shontinelle Daji (Student Representative) 8 March 2017
Professor Marcia Devlin 9 May 2018
Associate Professor Leonie Lockstone-Binney 7 December 2018

Appointments to the Higher Education Academic Board:
Emma Gronow (Staff Representative) 1 February 2018
Marianna Sigala 1 March 2018
Martin Stankovic (Student Representative) 1 April 2018
Ms Aradhana Prashar (Student Representative) 1 August 2018

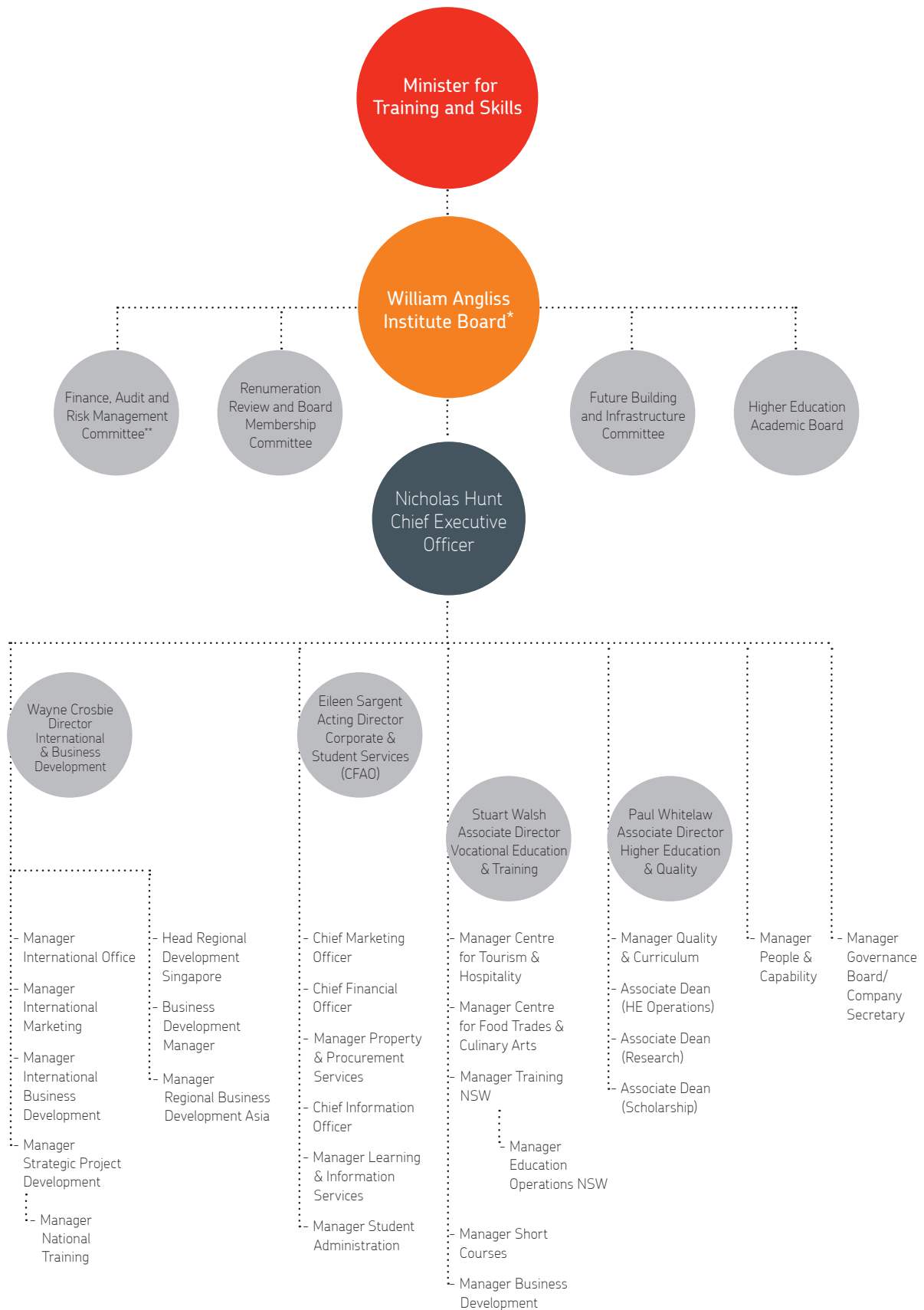
The William Angliss Institute Higher Education Academic Board has delegated responsibility from the William Angliss Institute Board for the academic governance of the Institute's Higher Education courses.

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

During 2018 the Higher Education Academic Board held four meetings.



Organisational Chart



* For details of governing board members, refer page 18.

** For details of audit committee members, refer page 19.

Executive Team



Eileen Sargent

ACTING DIRECTOR CORPORATE AND STUDENT SERVICES

The Corporate and Student Services Division provides financial and business analysis, information technology, marketing and communications, student services, risk management, property and procurement leadership and services to the Institute.

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

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

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

The Learning and Information Services department (Student Services) provides a comprehensive and high quality range of student and information services including the Learning Resource Centre (LRC), E-Learning Support (including student portal maintenance and development), Copyright, Disability, Counselling, Learning Advisors and Student Opportunities.

Corporate Governance and Risk maintain policies and procedures to ensure a level of accountability, integrity and transparency regarding the Institute's corporate affairs, including processes to facilitate Freedom of Information, protected disclosures, privacy obligations, insurance coverage and maintenance of the risk management framework.

The Information Technology Services Department manages the Institute's IT infrastructure, business applications' support, IT security and strategy and provides technical support.

The Corporate and Student Services Division 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.

Eileen joined William Angliss Institute in November 2016 to manage the Finance team and has been acting in the role of Director Corporate and Student Services since February 2018. Prior to joining William Angliss Institute, Eileen was Finance Manager with the Royal District Nursing Service and holds a CPA qualification.



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.



Stuart Walsh

ASSOCIATE DIRECTOR VOCATIONAL EDUCATION AND TRAINING (VET)

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

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



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 16 undergraduate programs across our key areas of foods, tourism, hospitality and events, such as 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 culinary arts and sciences. As well, the Institute offers postgraduate courses including a Masters of Food Systems and Gastronomy, and a research based Masters of Philosophy. 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 2018 the Institute worked towards achieving key performance targets. The table below provides a snapshot of these measures.

Indicator title	Description and methodology	Metric	2018 Target	2018 Actual	Explanation of Variances	Prior year result
Training revenue diversity	Breakdown of training revenue split by Government Funded, Fee for Service and Student Fees and Charges					
	Training revenue split by: <ul style="list-style-type: none"> • Government Funded (GF) • Fee for Service (FFS) • Student Fees and Charges 	%	21.5% 61.2% 17.3%	21.9% 61.6% 16.5%	Minor variances only. Minor variances only. Minor variances only.	22.3% 60.9% 16.8%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue (VTG and FFS) Employment costs + 3rd party training delivery costs / Training Revenue	%	< 79%	81.5%	Softer revenue has increased the 2018 actual result compared to prior year.	77.6%
Training revenue per teaching FTE*	Training Revenue (excl. revenue delivered by third parties) per Teaching FTE* Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*	\$	231,500	206,858	Softer training revenue has impacted 2018 result.	217,000
Operating margin percentage	Operating margin % EBIT excluding Capital Contributions) / Total Revenue (excl. Capital Contributions)	%	(5.1%)	0.9%	Operating margin exceeded budget due to an overall improvement in revenue, inclusive of Government Grants received during 2018.	1.5%

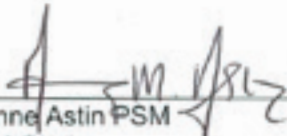
PERFORMANCE STATEMENT FOR 2018

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

In our opinion, the accompanying Statement of Performance of the William Angliss Institute consolidated entity, in respect of the 2018 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, and an explanation of significant variance between the actual results and performance targets.

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



Dr Anne Astin PSM
Board Chair

Date 25/2/2019

Place Melbourne



Nicholas Hunt
Chief Executive Officer

Date 25/2/2019

Place Melbourne



Eileen Sargent
Chief Finance Officer

Date 25/2/2019

Place Melbourne

Compliance

Freedom of Information

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

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

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

For the period 1 January 2018 to 31 December 2018 the Institute received two requests for information from the public under the Freedom of Information Act, of which both were granted access in full within 30 days.

Compliance with the *Building Act 1993*

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

Compliance with the *Protected Disclosure Act 2012*

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

Disclosure of improper conduct or detrimental action by the Institute or any of its staff or officers should be reported directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Phone: 1300 735 135

Fax: (03) 8635 6444

Street address: Level 1, North Tower,
459 Collins 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 2018 to 31 December 2018, 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*

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

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

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

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

Compliance with other Legislation and Subordinate Instruments

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

- *Education and Training Reform Act 2006* (ETRA)
- William Angliss Institute of Technical and Further Education Constitution Order 2016
- 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 1993*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*
- *Freedom of Information Act 1982*

Financial Management Compliance Attestation

I, Dr Anne Astin, on behalf of the William Angliss Institute Board, certify that William Angliss Institute has complied with the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions for the period 1 January 2018 to 31 December 2018 except for the following Material Compliance Deficiencies:

- Instruction 3.4 (a) and (c) Internal Control System - non-compliance identified with the Department of Education and Training's TAFE VET Funding Agreement through a Business Process Audit on the areas of Evidence of Participation and Evidence of Enrolment. The Institute has established a Business Improvement Project team to implement recommendations identified through the audit process.
- Instruction 3.4 (a) Internal Control System, 4.2.1 (a) Acquisition of assets, goods and services and Direction 3.5.3 Significant or Systemic Fraud, Corruption and Other Losses - non-compliance with clause 4.5(a) of the Department of Education and Training's TAFE VET Funding Agreement relating to the charging of unauthorised fees by a subcontractor. The Institute

has conducted a review of its subcontractor compliance program to ensure its subcontractors are fully appraised of and compliant with William Angliss Institute's legal and contractual obligations in addition to strengthened internal controls.



Dr Anne Astin PSM
Board Chair
25 February 2019

Major Commercial Activities

During the period 1 January 2018 to 31 December 2018 there were no major commercial activities to report.

Capital Projects

During the period 1 January 2018 to 31 December 2018, the following capital building projects were undertaken:

- Leased building, 11 Bowden Street, Alexandria, NSW and completed fit-out works in September 2018.

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
- Improvements undertaken to the occupational health and safety of employees
- Industrial relations and time lost through industrial accidents and disputes
- Overseas visits undertaken by staff members
- Major committees sponsored by the Institute
- Consultancies and contractors engaged, services provided and expenditure committed to for each engagement
- 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

People & Capability

People

Overall, the Institute workforce increased by 2.6 Equivalent Full-Time (EFT) employees in 2018 compared to the 2017 staffing figures. The following table provides a snapshot of staff numbers as at 31 December 2018.

