



CENTRE FOR ADULT EDUCATION 2013 Annual Report

A NEW WORLD

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ESTABLISHMENT

As an Adult Education Institution, CAE exists to provide learning to the Victorian community through a wide range of programs and services. CAE receives government funding through the Adult Community and Further Education Division (ACFE). This funding supports CAE to deliver accredited courses designed to help adults complete their secondary education and begin or change their career direction. CAE has been in operation for over 65 years and has adapted to meet the continually changing needs of adult learners in Melbourne.

PROGRAMS AND SERVICES

CAE is a leading provider of Adult and Community Education (ACE) in Victoria. CAE has a strong focus on delivering nationally recognised and accredited training as well as non-accredited short courses, connecting with the community through socially inclusive practices that recognise diversity and creativity.

CAE receives Victorian Government funding to deliver nationally recognised and accredited courses and a range of locally developed pre-accredited programs. These programs are designed to help both young and mature adults complete their secondary education and begin or change their career direction.

CAE offers a vibrant and supportive adult learning environment, flexible learning options, skills recognition, practical training and supervised work placements. CAE also provides access to Learner Services and Learn@CAE – the Independent Learning Centre.

In addition to meeting the lifelong learning needs of individuals, CAE delivers programs in partnership with the business community and government through customised enterprise programs. CAE aims to achieve the objectives of the Victorian Government while recognising industry trends and balancing the needs of individuals, community, government and industry.

CAE provides the majority of programs and services in the following three areas:

- > Vocational Education and Training (VET) and Educational Quality
- > Community Services, Business (Move Up! Program), Disability Support, Training and Assessment (TAE), Writing and Editing, Yoga Teaching and Visual Arts, ranging from beginner to advanced levels.
- > CAE College: Victorian Certificate of Education (VCE), Victorian Certificate of Applied Learning (VCAL), English as a Second Language (ESL), New Pathways and General Education.
- > Short Courses: Creative Arts, Visual Arts, Living & Lifestyles, Health & Wellbeing, Business, and CAE Book Groups.

CAMPUSES

An integral component of the Melbourne community, CAE delivers the majority of its courses from three central campuses in the heart of the arts and café area of Melbourne's CBD. These campuses are at 253 and 278 Flinders Lane and 21 Degraives Street.

CAE also offers courses at the Ola Cohn Centre in East Melbourne, in partnership with other organisations throughout Melbourne.

HISTORY

The Centre for Adult Education (CAE) was founded in 1947 (as the Council of Adult Education) under Victorian Government legislation, with the broad charter to provide adult education to the Melbourne community.

In 2001, Victorian Parliament passed an amendment to the Adult Community and Further Education Act 1991 which established CAE as an adult education institution to be known as the Centre for Adult Education (CAE), with reporting responsibility to the Adult Community and Further Education (ACFE) Board and the Victorian Parliament.

In November 2012, an amendment to the Education and Training Reform Act was passed to enable the operations of the CAE to be governed by the Box Hill Institute (BHI) Board.

While Box Hill Institute and CAE continue to operate as separate legal entities, under legislation, the Box Hill Institute Board became the Board of the CAE, with 2013 as the first year of this joint operation. A focus of 2013 was integrating core systems, relevant programs and services, and to enhance opportunities for service delivery. 2013 saw the continuation of CAE's management and marketing of the BHI short course program in addition to the delivery of a select range of Box Hill Institute courses run at the CAE City Campus. The Minister responsible for CAE is the Honourable Peter Hall MLC, Minister for Higher Education and Skills.

PARTNERSHIPS

CAE has a strong commitment to the Municipality of Melbourne and works with a number of community-based organisations that enable CAE to connect with a broader learner base. These include:

- > City LLEN
- > HomeGround
- > Mission Australia
- > Hanover Welfare Group
- > Wise Employment Group
- > Women's Information and Referral Exchange - WIRE
- > PeterMac
- > Intel
- > The Big Issue
- > YWCA

UNIVERSITY OF CAMBRIDGE AND CAE

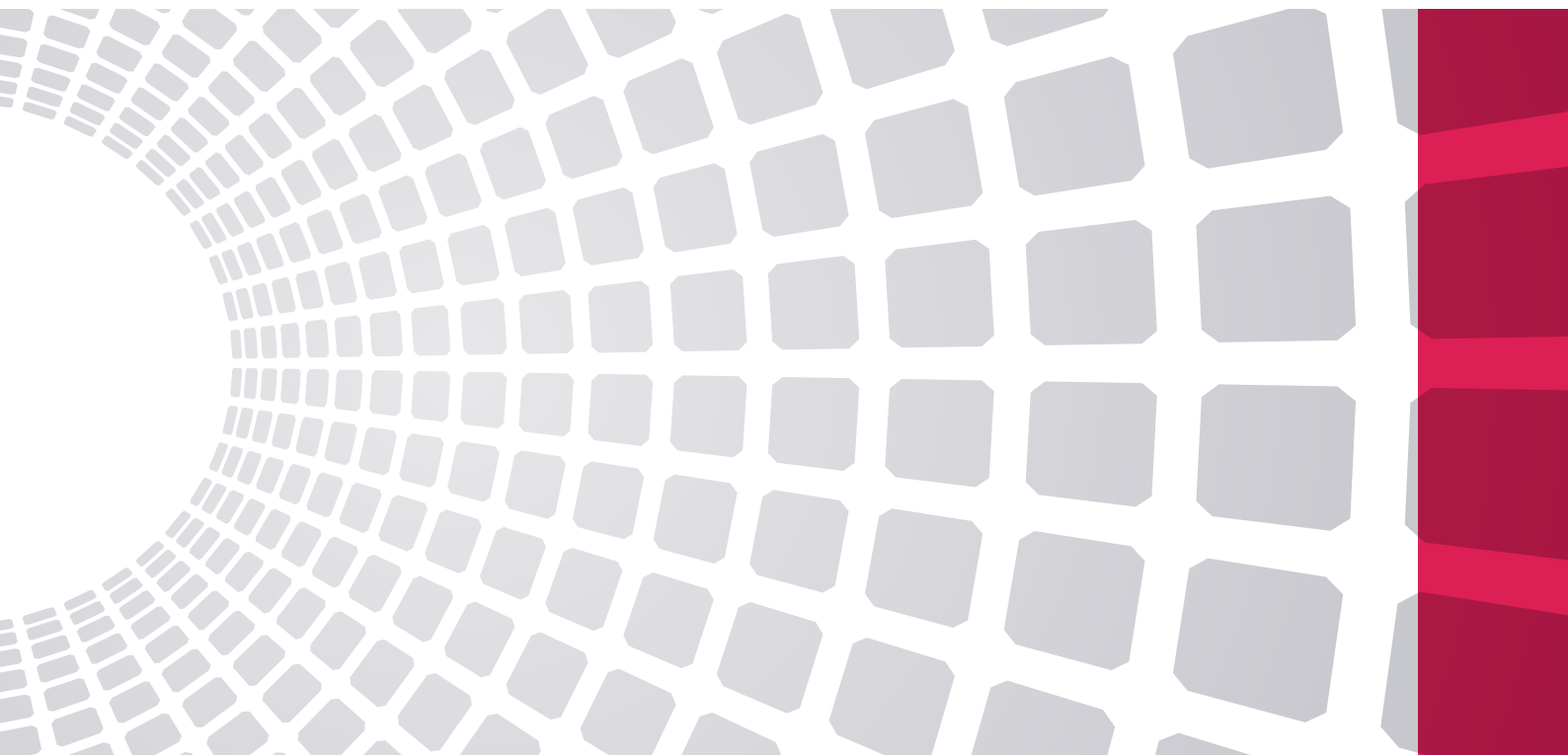
Administration and assessment of the Occupational English Test (OET) has historically been carried out by the OET Centre, a business unit of CAE.