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

Reward and Recognition

During 2018, staff were recognised under the Institutes' Reward and Recognition Program for outstanding achievements across the four key areas of Client Service Excellence, Innovation, Teaching Excellence and Occupational Health and Safety. This culminated in a total of six awards being presented to staff during the year.

Off Shore Opportunities

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

Learning and Development

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

In 2018, the Institute offered a wide variety of learning and development activities to ensure employees acquire the skills and knowledge to meet the current and future requirements of the Institute while assisting employees in their career development. This included:

- Enhanced leadership program jointly funded by the Institute and the Skills First Organisational Capability Development Program. The program incorporated:
 - Projected succession planning needs
 - Mentoring
 - Development of leadership alumni
 - Women's leadership series

- Implementation of an eLearning platform to better meet the needs of domestic, interstate and overseas staff; also provides access to bite sized (or just-in-time) learning and curation of learning needs according to business deliverables
- Cultural awareness training (Indigenous focus)
- Internal training for VET teachers to upgrading TAE qualifications
- Training in regulatory requirements
- Mental health training
- Ongoing compliance training
- Training for teaching staff on compliance, vocational training, eLearning and assessment development.

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

Comparative Workforce Data (December 2017 – December 2018)

	Dec-17							Dec-18						
	F/Time		P/Time		Casual		Total	F/Time		P/Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	113.3	16.0	13.1	6.7			149.1	115.1	17.8	19.7	4.5			157.1
Executive	0.0	5.0	0.0	0.0			5.0	0.0	4.0	0.0	0.0			4.0
Other	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0			0.0
Teacher	80.9	40.4	13.9	3.4	61.7		200.3	81.8	32.6	15.7	1.9	63.9		195.9
Total	194.2	61.4	27.0	10.1	61.7		354.4	196.9	54.4	35.4	6.4	63.9		357.0

		Dec-17							Dec-18						
		All Employees		Ongoing			Fixed Term and Casual		All Employees		Ongoing			Fixed Term and Casual	
		Numbers (Headcount)	FTE	Full-Time (Headcount)	Part-Time (Headcount)	FTE	Numbers (Headcount)	FTE	Numbers (Headcount)	FTE	Full-Time (Headcount)	Part-Time (Headcount)	FTE	Numbers (Headcount)	FTE
<i>Demographic Data</i>	Gender														
	Women Executives	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0
	Women (Total Staff)	251	192.5	111	37	133.5	103	59.0	257	200.1	112	46	142.1	99	58.0
	Men Executives	5	5.0	0	0	0.0	5	5.0	4	4.0	0	0	0.0	4	4.0
	Men (Total Staff)	201	161.9	85	5	87.7	111	74.2	197	156.9	86	7	90.3	104	66.6
	Self-described	0	0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	Age														
	15-24	6	5.0	4	0	4.0	2	1.0	7	3.9	2	0	2.0	5	1.9
	25-34	55	49.0	30	0	29.4	25	19.6	63	49.7	30	3	31.7	30	18.0
	35-44	124	86.2	39	9	44.2	76	42.0	107	86.2	40	11	47.7	56	38.5
45-54	141	112.1	62	15	72.1	64	40.0	142	111.3	61	13	69.7	68	41.6	
55-64	106	87.4	54	12	61.0	40	26.4	107	86.9	55	19	67.3	33	19.6	
Over 64	20	14.7	7	6	10.5	7	4.2	28	19.0	10	7	14.0	11	5.0	
Total Employees	452	354.4	196	42	221.2	214	133.2	454	357.0	198	53	232.4	203	124.6	

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

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

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

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 2018 continued the focus of building a safety culture, preventative strategies and injury management. The plan aims to build skills and capability by requiring supervisor attendance at nominated safety training and related people management training. Injury management performance was regularly monitored through a range of performance measures. These included supervisor attendance at mandatory safety training and related people management training, timeliness of incident reporting, lost time due to workplace injury and WorkCover claims costs. Improved safety performance contributed to improvements in workplace culture, employee satisfaction and reduced workers' compensation insurance costs.

In relation to preventative strategies, there was a focus on supporting staff wellbeing in 2018. The Institute conducted a Diabetes Victoria program which educated participants in healthy eating and promoted physical activity and improved health outcomes. Staff were also encouraged to participate in the Premier's Active Program initiatives in April and September during the year. All programs were well supported by staff.

Five employees received one-to-one assistance in improving their workstation ergonomics. To support the health of employees, the Institute also continued its program of annual flu vaccinations with 117 staff participating, an increase of 28% on 2017.

While the number of lost time claims increased during 2018, all claims were minor and active claims management resulted in minimisation of lost time and successful return to work outcomes following injury. Lost days due to workplace injuries reduced significantly as a result.

Employment and Conduct Principles

In 2018, the Institute continued to support the employment and conduct principles by providing induction information for new staff and training for all staff, informing them of their employee rights and responsibilities. Employees have been correctly classified in workforce data collections prepared during the 2018 calendar year.

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

Industrial Relations

The William Angliss Institute of TAFE PACCT Staff Enterprise Agreement 2017 and the Victorian TAFE Teaching Staff Agreement 2018 were both approved by the Fair Work Commission in 2018.

The Institute has a committee that meets on a regular basis and includes teaching staff and union representatives for the purpose of implementing the teachers' enterprise agreement.

Staff Declaration of Private Interest

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

In 2018, 21 employees declared an actual, potential or perceived conflict of interest.

As at 31 December 2018

Occupational Health And Safety Measure		2016	2017	2018
Incidents	Number of hazards/incidents	28	23	22
	Rate per 100 FTE	9.93	7.87	7.5
Claims	Number of standard claims	0	2	0
	Rate per 100 FTE	0	0.68	0
	Number of lost time claims	2	2	4
	Rate per 100 FTE	0.7	0.68	1.36
	Average cost of standard claims	0	\$16047	0
Fatalities	Number of fatality claims	Nil	Nil	Nil
Incident Reporting	% reported within 2 days of occurrence	84%	83%	86%
Lost time	Number of lost days	26	83	15
Training	Manager/Supervisor attendance at mandatory safety and related people management training	82%	97%	96.6%

Compulsory Student Services and Amenities Fees

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

The process for the collection and disbursement of the services and amenities fees are managed by the William Angliss Institute Group and are not paid to any student organisations. Total Student Services and Amenities Fees collected for the William Angliss Institute Group for the year ending 31 December 2018 were \$424,925.

Environmental Impacts & Sustainability

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

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

Considerable on-going resource savings have been made with the following activities completed in 2018:

- Engagement of staff and students to raise awareness of sustainability practices – a Sustainability Symposium was run in June 2018 with 40 attendees; National Recycling Week was promoted to both staff and students
- A waste audit was completed and additional recycling bins installed to reduce waste going to landfill, bins to collect green waste were installed in kitchens. Green waste and coffee grounds are now recycled through garden compost bins.
- Continued promotion to staff of end of trip facilities and the Commuter Club providing discounted myki cards.
- Removal of plastic straws from retail outlets, and replacing plastic containers with Biopak food containers.

Energy

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

Indicator	2017			2018		
	Electricity	Natural gas	Green power	Electricity	Natural gas	Green power
Total energy usage	3,064,553 KwH	10,970,496 Mi	n/a	2,898,698 KwH	10,041,531 Mi	n/a
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tCO ₂ e)	4,496	701	-	4,252	641	-
Percentage of electricity purchased as green power	-	-	-	-	-	-
Units of energy used per Student Contact Hour (MJ/SCH)	0.75	2.67	-	0.75	2.60	-

SCH = 3,865,776

Waste

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

Indicator	2017				2018			
	General	Commingled recycling	Cardboard	Glass	General	Commingled recycling	Cardboard	Glass
Total units of waste disposed of by destination (kg/yr)	271,785	34,200	24,145	1,500	250,530	43,464	24,282	3,720
Units of waste disposed of per FTE by destinations (kg/FTE)	922.86	116	82	5	800.2	138.8	77.6	11.9
Recycling rate (percentage of total waste)	18.0%				22.2%			

Actions Undertaken

- Institute intranet regularly updated with environmental statistical information and the promotion and encouragement of recycling benefits
- Completed a waste audit
- Installed additional recycling bins

FTE =313.1 @ 30/9/18, 294.5 @ 30/9/17

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	2017	2018
Total units of copy paper used (reams)	3,957	3,540
Units of copy paper used per FTE (reams/FTE)	13.43	11.30
Percentage of 100% recycled content copy paper purchased	8.23	5.65
Percentage of 75% recycled content copy paper purchased	N/A	N/A
Percentage of 50% recycled content copy paper purchased	1.16	0.85
Percentage of FSC Carbon neutral certified purchase	90.59	93.50

Water

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

Indicator	2017	2018
Total units of metered water consumed by usage types (kilolitres)	19,667	21,564

Transportation

The data in the table is derived from kilometres and fuel usage from the Institute's 16 vehicle fleet Australia-wide. The use of public transport and video conferencing is encouraged where possible.

Indicator	2017	2018
Total kilometres travelled from vehicle fleet	267,950	305,313
Total litres used from vehicle fleet	18,708	19,971
Total distance travelled by air (kilometres)	2,593,564	2,718,070

Greenhouse Gas Emissions

Indicator	2017	2018
Total Greenhouse Gas Emissions associated with energy use (tonnes CO2-e)	5,479	4,893
Total Greenhouse Gas Emissions from vehicle fleet (tonnes CO2-e)	44.16	45.72
Total Greenhouse Gas Emissions from air travel (tonnes CO2-e)	650.08	463.47
Total Greenhouse Gas Emissions associated with waste disposal (tonnes CO2-e)	303.89	275.58

Procurement

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

Publications and Research

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

Publications

William Angliss Institute launched its ground-breaking book *The Study of Food, Hospitality, Tourism and Events: 21st Century Approaches* which is an amalgam of contributions authored by educators and eminent experts involved in the food, tourism, hospitality and events fields of study. The Institute is the only TAFE or community college-style institution in Australia to have produced a book of this nature with a reputable scholarly publisher such as Springer.

The book elaborates upon, critiques and discusses 21st-century approaches to scholarship and research in these specialist trades and applied professions, using case examples of innovative practice.

The foreword by University of Melbourne Emeritus Professor Kwong Lee Dow states the book offers a contemporary major case study showing comprehensively and in detail how a forward-looking institution in the field of food, tourism, hospitality and events gradually develops and secures new practices and programs which effectively cater for student needs and industry priorities in changing times.

The specific fields considered in the book are also placed against the backdrop of the larger question of how universities and other institutions of higher learning are evolving and addressing the new relationships between research, scholarship and teaching.

Edited by Eminent Professors Sue Beeton and Alison Morrison, the book showcases chapters by 24 staff from across the entire Institute, including the departments of Vocational Education and Training, Higher Education, Quality and Curriculum and Student Support.

Refereed Journal Articles

- Chhetri, P., Gekara, V., Manzoni, A., Montague, A. (2018) Productivity benefits of employer-sponsored training: A study of the Australia transport and logistics industry. *Education and Training* 60(1), Oct. 2018 DOI: 10.1108/ET-02-2017-0029
- Hall, J. Basarin, J., Lockstone-Binney, L., Yusuf, A., Winter, C., & Valos, M. (2018). Spiritual values and motives of secular pilgrims. *International Journal of Consumer Studies*, 42(6), pp. 715-723.
- Hamm, S., Frew E., Lade, C. (2018) Hybrid and virtual conferencing modes versus F2F conference delivery: A conference industry perspective. *Event Management: Vol.22. pp. 717-733, 2018.*
- McWha, M. & Beeton, S. (2018). Engaging with popular media through tourism. *Tourist Studies*, 18(3) DOI:10.1177/1468797618782254.
- McWha, M., Frost, M. & Laing, J. (2018). Travel writers and the nature of self: Essentialism, transformation and (online) construction. *Annals of Tourism Research*, 70, pp. 14-24. DOI:10.1016/j.annals.2018.02.007.
- Richards, J. & Dolphin, A. (2018) *Transitioning from VET to HE in hospitality and tourism studies: VET grades as an indicator of performance. HE Australian Journal of Adult Learning Volume 58, Number 2, July 2018.*
- Vanneste, D., & Winter, C. (2018). *First World War battlefield tourism: Journeys out of the dark and into the light. In P. Stone, R. Hartmann, T. Seaton, R. Sharpley & L. White (Eds.), The Palgrave Handbook of Dark Tourism Studies, pp. 443-467. London: Palgrave MacMillan.*
- Winter, C. (2018). *The multiple roles of battlefield war museums: A study at Fromelles and Passchendaele. Journal of Heritage Tourism*, 13(3), pp. 211-223.
- Winter, C., & Frew, E. (2018). *Thoroughbred racing: Backstage at the sport of kings. Leisure Studies*, 37(4), pp. 452-465. doi.org/10.1080/02614367.2018.1454975.

Refereed Conference Papers

- Fang, M., Armstrong, A., & Nguyen, T. (2017). *Conceptual framework to guide development and evaluation of agile leadership in tourism destinations.* Proceedings of 2017 ANZAM Conference, RMIT, Melbourne.
- Ong, F. (2017). *Akrasia and effective altruism - A philosophical reflection on volunteer tourism.* In Proceedings of 2017 CAUTHE Conference, University of Otago, Dunedin. (Winner, Early Career Researcher Bursary Award)

Funded Research Projects

Artisanal Agriculture Roadmap Research

Funding Scheme: Agriculture Victoria, State Government

This research was conducted by Dr Kelly Donati and Dr Caroline Winter.

The Victorian Government recognised the importance of Victoria's food industry in 2016 with the release of its Food and Fibre Sector Strategy which created a long-term vision for the sector. Sustain was contracted by Agriculture Victoria to conduct a state-wide survey of artisanal producers and premium food businesses in order to complement the State government's mapping of this sector. In designing the survey and analysing the results, Sustain drew on the expertise and experience of William Angliss Institute staff, Dr Kelly Donati and Dr Caroline Winter. The results of this survey were presented to Agriculture Victoria staff and directors on 14 September 2018 and helped inform the content of the Artisanal Agriculture Roadmap that was subsequently released on 17 September 2018. This Roadmap extends and builds upon Victoria's passion for producing high quality and highly valued food and produce.



Financial Summary

Summary of Financial Results

Consolidated	2018	2017	2016	2015	2014
Summary of Financial Result	\$'000	\$'000	\$'000	\$'000	\$'000
Total Income from transactions	62,413	63,044	63,940	59,726	55,949
Total Expenses from transactions	61,869	61,867	57,786	56,707	56,990
Net result from transactions (Net operating balance)	544	1,177	6,154	3,019	(1,041)
Other economic flows included in net result	(171)	(175)	(341)	24	118
Net result	373	1,002	5,813	3,043	(923)
Other economic flows - other comprehensive income	86	22,960	54,288	13,523	-
Comprehensive result	459	23,962	60,101	16,566	(923)

Consolidated	2018	2017	2016	2015	2014
Summary of Financial Position	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	226,300	223,370	197,657	140,181	123,483
Total liabilities	17,263	14,792	13,041	15,666	15,534
Net assets	209,037	208,578	184,616	124,515	107,949

Summary of Significant Changes in Financial Position

An increase of assets of \$2.93m resulted from a net increase in PPE of \$3.79m and net decrease in other assets of (\$0.86m). There have been no major change affecting performance.

Summary of Operational and Budgetary Objectives

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

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

Business Consolidation

Consolidated revenue for the year was \$62.4 million. Main revenue streams include Government contracts, commercial revenue and international activity including overseas projects and Singapore and China subsidiaries' operations.

Financial Viability

The consolidated operating profit (including capital and depreciation) for the year was \$0.37million. Total current assets in 2018 were \$24.9 million with current liabilities of \$15.5 million. Events subsequent to balance date— nil.

Organisational Viability

The Institute's commitment to responsible financial management and planning was maintained in 2018. The continued growth in revenue diversity of non- government funded training has further strengthened organisational viability.

The William Angliss Institute's revenue of \$62.4 million (excluding capital contributions) was favourable to budget for the year and generated a surplus of \$4.96 million before capital, depreciation and fixed asset write off. The Institute also maintained a working capital ratio of 1.96 at year-end. The Institute's total assets were valued at \$226.3 million, an increase of \$2.93 million from 2017.

Consultants

In 2018, total expenditure was \$224,872 (ex GST). There were two consultancy where the total fees payable to the consultant were \$10,000 or greater. There were ten consultancies where the total fees payable were less than \$10,000. The total expenditure incurred was \$71,072. The following table constitutes compliance with the requirement to make this information publicly available.

Consultancy valued in excess of \$10,000	Description	\$	Future Commitment
ADVISIAN PTY LTD	Feasibility Study	121,080	-
JFE GLOBAL PTY LTD	Recruitment	32,720	30,000

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

Information and Communication Technology Expenditure

For 2018 reporting period William Angliss Institute had a total ICT expenditure of \$4.6m with the details shown below.

Business As Usual (BAU) ICT expenditure \$'000 (Total)	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure) \$'000	Non-BAU Operational Expenditure \$'000	Non-BAU Capital Expenditure \$'000
3,890	663	50	613

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

Disclosures

Disclosures of Ex-Gratia Payments

In 2018 there were no ex-gratia payments made by the Institute.

Disclosures of Remuneration of Executive Officers

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

Superannuation

Name and type of Superannuation Scheme:

- Defined benefit fund – Emergency Services Superannuation Scheme – New and Revised Schemes
- Contribution fund – VicSuper Pty Ltd
- Various other contribution funds

Basis for Calculating Superannuation Contributions

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

Details of Loans

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

Details of Recognised Superannuation Liabilities

As at the reporting date, there were \$203K outstanding contributions payable to the above funds.

VAGO Auditor General Letter Statement of Performance



Independent Auditor's Report

To the Board of William Angliss Institute of TAFE

Opinion

I have audited the accompanying performance statement of William Angliss Institute of TAFE (the institute) which comprises the:

- performance statement for the year ended 31 December 2018
- the management certification.

In my opinion, the performance statement of William Angliss Institute of TAFE in respect of the year ended 31 December 2018 presents fairly, in all material respects.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the performance statement

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

Auditor's responsibilities for the performance statement

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

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

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

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

MELBOURNE
14 March 2019



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

VAGO Auditor General Letter Financial Report



Independent Auditor's Report

To the Directors of William Angliss Institute of TAFE

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

- consolidated entity and institute balance sheets as at 31 December 2018
- consolidated entity and institute comprehensive operating statements for the year then ended
- consolidated entity and institute statements of changes in equity for the year then ended
- consolidated entity and institute cash flow statements for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration in the financial statements.

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

- giving a true and fair view of the financial position of the institute and the consolidated entity as at 31 December 2018 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

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

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

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

Directors' responsibilities for the financial report The Directors of the institute are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the institute and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

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

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

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

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

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

MELBOURNE
14 March 2019



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Financial Report Declaration

Declaration in the financial statements

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

1. The financial statements and notes are in accordance with the *Australian Charities and Not-for Profits Commission Act 2012*, including:
 - a. giving true and fair view of the Institute's financial position as at 31 December 2018 and of its performance for the year ended on that date, and
 - b. complying with Australian Accounting Standards and *Australian Charities and Not for profits Commission Regulation 2013*; and
2. There are reasonable grounds to believe the Institute will be able to pay its debts as and when they become due and payable.
3. The attached financial statements of the Institute have been prepared in accordance with Directions 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.
4. At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 February 2019.

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



Dr A Astin PS/M
Board Chair

Date 25 / 2 / 2019

Place Melbourne, VIC



Mr N Hunt
Director & Accountable Officer

Date 25 / 2 / 2019

Place Melbourne, VIC



Eileen Sargent

Chief Finance Officer

Date 25 / 2 / 2019

Place Melbourne, VIC

Financial Report

WILLIAM ANGLISS INSTITUTE OF TAFE

How this report is structured

William Angliss Institute of TAFE ("the Institute") has presented its audited general purpose financial statements for the financial year ended 31 December 2018 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statements ¹	1
	Balance sheets ²	2
	Statements of changes in equity ⁴	3
	Cash flow statements ³	4
	1. About this report	
Notes to the financial statements	1.1 Basis of preparation	5
	1.2 Compliance	6
	2. How we earned our funds	
	2.1 Government contributions	7
	2.2 Sale of goods and services	8
	2.3 Other income	9
	3. How we expended our funds	
	3.1 Employee benefits	10
	3.2 Superannuation	12
	3.3 Supplies and services	13
	3.4 Operating lease payments	14
	3.5 Other operating expenses	15
	4. The assets we invested in	
	4.1 Property, plant and equipment	16
	4.2 Intangible assets	20
	4.3 Investments and other financial assets	21
	5. Balances from operations	
	5.1 Inventories	22
	5.2 Receivables	23
	5.3 Prepayments	25
	5.4 Payables	26
	5.5 Other liabilities	28
	5.6 Other provisions	29
	6. How we financed our operations	
	6.1 Cash and deposits	30
	6.2 Contributed equity	31
	7. Managing risks and uncertainties	
	7.1 Financial instruments	32
	7.2 Contingent assets and contingent liabilities	42
	7.3 Fair value determination	43
	8. Governance Disclosures	
	8.1 Responsible persons	47
	8.2 Remuneration of executives	48
	8.3 Related parties	49
	8.4 Auditor's remuneration	50