In 2012 the CAE accepted a proposal for the OET Centre to partner with Cambridge English Language Assessment (part of the University of Cambridge) to work with them on the Occupational English Test. In March 2013 through a joint venture, Cambridge English Language Assessment (non-teaching department of the University of Cambridge) and the CAE became the new owner of OET. The OET Centre continues to contribute to the University of Melbourne's Australian Research Council project, investigating the development and validation of language proficiency standards for non-native English speaking health professionals.

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A YEAR OF AWARDS

The outstanding efforts and achievements of CAE staff and students were recognised through a number of awards in 2013. These awards recognise quality in teaching and training and are awarded by government and industry organisations in addition to internal Box Hill Institute Group recognition awards.



Recognition of CAE and Staff Excellence

- > Winner: Learn Local Awards - Excellence in Language, Literacy and Numeracy Provision, Jill Nobel
 - > Winner: Box Hill Staff Achievement and Recognition Program Awards (SARP) - Excellence in Adult Learning award, Jenny MacDonald
 - > Winner: Box Hill Institute Group Innovation Award Drew Gilmore for his work on flipped classrooms.
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Recognition of CAE Student Excellence

- > Finalist: ACFE Learn Local Awards Pre-accredited Learner of the Year, Glenn Cotterell - SPLICE program,
- > Finalist: 2013 VCE Top Arts awards Student Karl Duffy
- > Student Laura Della participated in the ACU pixel prize.

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CHAIR'S REPORT

- > From my appointment as Chair of the Board of CAE in April 2013, the Board's focus has been on the implementation of new governance arrangements for the Box Hill Institute Group which includes the CAE, and the establishment of a new Strategic Plan which sets the foundation for the future of the organisations.

The issuance of a new joint Constitution for the Institute and CAE, set a significant program of work for the Board including the review and development of new strategies to ensure a sustainable future for the organisation.

The development of a new Strategic Plan for the Box Hill Institute Group was a significant focus of the Board and Management in 2013. The plan confirms the Group's vision to be educators for industry, work and life; and its purpose - providing tertiary education employment, workforce development and industry productivity, to build community capacity and enrich the lives of young people and adults through lifelong learning and personal development.

Our success will be dependent on meeting the needs of our students, learners and industry clients through lifelong education opportunities. The management team has been charged by the Board with implementing a number of key projects to deliver on three main strategic initiatives:

- > Educational quality and effectiveness – a critical part of our market success will be the quality of our VET, Higher Education, post compulsory secondary education and adult learning translating into positive employment and life outcomes for our students. The quality of the student, learner and industry client experience will be critical competitive elements in demonstrating our continued success.

- > Business transformation – to remain successful in a competitive and dynamic market we will transform our business through increasing productivity and targeting a range of profitable growth opportunities. We will also implement a new Strategic Asset Master Plan that optimises returns from our current footprint and maximises asset utilization for the future, whilst achieving the requirements of the Victorian Government strategic planning guidelines.
- > Organisational change and innovation – which focuses on a customer-centric model that promotes innovation, productivity and continuous improvement to align with the needs of industry and all of our people.

The implementation of the Strategic Plan will ensure CAE's continued success as the state's largest adult and community education provider; CAE has extensive experience in delivering quality education services to Melbourne's adult learners.

As evidenced throughout this annual report, CAE performed well in its achievement against its objectives for the year.



Initiatives and achievements of which the Board are particularly proud are:

- > Winning the award for Excellence in Literacy and Numeracy training at the ACFE Learn Local Awards. This award was won by CAE College General Education teacher Jill Lewis
- > The successful re-launch of the OET under the Cambridge Box Hill Language Assessment (CBLA) brand, a joint venture between Cambridge English Language Assessment (non-teaching department of the University of Cambridge) and the CAE
- > Delivery of quality education programs to approximately 322 Year 12 and 230 Year 11 learners in VCE, making CAE College one of the largest non-secondary school providers in Victoria

In my first year as Chair, I was delighted to have the opportunity to attend different industry awards nights and graduations where our learners are recognised for their achievements. Seeing their joy and pride together with sharing these events with their family and friends, is inspirational and very rewarding, helping us all strive for even more within the Group.

On behalf of the Board I would like to thank the management and staff of CAE on a solid year's achievement - their hard work, particularly in this year of significant change, is appreciated.

I would like to acknowledge and thank my fellow Board members for their hard work and the diligence they have demonstrated in exercising their duties during 2013.