WILLIAM ANGLISS INSTITUTE OF TAFE

9.	Other disclosures	
9.1	Other economic flows included in net result	51
9.2	Other equity reserves	52
9.3	Controlled entities	53
9.4	Events after reporting date	54
9.5	Application of standards issued but not yet effective	55
9.6	Changes in significant accounting policies	59

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

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

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

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

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

FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENTS

for the year ended 31 December 2018

	Note	Consolidated		Institute	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Continuing operations					
Income from transactions					
Government contributions	2.1	23,326	22,485	23,326	22,485
Sale of goods and services	2.2	37,528	38,643	33,992	35,237
Interest income	6.1.2	407	338	343	285
Other income	2.3	1,152	1,578	838	1,090
Total income from transactions		62,413	63,044	58,499	59,097
Expenses from transactions					
Employee benefits	3.1.1	34,452	32,277	33,112	31,173
Depreciation of property, plant and equipment	4.1.2	3,683	2,908	3,642	2,867
Amortisation of intangible assets	4.2	901	872	899	860
Supplies and services	3.3	18,035	20,781	16,812	19,598
Other operating expenses	3.5	4,798	5,029	3,813	4,211
Total expenses from transactions		61,869	61,867	58,278	58,709
Net result from transactions		544	1,177	221	388
Other economic flows included in net result					
Net gain/(loss) on disposal of non-financial assets	4.1.1	(12)	(44)	(12)	(11)
Net gain/(loss) on financial instruments	7.1.1	54	(162)	54	(174)
Other gains/(losses) from other economic flows	9.1	(213)	31	(213)	31
Total other economic flows included in net result		(171)	(175)	(171)	(154)
Net result from continuing operations		373	1,002	50	234
Net result		373	1,002	50	234
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	9.2	-	22,946	-	22,946
Items that are or may be reclassified to net result					
Exchange difference on translation of foreign operations	9.2	86	14	-	-
Comprehensive result		459	23,962	50	23,180

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

BALANCE SHEETS

as at 31 December 2018

	Note	Consolidated		Institute	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Assets					
Financial assets					
Cash and deposits	6.1	15,926	22,134	11,555	18,122
Receivables	5.2	8,467	3,762	7,429	3,372
Investments and other financial assets	4.3	463	463	3,013	3,013
Total financial assets		24,856	26,359	21,997	24,507
Non-financial assets					
Inventories	5.1	68	75	68	75
Prepayments	5.3	1,459	584	1,285	424
Property, plant and equipment	4.1	191,781	187,991	191,765	187,936
Intangible assets	4.2	8,136	8,361	8,106	8,361
Total non-financial assets		201,444	197,011	201,224	196,796
Total assets		226,300	223,370	223,221	221,303
Liabilities					
Payables	5.4	4,357	3,574	7,567	7,038
Employee provisions	3.1.2	5,806	5,040	5,781	5,023
Other provisions	5.6	864	-	864	-
Other liabilities	5.5	6,236	6,178	5,824	6,107
Total liabilities		17,263	14,792	20,036	18,168
Net assets		209,037	208,578	203,185	203,135
Equity					
Contributed capital	6.2	29,436	29,436	29,436	29,436
Accumulated surplus/(deficit)		31,701	31,328	25,272	25,222
Reserves	9.2	147,900	147,814	148,477	148,477
Net worth		209,037	208,578	203,185	203,135

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Physical assets revaluation surplus \$'000	Foreign currency translation reserve \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
Consolidated					
At 1 January 2017	125,531	(677)	30,326	29,436	184,616
Net result for the year	-	-	1,002	-	1,002
Other economic flows - other comprehensive income	22,946	14	-	-	22,960
Year ended 31 December 2017	148,477	(663)	31,328	29,436	208,578
Net result for the year	-	-	373	-	373
Other economic flows - other comprehensive income	-	86	-	-	86
Year ended 31 December 2018	148,477	(577)	31,701	29,436	209,037
Institute					
At 1 January 2017	125,531	-	24,220	30,204	179,955
Net result for the year	-	-	234	-	234
Other economic flows - other comprehensive income	22,946	-	-	-	22,946
Other equity movements	-	-	768	(768)	-
Year ended 31 December 2017	148,477	-	25,222	29,436	203,135
Net result for the year	-	-	50	-	50
Other economic flows - other comprehensive income	-	-	-	-	-
Year ended 31 December 2018	148,477	-	25,272	29,436	203,185

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

CASH FLOW STATEMENTS

for the year ended 31 December 2018

	Note	Consolidated		Institute	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from operating activities					
Receipts					
Government contributions		18,964	25,543	18,964	24,734
User fees and charges received		38,449	37,681	35,086	35,994
Goods and services tax recovered		311	-	303	-
Interest received		407	332	343	233
Other receipts		1,152	1,800	838	1,246
Total receipts		59,283	65,356	55,534	62,207
Payments					
Payments to suppliers and employees		(57,998)	(58,471)	(54,383)	(55,450)
Goods and services tax paid		(282)	-	(269)	-
Total payments		(58,280)	(58,471)	(54,652)	(55,450)
Net cash flows from/(used in) operating activities	6.1.1	1,003	6,885	882	6,757
Cash flows from investing activities					
Purchase of investments		-	(463)	-	(463)
Receipts from/(Payment to) related entities		-	-	(186)	(600)
Purchase of non-financial assets		(7,298)	(2,944)	(7,264)	(2,944)
Proceeds from sales of non-financial assets		1	42	1	42
Net cash provided by/(used in) investing activities		(7,297)	(3,365)	(7,449)	(3,965)
Cash flows from financing activities					
Net cash flows from/(used in) financing activities		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		(6,294)	3,520	(6,567)	2,792
Cash and cash equivalents at the beginning of the financial year		22,134	18,600	18,122	15,330
Effect of foreign currency transactions		86	14	-	-
Cash and cash equivalents at the end of the financial year	6.1	15,926	22,134	11,555	18,122

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

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

Its registered office and principal address is:

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

1.1 Basis of preparation

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

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

Judgements, estimates and assumptions are required to be made about 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 Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

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

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

- revenue recognition - part of the Institute's and Consolidated Group's revenues are generated from milestone completion and evaluation of the completed training delivery. Managerial judgement is applied to evaluate the extent to which the revenue should be recognised (refer to note 2.1 and 2.2);
- trade and student debtor receivables - the Institute and Consolidated Group monitors and makes estimates of the likelihood that debts will be paid. Managerial judgement is applied to evaluate the level of allowances for estimated losses (refer to note 5.2)

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

Transactions and balances

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

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

1. ABOUT THIS REPORT

1.1 Basis of preparation (continued)

Foreign Operations

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

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

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

Goods and Services Tax (GST)

Income, 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.

Basis of consolidation

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

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

Funding risk

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

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

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

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

1.2 Compliance information

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

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

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Grants and other transfers				
State government - contestable	9,920	10,391	9,920	10,391
State government - other contributions	13,296	11,808	13,296	11,808
Commonwealth Government - other contributions	110	136	110	136
Total Government contributions- operating	23,326	22,335	23,326	22,335
State-capital	-	150	-	150
Total Government contributions - capital	-	150	-	150
Total Government contributions	23,326	22,485	23,326	22,485

Government contributions are recognised as revenue in the period when the following conditions are met: the Institute obtains control of the contributions or the right to receive the contribution, the economic benefits comprising the contribution will flow to the Institute and the amount of the contribution can be measured reliably.

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

“State government – contestable” revenue may be subject to compliance audits by the Department of Education and Training to confirm that the funding received is in compliance with the VET Funding contract. Such audits may result in the clawback of funding. At the time of preparing this report, William Angliss Institute of TAFE does not expect any clawback to occur in relation to “State government – contestable” revenue recognised in the 2018 and 2017 financial years. Included within the current year revenue is a clawback expense of \$827,899 due to items of non-compliance identified in respect of funding for the 2016 financial year.

2. HOW WE EARNED OUR FUNDS

2.2 Sale of goods and services

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Student fees and charges	7,469	7,903	7,469	7,903
Fee for service - government	21	-	21	-
Fee for service - international operations - onshore	21,191	21,023	20,730	21,023
Fee for service - international operations - offshore	1,964	3,694	-	289
Fee for service - other	4,709	3,980	3,598	3,979
Other non-course fees and charges				
Sale of goods	2,174	2,043	2,174	2,043
Total fees and charges	37,528	38,643	33,992	35,237

Student fees and charges

Student fees and charges revenue is recognised by reference to the percentage completion of education and training 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.

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.

Revenue from sale of goods

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

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

2. HOW WE EARNED OUR FUNDS

2.3 Other income

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Rental income	134	284	134	284
Donations, bequests and contributions	71	88	11	-
Scholarships	25	-	-	-
Other revenue	922	1,206	693	806
Total other income	1,152	1,578	838	1,090

Rental Income

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

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

Leases receivable

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

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Receivable:				
Within one year	102	99	93	99
Later than one year but not later five years	228	144	207	144
Later than five years	26	46	24	46
Total lease receivables	356	289	324	289
GST payable on the above	32	26	32	26
Net operating lease receivables	324	263	292	263

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

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

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

Donations bequests and contributions

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

Scholarships

Scholarships are recognised when the relevant conditions attached have been fulfilled.

Other revenue

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

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

Expense	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Salaries, wages, overtime and allowances	27,157	25,286	25,872	24,337
Superannuation	2,730	2,632	2,704	2,602
Payroll tax	1,421	1,473	1,414	1,461
Worker's compensation	151	163	147	158
Long service leave	910	644	906	638
Annual leave	2,083	2,009	2,069	1,977
Other	-	70	-	-
Total employee benefits	34,452	32,277	33,112	31,173

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

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

3.1.2. Employee benefits in the balance sheet

Current provisions

Employee benefits - Annual leave

Unconditional and expected to wholly settle within 12 months	1,112	754	1,092	744
Unconditional and expected to wholly settle after 12 months	323	268	318	264

Employee benefits - Long service leave

Unconditional and expected to wholly settle within 12 months	311	303	311	303
Unconditional and expected to wholly settle after 12 months	2,709	2,345	2,709	2,345

Employee benefits - Other

Unconditional and expected to wholly settle within 12 months	35	80	35	80
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Provisions for on-costs

Unconditional and expected to wholly settle within 12 months	137	161	136	159
Unconditional and expected to wholly settle after 12 months	285	406	286	405

Total current provisions for employee benefits

	4,912	4,317	4,887	4,300
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Non-current provisions

Employee benefits	774	626	774	626
Employee benefits on-costs	120	97	120	97
Total non-current provisions	894	723	894	723

Total employee provisions

	5,806	5,040	5,781	5,023
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Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits (continued)

Reconciliation of movements in on-cost provision

	Consolidated	Institute
	\$'000	\$'000
Carrying amount at the start of the year	664	661
Additional provisions recognised	450	445
Reductions arising from payments/other sacrifices of future economic benefits	(572)	(564)
Carrying amount at the end of the year	542	542

Wages, salaries and annual leave

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

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

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

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

The components of the current LSL liability are measured at:

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

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

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

3. HOW WE EXPENDED OUR FUNDS

3.2 Superannuation

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Institute. The name and details of the major employee superannuation funds and contributions made by Institute are as follows:

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Paid Contribution for the Year				
Defined benefit plans:				
ESS Superannuation Fund - new and revised	100	116	100	116
Defined contribution plans:				
VicSuper Pty Ltd	844	972	842	972
Other	1,583	1,541	1,560	1,508
Total paid contribution for the year	2,527	2,629	2,502	2,596
Contribution outstanding at year end				
Defined benefit plans:				
State Superannuation Fund - revised and new	9	10	9	10
Defined contribution plans:				
VicSuper	73	78	73	78
Other	121	103	120	103
Total contribution outstanding at year end	203	191	202	191

Defined contribution plans

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

Defined benefit plans

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

3. HOW WE EXPENDED OUR FUNDS

3.3 Supplies and services

	Note	Consolidated		Institute	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Purchase of supplies and consumables		2,655	2,723	2,650	2,708
Communication expenses		266	374	254	347
Contract and other services		3,127	3,160	3,003	3,109
Cost of goods sold/distributed (ancillary trading)		2,341	2,430	2,301	2,416
Building repairs and maintenance		574	679	574	679
Operating lease payments	3.4	2,369	2,555	1,747	1,973
Borrowing cost		95	124	92	121
Fees and charges		6,608	8,736	6,191	8,245
Total supplies and services		18,035	20,781	16,812	19,598

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

Other expenditure commitments

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

Payable:

Within one year	329	429	236	353
Later than one year but not later than five years	54	13	37	13
Total other expenditure commitments	383	442	273	366
GST reclaimable on the above	30	35	25	33
Net operating lease commitments	353	407	248	333

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 disclosed as commitments once the related liabilities are recognised on the balance sheet.

3. HOW WE EXPENDED OUR FUNDS

3.4 Operating lease payments

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Operating lease rental expenses	2,369	2,555	1,747	1,973

Non-cancellable operating lease commitments payable

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

Payable:

Within one year	1,851	2,159	1,219	1,559
Later than one year but not later than five years	4,587	4,878	4,386	4,164
Later than five years	1,624	3,486	1,624	3,486
Total operating lease commitments	8,062	10,523	7,229	9,209
GST reclaimable on the above	711	922	657	837
Net operating lease commitments	7,351	9,601	6,572	8,372

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.

3. HOW WE EXPENDED OUR FUNDS

3.5 Other operating expenses

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
General expenses	1,037	1,352	523	1,149
Marketing and promotional expenses	956	871	946	855
Utilities	777	772	754	750
Audit fees and services	298	228	224	146
Staff development	186	315	184	315
Travel and motor vehicle expenses	1,106	1,131	800	771
Bad debts from transactions	161	-	161	-
Consumables	258	253	221	225
Undeductible GST and other tax expenses	19	107	-	-
Total other operating expenses	4,798	5,029	3,813	4,211

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

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

4. THE ASSETS WE INVESTED IN

4.1 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 and equipment includes all operational assets.

Consolidated	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Land	131,148	131,148	-	-	131,148	131,148
Buildings	52,058	52,274	(1,576)	(237)	50,482	52,037
Assets under construction	67	221	-	-	67	221
Plant and equipment	18,983	18,547	(15,741)	(14,465)	3,242	4,082
Motor vehicles	463	481	(228)	(154)	235	327
Leasehold improvements	7,016	168	(492)	(113)	6,524	55
Library collection	1,261	1,196	(1,178)	(1,075)	83	121
Net carrying amount	210,996	204,035	(19,215)	(16,044)	191,781	187,991
Institute						
Land	131,148	131,148	-	-	131,148	131,148
Buildings	52,058	52,274	(1,576)	(237)	50,482	52,037
Assets under construction	67	221	-	-	67	221
Plant and equipment	18,552	18,149	(15,311)	(14,067)	3,241	4,082
Motor vehicles	463	481	(228)	(154)	235	327
Leasehold improvements	6,833	-	(324)	-	6,509	-
Library collection	1,261	1,196	(1,178)	(1,075)	83	121
Net carrying amount	210,382	203,469	(18,617)	(15,533)	191,765	187,936

Initial recognition

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

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

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

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

Subsequent measurement

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

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

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

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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

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

Revaluations of non-financial physical assets

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

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

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

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

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

Class of assets	Depreciation rate
Buildings	2% - 7% (2017: 2% - 7%)
Plant and Equipment	5% - 33% (2017: 5% - 33%)
Motor Vehicles	20% (2017: 20%)
Library books	10% - 20% (2017: 10% - 20%)

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

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

Impairment

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

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

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

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

4.1.1 Gain/loss on property, plant and equipment

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net gain/(loss) on disposal of property, plant and equipment	(6)	(14)	(6)	6
Net foreign exchange gain/(loss) arising from non-financial assets	(6)	(30)	(6)	(17)
	(12)	(44)	(12)	(11)

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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

	Land		Buildings		Construction in progress		Plant and equipment		Motor vehicles		Leasehold improvements		Library books		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Consolidated																
Opening balance	131,148	120,356	52,037	40,947	221	216	4,082	3,064	327	316	55	96	121	216	187,991	165,211
Additions	-	-	-	632	7,224	224	-	1,913	-	136	863	-	65	39	8,152	2,944
Revaluations	-	10,792	-	12,154	-	-	-	-	-	-	-	-	-	-	-	22,946
Disposals	-	-	-	-	-	(20)	(7)	-	-	(36)	-	-	-	-	(7)	(56)
Transfers	-	-	20	(618)	(7,376)	(199)	712	671	-	-	5,969	-	-	-	(675)	(146)
Depreciation	-	-	(1,575)	(1,078)	-	-	(1,545)	(1,566)	(93)	(89)	(366)	(41)	(104)	(134)	(3,683)	(2,908)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of movement in exchange rate	-	-	-	-	-	-	-	-	-	-	3	-	-	-	3	-
Closing balance	131,148	131,148	50,482	52,037	69	221	3,242	4,082	234	327	6,524	55	82	121	191,781	187,991
Institute																
Opening balance	131,148	120,356	52,036	40,947	221	196	4,082	3,064	327	316	-	-	121	216	187,936	165,094
Additions	-	-	-	632	7,190	224	-	1,913	-	136	863	-	65	39	8,118	2,945
Revaluations	-	10,792	-	12,154	-	-	-	-	-	-	-	-	-	-	-	22,946
Disposals	-	-	-	-	-	-	(7)	-	-	(36)	-	-	-	-	(7)	(36)
Transfers	-	-	21	(618)	(7,344)	(199)	712	671	-	-	5,971	-	-	-	(640)	(146)
Depreciation	-	-	(1,575)	(1,078)	-	-	(1,545)	(1,566)	(93)	(89)	(325)	-	(104)	(134)	(3,642)	(2,867)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of movement in exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	131,148	131,148	50,482	52,036	67	221	3,242	4,082	234	327	6,509	-	82	121	191,765	187,936

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

4.1.3. Capital commitments

There are no capital commitments as at 31 December 2018. (2017: Nil)

4. THE ASSETS WE INVESTED IN

4.2 Intangible assets

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

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Software				
Gross carrying amount				
Opening balance	14,528	14,382	14,443	14,297
Transfers	675	146	644	146
Net foreign currency exchange differences	8	-	-	-
Closing balance	15,211	14,528	15,087	14,443
Accumulated amortisation and impairment				
Opening balance	(6,167)	(5,295)	(6,082)	(5,222)
Amortisation charge	(901)	(872)	(899)	(860)
Impairment	(7)	-	-	-
Closing balance	(7,075)	(6,167)	(6,981)	(6,082)
Net carrying amount at end of the year	8,136	8,361	8,106	8,361

Initial recognition

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

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

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

Subsequent measurement

Intangible assets with finite lives are amortised on a straight basis over their useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

Impairment

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

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

4. THE ASSETS WE INVESTED IN

4.3 Investments and other financial assets

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current investment and other financial assets				
Australian dollar term deposits > three months	463	463	463	463
Non-current investments and other financial assets				
Investment in subsidiaries	-	-	2,550	2,550
Total investments and other financial assets	463	463	3,013	3,013

Ageing analysis of investments and other financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000
Consolidated						
2018 - Term deposits	463	463	-	-	-	-
2017 - Term deposits	463	463	-	-	-	-
Institute						
2018 - Term deposit	463	463	-	-	-	-
2017 - Term deposit	463	463	-	-	-	-

5. BALANCES FROM OPERATIONS

5.1 Inventories

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Supplies and consumables - at cost	68	75	68	75
Total inventories	68	75	68	75

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

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

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

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

5. BALANCES FROM OPERATIONS

5.2 Receivables

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Contractual				
Receivables for sale of goods and services	8,867	3,868	7,671	3,183
Impairment loss on trade receivables	(454)	(508)	(454)	(508)
Related party receivables	-	-	169	311
Other receivables	17	54	9	49
Total contractual	8,430	3,414	7,395	3,035
Statutory				
Amount receivable from Victorian Government	-	-	-	-
GST input tax credit recoverable	37	348	34	337
Total receivables	8,467	3,762	7,429	3,372
Represented by				
Current receivables	8,467	3,762	7,429	3,372
Non-current receivables	-	-	-	-

Receivables consist of:

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

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

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

Impairment

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

The movement in the allowance for impairment in respect of trade receivables during the year was as follows. Comparative amounts for 2017 represent the allowance amount for impairment losses under AASB 139.