I would also like to acknowledge the contribution of those Board Directors who left the Board during the year – Phillip Belcher, Ian Hind and Noelene Duff, together with John Maddock who completed his contract as Chief Executive Officer at the end of 2013. In addition I welcome Phillip Davies who joined the Board in 2013 and thank him for his contribution to the Group.

There is important work ahead over the coming years and I look forward with my fellow Directors to providing continued stewardship to ensure the success of the Group in implementing our new Strategic Plan.

Ms Suzanne Ewart
Board Chair
27 February 2014

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CEO'S REPORT

- CAE has provided lifelong learning opportunities for adults from all walks of life for over 65 years and while 2013 was a challenging year, it also demonstrated the passion with which learners and staff view this iconic organisation and highlighted the importance of maintaining our commitment to a strong and sustainable future.

2013 proved this commitment continues; expanding horizons with major changes taking place. These include; a new Board, a new Constitution, the development of a new Strategic Plan and new Commercial Guidelines.

2013 saw the unfolding of the second year of the CAE and Box Hill Institute partnership, this innovative alliance has resulted in enhanced opportunities for learning, including senior secondary, vocational and higher education and informal learning.

Sound governance by all members of the Board and its Committees has been paramount to the successful operation of this new entity.

CAE continued to deliver great outcomes and experiences for all learners in an environment of continuing change and challenge – CAE achieved strong results in 2013. Offering a vibrant, welcoming and flexible learning environment, CAE is a significant piece of Victoria's engaging framework for the provision of adult learning.

CAE College learners achieved outstanding results in VCE in 2013 with 6% of the 270 students who sat VCE exams achieving an ATAR score over 90, and 8% achieving a score between 80 and 90.

General Education continued to be a key area of delivery in 2013 with 167 ESL and 433 CGEA learners undertaking studies with the College. Further to this 69,500 pre-accredited hours were delivered to a variety of external partners including HomeGround, Mission Australia, Hanover, Peter Mac (SPLICE), Big Issue, WISE Employment and WIRE (Women's Information and Referral Exchange).

A number of achievements were delivered through CAE College:

- From the pre-accredited SPLICE program, student Glenn Cotterell was a finalist in the Learn Local award for pre-accredited learner of the year.
- CAE ran a major pilot of the Intel Learn Easy Steps program.
- General Education teacher Jill Lewis won the ACFE Learn Local award for LLN Excellence.
- ESL and LLN teacher, Jenny MacDonald won the award for excellence in Adult Learning at the Box Hill Institute Group SARP awards

VET Programs worked hard to ensure CAE's partner programs continued to deliver high quality learning programs, successfully tendering to work with the Department of Human Services, the Herald and Weekly Times and other organisations to deliver courses in Training and Assessment. Through the Regis Aged Care relationship CAE provided basic IT training to nursing and aged-care staff at their 57 facilities nationally. Further, after many years successfully delivering language training to the department of defence CAE has been listed as a preferred provider for languages training to defence personnel for the next three to five years.

CAE's partnership with VicRoads and the Transport Accident Commission (TAC) to run driving behavioural change programs for young, newly licenced P-plate drivers continues to grow with numbers of participants now exceeding 16,000.

Highlights for VET in 2013:

- The partnership with Box Hill Institute allowed CAE diploma-level Visual Arts and Professional Writing and Editing learners to enrol with Box Hill Institute and access VET Fee-Help.



- > A diploma course in Community Services Work was introduced.
- > Through our partnership with Box Hill Institute, a group of five CAE Community Services students and one teacher were sponsored to attend an international conference in Singapore. Later in the year, we hosted a similar group from Singapore, who participated in our program for two weeks. In addition, one other Community Services teacher accompanied a group of students from Box Hill Institute to Kirkwood College in Iowa, USA, to gain an insight into different approaches to learning and teaching strategies.

2013 has been a dynamic and productive year in Short Course Operations with 2002 courses delivered to 18,823 learners, encouraging individuals to continue learning, enhancing their lives and ensuring social connectedness and wellbeing. Exciting new courses were developed covering everything from bird watching to foods that lift your moods, demonstrating the continually changing interests and demands of Melbourne's adult learners.

Following the 2012 Short Course Transition project, which saw the Box Hill Institute short course portfolio come under CAE's management, an expanded range of short courses for learners, including short courses in industry specific activities such as welding and CISCO academy were promoted to a new audience.

Significantly, the Cambridge Box Hill Language Assessment (CBLA), a joint venture between Cambridge English Language Assessment (non-teaching department of the University of Cambridge) and the Box Hill Institute came into being in March 2013. CBLA administers the Occupational English Test (OET) and is already delivering excellent results for the OET with global candidature increasing by more than 70% from 2012, and candidates from over 120 countries sitting the test.

In conclusion, I would like to express my thanks to the Directors of the Board of Box Hill Institute and the CAE for their ongoing support and commitment, also to the CAE management and staff for their work during the year. As well, I wish to acknowledge the previous CEO John Maddock, who was farewelled after 14 years with Box Hill Institute.

Our new Strategic Plan will, I believe, allow us to move Box Hill Institute Group to even greater success through increased focus, at all levels of the organisation, on objectives we've identified will deliver the best results for the Group, for our learners and our partners.

In rolling out the plan, the Board has issued management with the implementation of 10 key initiatives over the length of the plan with several projects prioritised for 2014. I look forward to building momentum towards our goals and to working with the Board and all staff to make our strategic vision and mission a reality.

Together, the work we do makes a difference in the lives of many learners across a wide spectrum.

Mr Joe Piper
Interim Chief Executive
Officer
27 February 2014

10 PROGRESS IN 2013

LEARNER SERVICES

The Learner Support Services team provides personal and careers-related counselling assistance to all CAE learners in the College and VET programs. Specialist youth and disability services are also provided by the Learner Support Team.

In 2013 Learner Support Services focussed on taking a collaborative approach to improving services, through sharing knowledge, resources and intervention methodologies with Box Hill Institute colleagues. The sharing of resources such as the Critical Incident Response Kit has streamlined processes and improved consistency in work practices.