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Movement in the allowance for impaired contractual receivables				
Balance at the beginning of the year under AASB 139	(508)	(346)	(508)	(334)
Adjustment on initial application of AASB 9	-	-	-	-
Balance at the beginning of the year under AASB 9	-	-	-	-
Amounts written off	-	-	-	-
Net remeasurement of loss allowance	52	(271)	52	(277)
Reversal of uncollectable receivables written off during the year	2	109	2	103
Balance at the end of the year	(454)	(508)	(454)	(508)

5. BALANCES FROM OPERATIONS

5.2 Receivables (continued)

Ageing analysis of contractual receivables

Consolidated	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Trade receivables	8,867	7,501	696	101	569	-
Other receivables	17	17	-	-	-	-
Total	8,884	7,518	696	101	569	-
2017						
Trade receivables	3,868	2,899	501	154	314	-
Other receivables	54	54	-	-	-	-
Total	3,922	2,953	501	154	314	-
Institute						
2018						
Trade receivables	7,671	6,305	696	101	569	-
Related party receivables	169	169	-	-	-	-
Other receivables	9	9	-	-	-	-
Total	7,849	6,483	696	101	569	-
2017						
Trade receivables	3,184	2,536	180	154	314	-
Related party receivables	311	311	-	-	-	-
Other receivables	49	49	-	-	-	-
Total	3,544	2,896	180	154	314	-

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

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

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

5.3 Prepayments

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Prepayments	1,459	584	1,285	424

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

5. BALANCES FROM OPERATIONS

5.4 Payables

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Contractual				
Payables for supplies and services	4,198	3,133	4,004	2,878
Related party payables	-	-	3,430	3,758
Statutory				
GST payable	-	276	-	274
FBT Payable	18	14	18	14
Other taxes payable	141	151	115	114
Total payables	4,357	3,574	7,567	7,038
Represented by				
Current payables	4,357	3,574	7,567	7,038

Payables consist of:

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

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

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

5. BALANCES FROM OPERATIONS

5.4 Payables (continued)

Maturity Analysis of contractual payables

	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated							
2018							
Supplies and services	4,198	4,198	4,198	-	-	-	-
Total	4,198	4,198	4,198	-	-	-	-
2017							
Supplies and services	3,133	3,133	2,168	942	23	-	-
Total	3,133	3,133	2,168	942	23	-	-
Institute							
2018							
Supplies and services	4,004	4,004	4,004	-	-	-	-
Related party payables	3,430	3,430	-	-	3,430	-	-
Total	7,434	7,434	4,004	-	3,430	-	-
2017							
Supplies and services	2,878	2,878	1,913	942	23	-	-
Related party payables	3,758	3,758	-	-	3,758	-	-
Total	6,636	6,636	1,913	942	3,781	-	-

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

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

5. BALANCES FROM OPERATIONS

5.5 Other liabilities

	Consolidated		Institute	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Revenue received in advance	4,871	5,683	4,459	5,612
Lease straight-line liability	1,365	495	1,365	495
	6,236	6,178	5,824	6,107

Revenue received in advance

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

Lease straight-line liability

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

5.6 Other provisions

	Consolidated		Institute	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Non-current provisions				
Make-good provision	864	-	864	-
Total non-current provisions	864	-	864	-
Total other provisions	864	-	864	-

Other provisions are recognised when the the Institute has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

Reconciliation of movements in other provisions in the current year

	Consolidated	Institute
	<i>Make-good</i>	<i>Make-good</i>
Opening balance	-	-
Additional provisions recognised	864	864
Closing balance	864	864

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

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

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and on hand	4,405	6,920	3,116	5,959
Deposits at call	11,521	15,214	8,439	12,163
Total cash and deposits	15,926	22,134	11,555	18,122

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

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

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

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

Net result for the year	373	1,002	50	234
Non cash movements				
Depreciation of property, plant and equipment	3,683	2,908	3,642	2,867
Amortisation of intangible assets	901	872	899	860
Net (gain)/loss on sale of non-financial assets	12	44	12	11
Bad and doubtful debts	(54)	162	(54)	174
Movements in assets and liabilities				
Decrease/(increase) in receivables	(4,651)	162	(4,145)	(1,770)
Decrease/(increase) in inventories	7	(7)	7	(7)
Decrease/(increase) in other assets	(875)	21	(861)	(82)
Increase/(decrease) in payables	1,653	1,178	1,727	3,822
Increase/(decrease) in employee benefits liabilities	766	377	758	360
Increase/(decrease) in other liabilities	(812)	166	(1,153)	288
Net cash flows from/(used in) operating activities	1,003	6,885	882	6,757

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

6.1.2 Interest income

Interest from financial assets not at fair value through profit or loss

Interest on bank deposits	407	338	343	285
Total interest income	407	338	343	285

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

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

6. HOW WE FINANCED OUR OPERATIONS

6.2 Contributed equity

	Consolidated		Institute	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Contributed capital				
Balance at 1 January	29,436	29,436	29,436	30,204
Prior year correction	-	-	-	(768)
Balance at 31 December	29,436	29,436	29,436	29,436

Contributed capital

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

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

Categories of financial instruments

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Contractual financial assets				
<i>Financial assets measured at amortised cost</i>				
Cash and deposits	15,926	22,134	11,555	18,122
Trade receivables	8,413	3,360	7,217	2,675
Related party receivables	-	-	169	311
Other receivables	17	54	9	49
Term deposits	463	463	463	463
<i>Investments at cost</i>				
Investments in subsidiaries	-	-	2,550	2,550
Total contractual financial assets	24,819	26,011	21,963	24,170
Contractual financial liabilities				
<i>At amortised cost</i>				
Supplies and services	4,198	3,133	4,004	2,878
Related party payables	-	-	3,430	3,758
Total contractual financial liabilities	4,198	3,133	7,434	6,636

Categories of financial instruments

Financial assets measured at amortised cost are financial instruments which meet both of the following criteria and are not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Institute recognises the following financial assets in this category:

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

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

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

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Institute has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, revenue receivable and term deposits.

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

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

TAFE measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

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

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

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

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

7.1 Financial instruments (continued)

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

Net holding gain/(loss) on financial instrument by category	Net holding gain/(loss)		Total interest income/(expense)		Fee income (expense)		Impairment (loss)/reversal		Total
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
Consolidated									
Financial assets measured at amortised cost	-	-	407	338	-	-	54	(162)	461
Total contractual financial assets	-	-	407	338	-	-	54	(162)	461
Financial liabilities at amortised cost	-	-	-	-	-	-	-	-	-
Total contractual financial liabilities	-	-	-	-	-	-	-	-	-
Institute									
Financial assets designated at amortised cost	-	-	343	285	-	-	54	(174)	397
Total contractual financial assets	-	-	343	285	-	-	54	(174)	397
Financial liabilities at amortised cost	-	-	-	-	-	-	-	-	-
Total contractual financial liabilities	-	-	-	-	-	-	-	-	-

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.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Financial risk management objectives and policies

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

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

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 Financial Services under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. There has been no significant change in the Institute's exposure, or its objectives, policies and processes for managing the Institute's financial risks or the methods used to measure the risk from the previous reporting period.

Credit risk

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

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

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

The trade receivables balance at 31 December 2018 and 31 December 2017 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

	Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated				
2018				
Cash and deposits	4,405	11,521	-	15,926
Trade receivables	-	-	8,413	8,413
Other receivables	-	-	17	17
Term deposits	463	-	-	463
Total contractual financial assets	4,868	11,521	8,430	24,819
2017				
Cash and deposits	6,920	15,214	-	22,134
Trade receivables	-	-	3,360	3,360
Other receivables	-	-	54	54
Term deposits	463	-	-	463
Total contractual financial assets	7,383	15,214	3,414	26,011
Institute				
2018				
Cash and deposits	3,116	8,439	-	11,555
Trade receivables	-	-	7,217	7,217
Related party receivables	-	-	169	169
Other receivables	-	-	9	9
Term deposits	463	-	-	463
Total contractual financial assets	3,579	8,439	7,395	19,413
2017				
Cash and deposits	5,959	12,163	-	18,122
Trade receivables	-	-	2,675	2,675
Related party receivables	-	-	311	311
Other receivables	-	-	49	49
Term deposits	463	-	-	463
Total contractual financial assets	6,422	12,163	3,035	21,620

Notes:

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

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 1 January 2018.

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
Current (not past due)	7,501	0%	-	Yes
1–30 days past due	696	0%	-	Yes
31–60 days past due	60	0%	-	Yes
61–90 days past due	41	0%	-	Yes
More than 90 days past due	569	80%	454	Yes
	8,867		454	

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Liquidity risk

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

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

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

The responsibility for liquidity risk management rests with the Institute's governing body, which has built an appropriate liquidity risk management framework for the management of the short, medium and long term funding and liquidity requirements. The Institute manages liquidity risk by:

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

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

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

Market risk

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Foreign currency risk

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

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

At the reporting date, if the exchange rate moves by 10% higher/lower against the RMB and SGD from the year-end rate of 4.8548 and 0.9636 respectively (2017: 5.0842 and 1.0424), while all other variables remains constant:

- the Consolidated Group's result and equity would have been \$63 thousand higher/\$57 thousand lower (2017: \$87 thousand higher/\$45 thousand lower); and
- the Institute's result and equity would have been \$nil higher/\$nil lower (2017: \$23 thousand higher/\$28 thousand lower).

Interest rate risk

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

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

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Interest rate exposure of financial instruments

	Weighted average effective rate		Total carrying amount per balance sheet		Floating interest rate		Fixed interest rate		Non-interest bearing	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Consolidated	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost										
Cash and deposits	1.240	1.240	15,926	22,134	4,405	6,920	11,521	15,214	-	-
Trade receivables	-	-	8,413	3,360	-	-	-	-	8,413	3,360
Other receivables	-	-	17	54	-	-	-	-	17	54
Term deposits	2.500	2.500	463	463	-	-	463	463	-	-
Total financial assets			24,819	26,011	4,405	6,920	11,984	15,677	8,430	3,414
Financial liabilities measured at amortised cost										
Supplies and services	-	-	4,198	3,133	-	-	-	-	4,198	3,133
Total contractual financial liabilities			4,198	3,133	-	-	-	-	4,198	3,133
Institute										
Financial assets measured at amortised cost										
Cash and deposits	1.400	1.400	11,555	18,122	3,116	5,959	8,439	12,163	-	-
Trade receivables	-	-	7,217	2,675	-	-	-	-	7,217	2,675
Related party receivables	-	-	169	311	-	-	-	-	169	311
Other receivables	-	-	9	49	-	-	-	-	9	49
Term deposits	2.500	2.500	463	463	-	-	463	463	-	-
Investments at cost										
Investments in subsidiaries	-	-	2,550	2,550	-	-	-	-	2,550	2,550
Total financial assets			21,963	24,170	3,116	5,959	8,902	12,626	9,945	5,585
Financial liabilities measured at amortised cost										
Supplies and services	-	-	4,004	2,878	-	-	-	-	4,004	2,878
Related party payables	-	-	3,430	3,758	-	-	-	-	3,430	3,758
Total contractual financial liabilities			7,434	6,636	-	-	-	-	7,434	6,636

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Interest rate risk sensitivity

A reasonably possible change of 100 basis points (2017: 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and results by the amount shown below. This analysis assumes that all other variables remain constant.