In addition, the Learner Support Services team have been involved in a number of proactive initiatives aimed at improving mental health awareness and promoting the relevant services available through Learner Support. 2013 saw participation in several community awareness campaigns, including World Mental Health Day, RU OK Day and Wear it Purple Day.

The Learner Support team have sought to continually update and expand upon knowledge within the counselling and welfare sector; attending professional development seminars on topics such as drug and alcohol dependency, autism spectrum disorders, depression and bipolar mood disorders, and mental health first aid.

In collaboration with the Department of Education & Early Childhood Development, the Learner Support team have also taken part in a career development benchmarking process. This process was designed to improve career development programs and services within the institute and align practices to reflect current industry standards for career development.

PERSONAL AND CAREERS COUNSELLING

In 2013, CAE's student counsellors worked with a total of 169 CAE learners. Of those, 54% of the sessions were focussed on careers counselling and 46% of the sessions were dedicated to personal counselling and support. The most common careers-related issues were focussed on course advice, careers guidance and assistance with VTAC applications. The most prevalent issues presented in personal counselling were anxiety and depression, managing family conflict and supporting on-going mental health issues. CAE learners accessing the service predominantly came from CAE College (Year 12 VCE, ESL and General Education), accounting for approximately 34% of the students seeking assistance.

During the year further support for CAE learners was delivered by the team at learner orientations, enrolment sessions, VTAC information sessions and classroom presentations. The counsellors were also consulted regularly by institute teachers and management staff on matters related to student behavioural issues, critical incidences and welfare needs.

FEE-FOR-SERVICE CAREERS COUNSELLING

The CAE Careers Advisor delivered fee-for-service careers counselling to 193 members of the public, an increase of 44% year-on-year. During these sessions, clients sought support with determining future career and education options likely to enhance job satisfaction and a work/life balance. In addition, the CAE Career Advisor featured in monthly broadcasts of The Career Path segment on ABC Radio National, addressing topical careers related matters.

DISABILITY LIAISON

The Disability Support Unit delivered 6,500 supported class contact hours in 2013. Direct support was provided to 45 students enrolled in a range of accredited courses (75%) and short courses (25%). Of these students 75% were female, 44% were aged between 19 to 29 years, and 28% were aged over 50 years, including one student aged 84 years.

Many of these students were provided with more than one type of support:

- > 33% were provided with assistive technology in class;
- > 37% were provided with access to learning support workers in class;
- > 37% required class materials in alternate formats; and
- > 48% required negotiated flexibility in participation and assessment.

Learning support workers were provided for approximately 1,870 class contact hours and Auslan interpreters were provided for three students. An additional 15 prospective and current students were substantially assisted through the provision of information and referrals to other Learner Support services or external providers.

The unit continued productive working relationships with a range of community service organisations, including Able Australia, The Salvation Army, Brotherhood of St Laurence, Mind Australia, Australian Community Support Organisation (ACSO), Vision Australia, Hanover and Common Ground. This activity reflects the importance of working in partnership to ensure educational opportunities for those individuals experiencing significant disadvantage. In addition, a new partnership was developed with the Central Auslan Booking Service (CABS) to facilitate the future recruitment of Auslan interpreters.

Other initiatives included the development of an SMS Mobile Alert service to advise students with mobility issues in the event of a lift breakdown or other physical access issue at one of our CAE campuses. Interest in registering for this service was high, and it is anticipated that this service will be fully operational in 2014.

FINANCIAL ASSISTANCE

A total of \$2,421 was provided through the CAE Learner Support Fund in 2013 to assist 12 students with course costs, for government-funded accredited courses. This was a significant increase of 49% in funds provided over the previous year. Materials fee and other educational needs subsidies totalled \$2,081 and \$150 was provided in emergency food vouchers. This year also saw the successful introduction of emergency Myki cards, which were utilised up to a value of \$190. In addition, \$7,295 in tuition fee waivers and \$734 in amenities fee waivers were approved.

YOUTH PATHWAYS

The Youth Pathways Officer provided support and careers and pathways guidance to young learners in CAE's VCE, VCAL, CGEA, Pre-VCE, New Pathways and VET programs; as well as to prospective learners seeking a transition into an adult education environment. As well as career direction and pathway planning, common issues arising in sessions were that of anxiety and depression, personal organisation and motivation issues, financial difficulties and family turbulence. The Youth Pathways Officers were available to enrolled learners by appointment and via a daily lunchtime drop-in service. In the second semester of 2013, the Youth Pathways team also reinstated the weekly breakfast club, which proved to be very successful and received consistent positive feedback from teachers and learners.

In 2013, the Youth Pathways team worked from BHI on a weekly basis, offering support and guidance to learners in BHI's Intermediate VCAL program. The Youth Pathways team strengthened their community networks in 2013, working in collaboration with community organisations such as Melbourne CityMission, Youth Connections, Travancore School, IMVC, Anglicare and Youth Foyer.

ENGAGING ENVIRONMENTS

Learning is facilitated through access to contemporary and relevant resources, tailored learning spaces and targeted delivery modes.

The primary aim of the Delivery Innovation Team is to work with CAE teaching areas to provide staff with opportunities to develop skills that they can take back to their respective teaching areas. The Delivery Innovation Team also runs CAE's Independent Learning Centre (ILC), learn@CAE, which supports the development of independent learning skills for CAE's learners through providing flexible options and a range of on-site and off-site learning opportunities. It has been the focal point for the development of CAE digital literacy programs and proudly, has provided highly personalised learning experiences.

During 2013, the staff of learn@CAE supported 471 computer users who used the ILC very regularly – translating to 1,800 individual computer sessions. We have seen a growth in the use of Moodle, our online learning management system, as well as a successful migration of all our Moodle course content to the Box Hill Institute Moodle.

The learn@CAE staff introduced the Intel digital-literacy program at CAE and provided training support for the rollout of the program to all Learn Locals across the state. The Intel program was launched at CAE by The Hon Peter Hall, Victoria's Minister for Higher Education and Skills.

To date learn@CAE staff, working with 13 e-mentors and champions across the state, have provided information and training to 109 Learn Local organisations.

During 2013, Delivery Innovation staff worked side-by-side with staff from CAE delivery centres to ensure the successful completion of the following projects, each of which helped to develop CAE capability and support further innovation in teaching and learning. Projects included:

- > Intel digital literacy training for staff and learners across CAE.
- > The redevelopment of the A-frame pre-accredited curriculum materials to align with moderation and verification requirements. This significant piece of work was collaboration between staff at HESG Participation and Skills branch, Learn Local providers and the moderation and verification project, led by Coonara Community Centre. The Pre-Accredited Quality Framework kit (PQF), containing nine booklets, was launched in July 2013.
- > Continued delivery of PQF training to Learn Local staff across the State.
- > A state-wide e-mentor project to support the development of e-learning capability in Learn Local organisations.
- > A partnership with AMES to continue the work started in 2012 to look at MS Lync as an online training and educational delivery tool in Learn Local organisations. The project produced a research report and signed up 87 Learn Local managers and teachers, who trialled Lync as part of their management and delivery practices.
- > Delivery of five workshops for Learn Local teachers and managers across the state to obtain the Course in Assessment of Informal Learning credential and provide interested Learn Locals with information on how they can use this course to support pre-accredited delivery and pathways.
- > Embedding and exploring technology-enabled pedagogies with staff from CAE College and VET through our flip'ED project, looking at how teachers can implement a flipped classroom approach in 2014.
- > Collaboration with Learn Locals in Gippsland in setting up a Moodle online learning platform for them to explore how blended online technologies can better support learners and centres isolated from larger regional and rural training centres. This has involved some ground breaking work with Chisholm, GippsTAFE and Advance TAFEs, exploring the use of live streaming video through their highly advanced TELC centres across Gippsland.

Our staff also participated in training and presentations for a wide range of clients and conferences, including ConVerge13 (the leading Victorian e-learning conference), the VET Development Centre conference, VALBEC and the BHI Symposium.

VIBRANT NEIGHBOURHOOD

Learners are connected to Melbourne's CBD community through socially inclusive practices that recognise diversity and creativity.

Located in the heart of Melbourne's most vibrant cultural precincts, CAE delivers the majority of its courses from three central campuses in Melbourne's CBD, and draws a strong connectivity with its immediate surrounding community. CAE plays an intrinsic role in the growth of Melbourne's inner city culture. CAE is unique in that it engages individuals in learning throughout their life span. It is as relevant to a 17 year old completing VCE as it is to a 70 year old learning to use an iPad. The benefits of continuous learning to health, social inclusion, employability and citizenship are at the heart of learning at CAE.

With a strong focus on delivering both informal and nationally recognised accredited courses, CAE connects with the community through socially inclusive practices that recognise diversity and creativity. In addition to meeting the lifelong learning needs of individuals, CAE delivers programs in partnership with the business community and government through customised enterprise programs. CAE offers a vibrant and flexible learning environment and real training for real job opportunities.

CAE's contribution to Melbourne's festivals, events, programs and joint ventures is an important initiative in continuing to develop participation in Melbourne's cultural life and to engage and educate the community.

LEADING PRACTICE

Programs and services are continuously improved and informed through specialist adult learning research and application.

AUDIT

In October 2013, CAE underwent a rigorous audit focussed on compliance with the annual Service Agreement with Higher Education and Skills Group. Some non-compliances were identified in the audit, and as a result, a management plan has been put in place to ensure those issues identified are fully addressed for 2014 enrolments. No penalties were applied, and no follow up audit was scheduled.

QUALITY INDICATOR LEARNER SURVEY

Over 600 learners undertaking accredited training in 2013 completed the national Quality Indicator Learner Satisfaction Survey. CAE continues to receive positive feedback from learners both through this survey and our own internal evaluations. In 2013, focus groups were established for each course area, which gathered valuable qualitative feedback about the broad range of services offered at CAE. The diversity of participants and the responses obtained were very informative, and this approach will now become a standard part of continuous improvement activities in the future.

14 REPORTS & HIGHLIGHTS

CAE COLLEGE

In 2013, CAE College delivered quality education programs to approximately 322 Year 12 and 230 Year 11 learners in VCE. The VCE Year 12 final exams went smoothly, with 270 students, including a number of cross-campus students, sitting their exams in November. We had good results, with 6% of our learners achieving an ATAR score over 90 (the highest score being 99) and 8% achieving a score between 80 and 90. We also delivered pre-VCE programs that created opportunities for approximately 30 students to find a pathway into VCE.

We enrolled 140 learners into three levels of VCAL with 80 completing their VCAL and the remaining learners either finding employment or moving on to other vocational studies. The VCAL team also had a number of significant highlights this year, including a project to raise \$2500 for the RSPCA through a class project involving selling their art work on eBay. The senior VCAL class worked closely with Beyond Blue and organised youth forum days to support mental health.

In the general education department we delivered programs to 167 ESL and 433 CGEA learners. We also delivered 69,500 pre-accredited hours to a variety of external partners including HomeGround, Mission Australia, Hanover, Peter Mac (SPLICE), Big Issue, WISE Employment and WIRE (Women's Information and Referral Exchange). Some of the highlights from our pre-accredited programs include:

- > Four learners from the Women's Creative Business program have now launched their own businesses.
- > A collection of writing by Big Issue Writers Workshop participants prepared for launch in January 2014.
- > Installation of 'paste-ups' by Youth Holiday program participants featured on the front page of the ALA Quest magazine PROGRAMS.
- > Intel recorded an official promotional video using CAE staff and learners.

We also had a number of exhibitions throughout the year of our learners' works, including the SPLICE exhibition of the learners' art works, and an exhibition of the art work developed using computer software by the Certificate 1 CGEA/ESL learners, who have high physical and mental support needs. .

The new Pathways program delivered a very successful program in collaboration with Victoria Police to 45 learners, and 20 continued their pathway onto College/BHI courses, while another 16 enrolled in external courses and/or gained meaningful employment.