	-50 basis points						+50 basis points			
	Carrying amount		Result		Equity		Result		Equity	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	4,405	6,920	(44)	(69)	(44)	(69)	44	69	44	69
Total impact	4,405	6,920	(44)	(69)	(44)	(69)	44	69	44	69
Institute										
Cash and deposits	3,116	5,959	(31)	(60)	(31)	(60)	31	60	31	60
Total impact	3,116	5,959	(31)	(60)	(31)	(60)	31	60	31	60

7. MANAGING RISKS AND UNCERTAINTIES

7.2 Contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

In addition to the statement made above under the contingent assets heading, the Institute has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts at 31 December 2018 (31 December 2017: Nil).

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

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

Fair value determination of financial assets and liabilities

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

Fair value of financial instruments measured at amortised cost

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

(a) Fair value determination of non-financial assets

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

Fair value measurement hierarchy

	Consolidated				Institute			
	Carrying amount at 31 December	Level 1	Level 2	Level 3	Carrying amount at 31 December	Level 1	Level 2	Level 3
		Quoted prices	Observable price inputs	Unobservable inputs		Quoted prices	Observable price inputs	Unobservable inputs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018								
Non specialised land	12,000	-	12,000	-	12,000	-	12,000	-
Specialised land	119,148	-	-	119,148	119,148	-	-	119,148
Total land at fair value	131,148	-	12,000	119,148	131,148	-	12,000	119,148
Non specialised buildings	310	-	310	-	310	-	310	-
Specialised buildings	50,172	-	-	50,172	50,172	-	-	49,823
Total buildings at fair value	50,482	-	310	50,172	50,482	-	310	49,823
Plant and equipment	3,242	-	-	3,242	3,242	-	-	3,242
Vehicles	234	-	-	234	234	-	-	234
Leasehold improvements	6,524	-	-	6,524	6,509	-	-	6,509
Library books	82	-	-	82	82	-	-	82
Total other assets at fair value	10,082	-	-	10,082	10,067	-	-	10,067
Total property, plant and equipment at fair value	191,712	-	12,310	179,402	191,698	-	12,310	179,038
2017								
Non specialised land	12,000	-	12,000	-	12,000	-	12,000	-
Specialised land	119,148	-	-	119,148	119,148	-	-	119,148
Total land at fair value	131,148	-	12,000	119,148	131,148	-	12,000	119,148
Non specialised buildings	332	-	332	-	332	-	332	-
Specialised buildings	51,705	-	-	51,705	51,705	-	-	51,705
Total buildings at fair value	52,037	-	332	51,705	52,037	-	332	51,705
Plant and equipment	4,082	-	-	4,082	4,082	-	-	4,082
Vehicles	327	-	-	327	327	-	-	327
Leasehold improvements	55	-	-	55	-	-	-	-
Library books	121	-	-	121	121	-	-	121
Total other assets at fair value	4,585	-	-	4,585	4,530	-	-	4,530
Total property, plant and equipment at fair value	187,770	-	12,332	175,438	187,715	-	12,332	175,383

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Valuations of property, plant and equipment

Fair value assessments have been performed at 31 December 2018 for all classes of assets. This assessment demonstrated that the fair value of all asset classes was not materially different to carrying value, and therefore no valuation adjustments were required. The next scheduled full revaluation for the Institute will be conducted in 2022.

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

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

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

Specialised land and specialised buildings

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

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

An independent valuation of the Institute's specialised land and specialised buildings was performed by the Valuer General Victoria in 2017. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 31 December 2017.

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

There were no changes in valuation techniques throughout the period to 31 December 2018.

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

Reconciliation of level 3 fair value movements

	Specialised land		Specialised building		Plant and equipment		Motor vehicles		Leasehold improvements		Library collection	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Consolidated												
Opening balance	119,148	109,266	51,705	40,642	4,082	3,064	327	316	55	96	121	216
Purchases (sales)	-	-	-	632	-	1,913	-	136	863	-	65	39
Disposals	-	-	-	-	(7)	-	-	(36)	-	-	-	-
Transfers in (out) of Level 3	-	-	20	(618)	712	671	-	-	5,972	-	-	-
Depreciation	-	-	(1,553)	(1,105)	(1,545)	(1,566)	(93)	(89)	(366)	(41)	(104)	(134)
Revaluation	-	9,882	-	12,154	-	-	-	-	-	-	-	-
Closing Balance	119,148	119,148	50,172	51,705	3,242	4,082	234	327	6,524	55	82	121
Institute												
Opening balance	119,148	109,266	51,705	40,642	4,082	3,064	327	316	-	-	121	216
Purchases (sales)	-	-	-	632	-	1,913	-	136	863	-	65	39
Disposals	-	-	-	-	(7)	-	-	(36)	-	-	-	-
Transfers in (out) of Level 3	-	-	20	(618)	712	671	-	-	5,971	-	-	-
Depreciation	-	-	(1,553)	(1,105)	(1,545)	(1,566)	(93)	(89)	(325)	-	(104)	(134)
Revaluation	-	9,882	-	12,154	-	-	-	-	-	-	-	-
Closing Balance	119,148	119,148	50,172	51,705	3,242	4,082	234	327	6,509	-	82	121

Description of significant unobservable inputs to Level 3 valuations

2018 and 2017	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
Motor Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Leasehold improvements	Depreciated replacement cost	Cost per unit Useful life of leasehold improvements
Library collection	Depreciated replacement cost	Cost per unit Useful life of library collection

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

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

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

Position	Name	Dates of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2018 to 31 December 2018
Director and Chief Executive Officer (Accountable Officer)	Nicholas Hunt	1 January 2018 to 31 December 2018

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

Position	Name	Dates of appointment
Ministerial Director/Board Chair	Dr A Astin PSM	
Ministerial Director	Mr R Clifton	Appointed 1 July 2018
Ministerial Director	Ms V Mclver	
Ministerial Director	Mr D Minett	Resigned 30 June 2018
Ministerial Director	Hon J Pandazopoulos	
Ministerial Director	Mr M Pignatelli	
Co-opted Director	Dr D Foster	
Co-opted Director	Ms W Jones	
Co-opted Director	Ms B Richardson	
Elected Director	Ms K Hepner	

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

Remuneration

Remuneration of the relevant Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests which is completed by each member of the Parliament.

Income Band	Consolidated		Institute	
	2018	2017	2018	2017
\$				
0 - 9,999	-	2	-	2
10,000 - 19,999	1	2	1	2
20,000 - 29,999	2	1	2	1
30,000 - 39,999	5	4	5	4
50,000 - 59,999	1	1	1	1
130,000 - 139,999	1	1	1	1
300,000 - 309,999	1	-	1	-
320,000-330,000	-	1	-	1
	11	12	11	12

8. GOVERNANCE DISCLOSURES

8.2 Remuneration of executives

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

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

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

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

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

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

	Consolidated		Institute	
	Total remuneration		Total remuneration	
Remuneration	2018	2017	2018	2017
Short-term employee benefits	790,117	771,465	790,117	771,465
Post-employment benefits	67,092	67,849	67,092	67,849
Other long-term benefits	8,154	11,158	8,154	11,158
Termination benefits	(213)	-	(213)	-
Total remuneration	865,151	850,472	865,151	850,472
Total number of executives	4	4	4	4
Total annualised employee equivalents⁽ⁱ⁾	4	4	4	4

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

8. GOVERNANCE DISCLOSURES

8.3 Related parties

Related parties of the Institute and its Consolidated group include:

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

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

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

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

Compensation of Key management personnel

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

	Consolidated		Institute	
	Total remuneration		Total remuneration	
	2018	2017	2018	2017
Remuneration				
Short-term employee benefits	1,459,544	1,429,927	1,459,544	1,429,927
Post-employment benefits	124,179	121,444	124,179	121,444
Other long-term benefits	8,154	20,070	8,154	20,070
Termination benefits	213	-	213	-
Total remuneration	1,592,090	1,571,441	1,592,090	1,571,441

Loans between the Institute and other related parties

	Parent entity balances outstanding as at 31 December	
	2018	2017
	\$	\$
Loans provided by Subsidiary		
Angliss Consulting Pty Ltd	(694,363)	(3,757,579)
William Angliss Institute Pte Ltd	(2,735,762)	-
Loans provided to Subsidiary		
William Angliss Institute Pte Ltd	-	82,650
Angliss (Shanghai) Education Technology Co Ltd	169,151	227,530
Net Total	(3,260,973)	(3,447,399)

Transactions between the Institute and other related parties

Counterparties	Nature of relationship	Details of transaction	2018 Total Value of Transactions \$ 2018	2017 Total Value of Transactions (\$) 2017
William Angliss Institute of TAFE	Subsidiary	Service charges receivable	0	111,690

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

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

8. GOVERNANCE DISCLOSURES

8.4 Auditor's remuneration

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Remuneration of the Victorian Auditor-General's Office for:				
Audit of the financial statements	148,100	145,850	99,000	93,500
Remuneration of other auditors:				
Audit of the financial statements	-	-	-	-
Total remuneration of auditors	148,100	145,850	99,000	93,500

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

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

	Consolidated		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service leave liability	(199)	29	(199)	29
Net gain/(loss) arising from revaluation of annual leave liability	(14)	2	(14)	2
Unwinding of other provisions	-	-	-	-
Total other gains/(losses) from other economic flows	(213)	31	(213)	31

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

9. OTHER DISCLOSURES

9.2 Other equity reserves

	Consolidated		Institute	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Physical asset revaluation surplus ¹				
Balance at 1 January	148,477	125,531	148,477	125,531
Revaluation increment on non-current asset	-	22,946	-	22,946
Balance at 31 December	148,477	148,477	148,477	148,477
Foreign currency translation reserve ²				
Balance at 1 January	(663)	(677)	-	-
Revaluation movement on translation of foreign subsidiaries	86	14	-	-
Balance at 31 December	(577)	(663)	-	-
Total other equity reserves	147,900	147,814	148,477	148,477

Note:

- The physical asset revaluation surplus arises on the revaluation of land and buildings.*
- Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.*

Foreign currency translation reserve

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

9. OTHER DISCLOSURES

9.3 Controlled entities

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

Controlled entities	Country of Incorporation	Class of Shares	2018 %	2017 %
Angliss Consulting Pty Ltd	Australia	Ordinary	100	100
William Angliss Institute Foundation	Australia	Ordinary	100	100
Angliss Solutions Pty Ltd	Australia	Ordinary	100	100
Angliss Multimedia Pty Ltd	Australia	Ordinary	100	100
William Angliss Institute Pte Ltd	Singapore	Ordinary	100	100
Angliss (Shanghai) Education Technology Co Ltd	China	Ordinary	100	100

Angliss Consulting Pty Ltd

The company has been established to manage overseas operations.