The consistently high standards of CAE teachers is evident in the high level of student satisfaction feedback for teaching, with just over 90% of learners saying they are very satisfied with the quality of teaching. Our teachers are not only content delivery experts in their subject areas but also members of professional associations, various internal and external committees, and have attended or presented at conferences. Examples include:

- > The VCE program leader ran a joint LLN conference with VALBEC at CAE and the pre-accredited project leader ran a social inclusion conference in partnership with Adult Learning Australia
- > The GE program leader joined the CGEA curriculum maintenance committee and was elected as the chair of the EAL advisory group.
- > Two of our staff extended their membership with the BHI Employee advisory group (the ODAG committee).
- > Teachers in maths, sociology, English, history and other subjects joined their relevant professional associations, in doing so participated in valuable conferences, resources development and sharing as well as a variety of other professional development activities.
- > A number of CAE teachers are subject examiners, present revision sessions across the state and participate in activities that add a great deal to the professional capacity of the College.

HIGHLIGHTS FOR CAE COLLEGE IN 2013

- > Our performance in VCE was commendable, with 7% of students achieving an ATAR score over 90 and 9% of students achieving a score between 80 and 90. Our top ATAR score was 99.
- > Student Karl Duffy was a finalist in the 2013 VCE Top Arts awards.
- > Student Laura Della participated in the ACU pixel prize.
- > VCE teacher Drew Gilmore won the Innovation award for his work on flipped classrooms.
- > From the pre-accredited SPLICE program, student Glenn Cotterell was a finalist in the Learn Local award for pre-accredited learner of the year.
- > CAE ran a major pilot of the Intel Learn Easy Steps program.
- > Jill Lewis won the ACFE Learn Local award for LLN Excellence.
- > Jenny MacDoanld won the award for excellence in Adult Learning at the SARP awards.

VOCATIONAL EDUCATION & TRAINING (VET)

CAE provides nationally recognised training aimed at supporting learners to develop, upgrade and enhance skills for employment and for recreational, leisure and self-development interests.

Our nationally recognised training programs provide flexible delivery (with full-time or part-time options) and have been developed in conjunction with industry partners to ensure both employer and learner needs are met. For example, our partnership with the Academy of Yoga Learning resulted in the successful delivery of high-quality programs that ensured graduates were well-equipped for their industries. CAE also worked in partnership with a number of external organisations in the provision of customised training to meet staff development needs.

In 2013, nationally recognised qualifications in the following areas were delivered in response to industry and individual learner demand:

- > Business (Move UP! program)
- > Community Services
- > Disability Support
- > Education Support
- > Financial Administration and Bookkeeping
- > Training & Assessment
- > Visual Arts
- > Writing & Editing
- > Yoga Teaching

CAE's innovative business and leadership pathway program, Move UP!, has matured and grown throughout 2013. A range of highly qualified speakers from business and industry provided an inspirational series of lectures to the participants in this program.

VET Programs was successful in tendering to work with the Department of Human Services, the Herald and Weekly Times and several other organisations to deliver courses in Training and Assessment. CAE also continued a successful partnership with Regis Aged Care providers to provide basic IT training to nursing and aged-care staff at their 57 facilities nationally. In addition, our strong relationship with the Department of Defence in the area of languages training continued in 2013, with several language courses being conducted. CAE is now listed as a preferred provider for languages training to defence personnel.

In addition, CAE's partnership with VicRoads and the Transport Accident Commission (TAC) to run driving behavioural change programs for young, newly licenced P-plate drivers has continued throughout the year, with the numbers of participants exceeding 16,000. Feedback from these participants has been excellent and research is currently being undertaken by Monash University to track the program's effectiveness.

HIGHLIGHTS FOR VET IN 2013

- > Enrolments in Visual Arts, Training and Assessment and Move UP! programs increased.
- > The partnership with Box Hill Institute allowed CAE diploma-level Visual Arts and Professional Writing and Editing learners to enrol with Box Hill Institute and access VET Fee-Help.
- > A diploma course in Community Services Work was introduced.
- > Additional learning support through our Applied Vocational Skills Support (AVSS) program provided the necessary assistance for many learners to successfully complete their courses.

- > Through our partnership with Box Hill Institute, a group of five CAE Community Services students and one teacher were sponsored to attend an international conference in Singapore. Later in the year, we hosted a similar group from Singapore, who participated in our program for two weeks. In addition, one other Community Services teacher accompanied a group of students from Box Hill Institute to Kirkwood College in Iowa, USA, to gain an insight into different approaches to learning and teaching strategies.
- > VET programs in Applied Language – Indonesian and Japanese, conducted with Dromana Secondary College, were successfully completed.
- > A VET program in Visual Arts was conducted with the Victorian College for the Deaf.
- > A large proportion of learning resources and assessments were made available to learners online.
- > All VET programs received high overall satisfaction ratings from learners.

SHORT COURSES

Short courses operate to provide a variety of educational experiences that enrich life through access to diverse learning experiences in the following ways:

- > providing a large variety of courses that will interest the public;
- > delivering lifelong learning;
- > facilitating the development of skills;
- > enriching learners' lives; and
- > delivering a service that continues to be sustainable and meets public demand.

2013 has been a fast-paced and productive year in Short Course Operations with 2002 courses delivered to 18,823 learners. This is an increase of 2% over 2012. Revenue has increased by 6.5% from 2012. The integration of short courses from Box Hill into the CAE program has been consolidated and a strong core program at Box Hill has been developed for 2014.

CAE has increasingly been using social media to support the CAE course guides and to increase the numbers in short courses. Key elements of this strategy have included regular e- broadcasts targeted to those interested in CAE, daily and weekly promotions, Facebook notifications and a presence on Instagram.

Short Courses provide a weekly 'staff club' where selected programs are offered to CAE and BHI staff at a discount in order to increase knowledge of the CAE Short Course program across the BHI group.

The most successful courses in 2013 were:

Languages	Lifestyle and Arts	Personal & Professional Development
French Elementary 1 & 2	Interior Design Intensive	Basic Digital SLR
Spanish Elementary 1	Walking the Camino de Santiago	Beginning Creative Writing
French for Travellers	Bone Boosters	iPad for Seniors
Mandarin Elementary 1	Melbourne's Lanes and Arcades Tour	Facebook for Business
Korean Elementary 1	Bijoux Porcelain	Blog Basics

CAE short courses attended and supported a number of festivals and events throughout 2013, including Melbourne Writers Week, the Melbourne International Comedy Festival, Food and Wine Festival, Mexican Festival and Victorian Seniors Festival.