William Angliss Institute Foundation

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

As a tax deductible gift recipient, the Foundation's constitution requires that funds raised must only be used for the stated purpose of providing scholarships, and that upon winding up, the reserves remaining in the Foundation would need to be distributed to another gift recipient educational institution. The Institute is also a registered gift recipient educational institution.

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

Angliss Solutions Pty Ltd

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

Angliss Multimedia Pty Ltd

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

William Angliss Institute Pte Ltd

The company is a wholly owned subsidiary of The Institute and was established to support the delivery of a contract with the Singapore Workforce Development Agency.

Angliss (Shanghai) Education Technology Co Ltd

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

9. OTHER DISCLOSURES

9.4 Events after reporting date

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

The policy in connection with recognising subsequent events is as follows: where events occur between the end of the reporting period and the date when the financial statements are authorised for issue:

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

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transaction 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.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective

A. AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 18 Revenue, AASB 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

i. Sales of goods

For the sale of products, revenue is currently recognised when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership transfer. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under AASB 15, revenue will be recognised when a customer obtains control of the goods. For some made-to-order contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured.

The Institute's preliminary assessment indicates that this will not have a material impact on the Institute's financial statements. Sale of goods made by the Institute consists predominantly of food and beverages with revenue being recognised on delivery. Sale of goods makes up less than 10% of total revenue.

ii. Rendering of services

The Institute is involved in delivering educational and training services as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognised using the stage-of-completion method.

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 are treated as revenue in the year of receipt and the balance as revenue in advance.

Under AASB 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Institute sells the services in separate transactions.

Based on the Institute's assessment, the fair value and the stand-alone selling prices of the services are broadly similar. Therefore, the Institute does not expect the application of AASB 15 to result in significant differences in the timing of revenue recognition for these services.

iii. Transition

The Institute plans to adopt AASB 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2019). As a result, the Institute will not apply the requirements of AASB 15 to the comparative period presented.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective (continued)

B. AASB 16 Leases

AASB 16 replaces existing leases guidance, including AASB 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply AASB 15 at or before the date of initial application of AASB 16.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Institute has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Institute's borrowing rate at 1 January 2019, the composition of Institute's lease portfolio at that date, the Institute's latest assessment of whether it will exercise any lease renewal options and the extent to which the Institute chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that the Institute will recognise new assets and liabilities for its operating leases of warehouse and factory facilities. As at 31 December 2018, the Group's and the Institute's future minimum lease payments under non-cancellable operating leases amounted to \$8,062,000 and \$7,229,000 respectively, on an undiscounted basis (see Note 3.4).

In addition, the nature of expenses related to those leases will now change as AASB 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

No significant impact is expected for the Institute's finance leases.

i. Determining whether an arrangement contains a lease

The Institute has an arrangement that was not in the legal form of a lease, for which it concluded that the arrangement contains a lease of equipment under IFRIC 4, as explained in Note 3.4. On transition to AASB 16, the Institute can choose whether to:

- apply the AASB 16 definition of a lease to all its contracts; or
- apply a practical expedient and not reassess whether a contract is, or contains, a lease.

The Institute plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply AASB 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with AASB 17 and IFRIC 4.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective (continued)

B. AASB 16 Leases (continued)

ii. Transition

As a lessee, the Institute can either apply the standard using a:

- retrospective approach; or
- modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

The Institute plans to apply AASB 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Institute is assessing the potential impact of using these practical expedients.

The Institute is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

C. AASB 1058 Income of Not-for-Profit Entities

The Australian Accounting Standards Board has issued the new Australian accounting standard and implementation guidance on the recognition and measurement of income for NFP entities. *AASB 1058 Income for Not-for-Profit Entities* is the new Australian accounting standard that establishes principles for NFP entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP entity to further its objectives; and to volunteer services received.

Where such a transaction meets the requirements of AASB 15 *Revenue from Contracts with Customers*, revenue will be recognised in accordance with the requirements of this standard.

Where a transaction does not meet the requirements to be accounted for under AASB 15 as it is either not an enforceable contract or the performance obligations are not sufficiently specific (refer below), The Institute needs to assess whether the transaction should be accounted for under AASB 1058.

i. Volunteer services

An accounting policy choice is provided in relation to volunteer services.

- Where volunteer services can be reliably measured, an entity can elect to recognise the fair value of these services as an asset or expense.
- Local governments, government departments, general government sectors (GGS) and whole of government are required to recognise volunteer services if they would have been purchased had they not been donated and the fair value can be reliably measured.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective (continued)

C. AASB 1058 Income of Not-for-Profit Entities (continued)

ii. Transition

There are three main ways to transition to AASB 1058 and a number of practical expedients to ease the burden of applying the standard.

- retrospective approach with no practical expedients; or
- Partial retrospective approach with optional practical expedients; or
- Cumulative effect

To reduce the initial adoption burden, a number of practical expedients are available. These include:

- For completed contracts, no restatement is required of contracts that begin and complete in same annual reporting period.
- For completed contracts at the beginning of earliest period presented, there is an exemption from applying AASB 1058 retrospectively.
- No matter which transition option is elected, an asset, other than lease assets (refer below), acquired for consideration that was significantly less than fair value principally to enable the entity to further its objectives that was previously measured at significantly less than fair value is not required to be remeasured at fair value.

A completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004.

The Institute plans to apply AASB 1058 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 1058 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

9. OTHER DISCLOSURES

9.6 Changes in accounting policies

A. Estimated impact of the adoption of AASB 9

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *financial instruments: Recognition and Measurement*.

i. Classification and measurement – Financial assets

AASB 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value in other comprehensive income and fair value through profit or loss. The standard eliminates the existing AASB 139 categories of held to maturity, loans and receivables and available for sale.

There were no changes to the measurement basis of financial assets or financial liabilities as a result of adopting AASB 9.

ii. Impairment – Financial assets and contract assets

The Institute assesses trade receivables for impairment on an annual basis and as a result there was no additional impairment recognised at 1 January 2018. The difference between the credit loss allowances calculated under AASB 9 compared to the incurred loss calculated under AASB 139 is not material to the Institute.

iii. Classification – Financial liabilities

The Institute has not designated any financial liabilities at FVTPL and it has no current intention to do so. The Institute's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 January 2018.

vi. Transition

Changes in accounting policies resulting from the adoption of AASB 9 have generally been applied retrospectively, except as described below.

- The Institute will take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of AASB 9 have been recognised in retained earnings and reserves as at 1 January 2018.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
 - The determination of the business model within which a financial asset is held.
 - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
 - The designation of certain investments in equity instruments not held for trading as at FVOCI.

Disclosure Index

Item No.	Source Reference	SUMMARY OF REPORTING REQUIREMENT	Page
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22H	Manner of establishment and the relevant Minister	11
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	2-10
3	FRD 22H	Nature and range of services provided including communities served	11
MANAGEMENT AND STRUCTURE			
4	FRD 22H	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	21-23
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends	n/a
6	FRD 07B	Early adoption of authoritative accounting pronouncements	96
7	FRD 10A	Disclosure Index	100-102
8	FRD 17B	Long service leave and annual leave for employees	55
9	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	n/a
10	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	36
11	FRD 22H	Occupational health and safety statement including performance indicators, performance against those indicators.	30
12	FRD 22H	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	29
13	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	36
14	FRD 22H	Summary of significant changes in financial position	36
15	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	6-10, 27
16	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	94
17	FRD 22H	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	26
18	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	36
19	FRD 22H	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	n/a
20	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	n/a
21	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform	26
22	FRD 22H	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	26-27
23	FRD 22H	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act	26
24	FRD 22H and FRD 24D	Summary of Environmental Performance.	31-33
25	FRD 22H	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> Total number of consultancies of \$10,000 or more (excluding GST) Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period 	<p>36</p> <p>The Annual Report will be available on the Institute website once approved.</p>

Item No.	Source Reference	SUMMARY OF REPORTING REQUIREMENT	Page
26	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	27
27	FRD 22H	An entity shall disclose the following in the report of operations: a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	37
28	FRD 25C	Victorian Industry Participation Policy Disclosures	n/a
29	FRD 26B	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	n/a
30	SD 5.1.4	Financial management compliance attestation The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions of the Minister for Finance* and the Instructions, and disclose all Material Compliance Deficiencies.	27
31	FRD119A	Transfers through contributed capital	73
32	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	3
33	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	3
34	CG 10 (clause 27)	Summary of Major Commercial Activities	27
35	CG 12 (clause 33)	TAFE Institute Controlled Entities.	93
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE <i>FINANCIAL MANAGEMENT ACT 1994</i>			
36	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: · the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and · the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.	43
OTHER REQUIREMENTS UNDER STANDING DIRECTION / <i>FINANCIAL MANAGEMENT ACT 1994</i>			
37	SD 5.2.2(a) and FMA s 49	An Agency's financial statements must include a signed and dated declaration by: · the Accountable Officer; · subject to Direction 5.2.2(c), the CFO; and · for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body.	43
38	FRD 30C	Rounding of amounts	50
39	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: · review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister	19, 43
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
40	FRD 11A	Disclosure of ex-gratia payments	37
41	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	87-89
42	FRD 102A	Inventories	66
43	FRD 103G	Non-financial physical assets	64
44	FRD 105B	Borrowing costs	n/a
45	FRD 106B	Impairment of assets	64, 67, 75
46	FRD 107B	Investment properties	n/a
47	FRD 109A	Intangible assets	64
48	FRD 110A	Cash flow statements	49
49	FRD 112D	Defined benefit superannuation obligations	57
50	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	93

*The position of Minister of Finance was abolished on 29 November 2018. Where printed in this Annual Report it should be replaced with Assistant Treasurer.

Item No.	Source Reference	SUMMARY OF REPORTING REQUIREMENT	Page
51	FRD 114B	Financial instruments – general government entities and public non-financial corporations	74-81
52	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	50-99
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
53	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <i>Education and Training Reform Act 2006 (ETRA)</i> • TAFE institute constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Protected Disclosure Act 2012</i> • <i>Victorian Industry Participation Policy Act 2003</i> 	29
54	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2018	31
55	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Policy	26
56	Key Performance Indicators	<p>Institutes to report against:</p> <ul style="list-style-type: none"> • Employment costs as a proportion of training revenue; • Training revenue per teaching FTE; • Operating margin percentage; • Training revenue diversity. 	24
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
57	PAEC and VAGO (June 2003 <u>Special Review</u> - Recommendation 11)	<ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved. 	10

ANNUAL REPORT 2018



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