OCCUPATIONAL ENGLISH TEST (OET)

The English Language Test for healthcare professionals.

OET is an English language test that assesses the language and communication skills of healthcare professionals who seek to register and practise in an English-speaking environment. It provides a valid and reliable assessment of all four language skills – listening, reading, writing and speaking – with an emphasis on communication in healthcare professional settings.

The test is taken by healthcare practitioners from the following 12 professions: dentistry, dietetics, medicine, nursing, occupational therapy, optometry, pharmacy, physiotherapy, podiatry, radiography, speech pathology and veterinary science. OET results are accepted as proof of English language skills by regulatory healthcare bodies and councils in Australia, New Zealand and Singapore; the Australian Department of Immigration and Border Protection; education institutions and healthcare employers.

Highlights for OET in 2013:

- > Cambridge Box Hill Language Assessment (CBLA), a joint venture between Cambridge English Language Assessment (non-teaching department of the University of Cambridge) and the CAE became the new owner of OET in March 2013
- > Global candidature increased by more than 70% from 2012, with candidates from over 120 countries reflecting the level of international reach
- > OET was officially re-launched under the CBLA Cambridge banner at a stakeholder event in Melbourne attended by more than 100 senior delegates from government, university and healthcare organisations
- > New recognition was achieved from the Allied Health Professions Council Singapore, the Singapore Dental Council, and the Singapore Pharmacy Council, plus many universities started to prepare students for OET and recognise OET as part of entry into post-graduate courses
- > A state-of-the-art web based customer service portal was launched to support the increased focus on customer experience. Over 90% customer approval rating has been achieved since the launch of the portal
- > More than 50 new test venues were established in 27 countries including the test being available for the first time in Netherlands, France, Italy, Ukraine, Indonesia, Argentina, Chile, Costa Rica and Mexico. This increase in test venues, combined with the reduction in test fee worldwide, made OET more accessible to healthcare professionals.

ROOM HIRE & FACILITIES

The CAE room-booking unit provides training, learning and meeting spaces to both internal and external customers and delivers their service as a sustainable business that consistently meets internal and public demand.

Highlights of 2013 include:

- > The successful scheduling and provision of training and learning spaces to internal clients from across the whole Box Hill Institute group, providing the platform for a city campus.
- > The event management of Box Hill Institute group internal events, including graduations, exhibitions, product displays, new product launches and networking parties.
- > A substantial increase in the provision of learning spaces to external clients and an increase in the number and diversity of our client base. 1,257 room hire sessions were booked, which is a 7.9% increase from 2012 and 6,526 hours of room hire were delivered, which is a 24% increase from 2012.

Ola Cohn Centre and the CAE Art Collection

In 1965, Ola Cohn bequeathed her studio home in Gipps Street, East Melbourne, and a significant number of her artworks to CAE. This generous donation has enabled CAE to continue her artistic legacy by keeping the doors of her studio open to successive generations of students. Her studio is used for CAE classes and is made available for clients of CAE RoomHire.

MARKETING & COMMUNICATIONS

CAE's Marketing & Communications unit is responsible for all marketing, communications and public relations activity. It supports CAE's strategic objectives through innovation and by establishing partnerships that engage the Melbourne community and support lifelong learning.

Four 'Living and Lifestyles' course guides were produced in summer, autumn, winter and spring which primarily promoted short courses, as well as accredited Vocational Education and Training (VET) courses. All four Living and Lifestyle guides included the combined CAE and Box Hill Institute short course offerings, and were distributed via the metropolitan run of the *Saturday Age*. In addition to print media, course guides were distributed through CAE's student and business databases, and across all Group campuses.

To drive enrolments during each season, the course guides were supported with a range of e-broadcasts to CAE's permission database which includes close to 40,000 subscribers, in addition to mainstream advertising activity in print, outdoor, online and keyword search advertising.

Two Work Skills guides were produced and inserted into the metropolitan run of the *Saturday Herald Sun* CareerOne employment guide in weeks commencing 4 May and 5 October. This guide release was supported by press advertising in the *Herald Sun* and keyword search advertising. The Work Skills Guides were distributed to CAE permission database and distributed onsite at both CAE and BHI and at a range of expos and events.

CAE College and VET programs were supported using local Leader press advertising to drive mid-year and end of year enrolments. In addition a select number of tactical advertisements were placed in key editorial features focussing on adult education in the *Herald Sun*.

2013 saw the continuation of CAE's digital media strategy, which aims to drive brand engagement and learner activation through a range of activities including e-broadcasts and social media activity across digital platforms such as Facebook and Twitter. Our digital media strategy is a critical part of CAE's marketing mix and is reflected in the inclusion of digital and social media activity in all campaigns.

In 2013 CAE worked with a range of Melbourne festivals and organisations to develop and support mutually beneficial events for stakeholders, as well as to increase awareness of CAE in the Melbourne community.

Partnerships: Melbourne International Comedy Festival, Victorian Seniors Festival, Melbourne Writers Festival, Melbourne Spring Fashion Festival, Melbourne Food and Wine festival, Melbourne Knowledge week and the Australian Centre for Moving Image (ACMI).

A particular highlight of the 2013 partnership program was working with Rafael Epstein from ABC 774's Drive program and the Melbourne Writers Festival to present the "Reading with Raf" program. Through this partnership CAE and ABC 774 created a virtual Book Group for ABC 774 listeners featuring a selection of books from the CAE Book Groups reading list including past CAE learner Carolyn Morwood, author of *Death and the Spanish Lady*.

Expos and Events: In 2013 we once again showcased the depth and breadth of the CAE course offerings to a wide range of potential learners at the *Herald Sun* Careers Expo (16-17 August 2013), the Reinvent your Career Expo (1-2 June 2013) both at the Melbourne Convention and Exhibition Centre and the Hobson's ACS Careers Adviser Seminar (30 July 2013).

CAE also participating in a range of joint activities with Box Hill Institute activities such as the Chinese New Year celebrations at Box Hill Centro, Careers Practitioner events, the joint Box Hill Institute and CAE 'City Campus' Open Day and 'Adult Learners Week'. Staff from all program delivery areas assisted with the 'tell and sell' of our range of nationally recognised training and short course programs.

CAE SUBJECT ENROLMENTS AND STUDENT CONTACT HOURS (SCH)

		Total			
Levels		Students*	Course Enrolments	Unit Enrolments	SCH
Foundation	ACE Delivery	472	577	857	68,615
	Additional	6	6	6	1,200
	Fee for Service	10	10	45	1,935
	Government Contract	1,269	1,526	8,918	263,344
Creation	Fee for Service	89	89	235	12,264
	Government Contract	664	666	3,126	203,857
Building	Fee for Service	220	221	1,281	35,166
	Government Contract	250	253	2,074	80,176
Deepening	Fee for Service	48	48	345	13,279
	Government Contract	21	21	57	2,452
Short Course	Fee for Service	14,562	18,221	18,912	202,419
Book Groups	Fee for Service	8,092	8,131	8,131	235,005
Total		24,397	29,767	43,987	1,119,713

SCOPE OF ACTIVITY

On July 1, 2012 Australian Skills and Quality Authority (ASQA) became CAE's accrediting body, replacing the Victorian Registration and Qualifications Authority (VRQA)

At the end of 2013, CAE has 29 training-package qualifications and 19 nationally recognised courses on its scope of registration.

MODULE LOAD COMPLETION RATE

$$\frac{906,016}{1,216,186} = 0.74$$

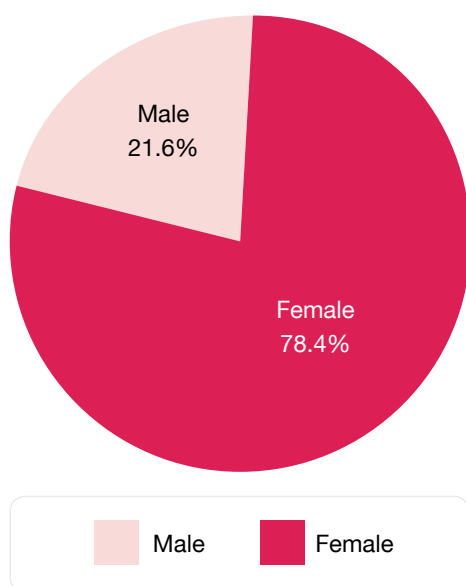
(All Activity)

NUMBER OF PROGRAMS

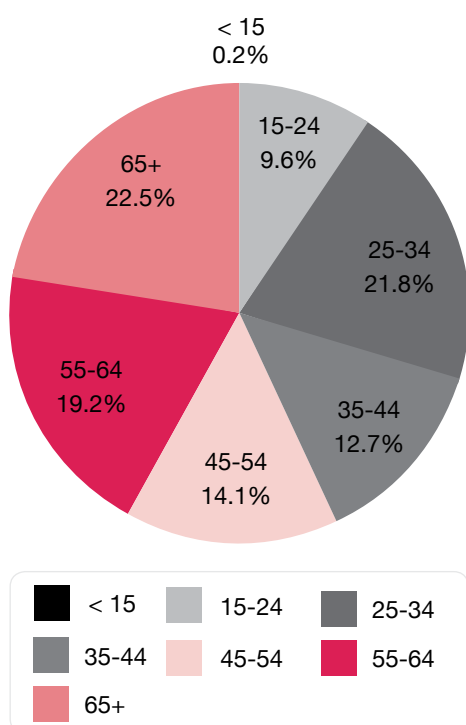
	Accredited	Pre-Accredited	LLNP	Short Courses	Book Groups	Total
2013	42	11	1	695	759	1,508
Total	42	11	1	695	759	1,508

CAE LEARNER PROFILE

Gender Breakdown



Age Analysis



Participation rate of 15-24 year old and 25-64 year old

	Female	Male	Total
<15	27	11	38
15-24	1,591	739	2,330
25-64	12,729	3,801	16,530
65+	4,781	718	5,499
Total	19,128	5,269	24,397

Learners by age group (age taken at 30 June 2013)

	Total
	Total no. students
<15	38
15-24	2,330
25-34	5,329
34-44	3,090
45-54	3,435
55-64	4,676
65+	5,499
Total	24,397

Learners by age group by funding type (age taken at 30 June 2013)

	Government	FFS	Book Groups	Total
<15	0	37	1	38
15-24	722	1,670	10	2,330
25-34	219	4,158	1,036	5,329
34-44	189	2,616	345	3,090
45-54	125	2,517	860	3,435
55-64	99	2,685	1,980	4,676
65+	48	1,659	3,860	5,499
Total	1,402	15,342	8,092	24,397

22 GOVERNANCE

CAE is governed by a board that is representative of government, industry and community. The role of the board is to oversee and govern CAE efficiently and effectively, develop and implement strategic plans and ensure that CAE operates in accordance with its objectives, strategic plan and statement of corporate intent.

The Board is committed to ensuring that the community is serviced effectively with vocational and further education programs which are responsive to their needs.

The Board is also committed to the adoption of ethical conduct in all areas of its responsibilities and authority. In so doing, it binds its members to the principles and practices determined in the Board's Charter.

The Board is ultimately responsible to the Victorian Government for the governance and management of CAE.

COMMITTEES

To assist the Board in meeting its duties a number of committees have been established. During 2013 these included:

- > Audit, Finance and Risk Committee;
- > Board Remuneration Committee;
- > Capital Planning Committee; and
- > Nominations Committee.

Audit, Finance and Risk Committee

The objective of the Audit Finance and Risk Committee is to assist the Board in ensuring that the control and compliance framework operating across the Institute and its controlled entities is operating effectively and that its external accountability responsibilities are being met.

Membership during 2013 has included:

- > Bruce Thompson (Committee Chair)
- > Suzanne Ewart
- > Elizabeth White
- > Philip Belcher
- > Noelene Duff
- > Glen Walker
- > Janet Compton

Board Remuneration Committee

- > The objective of the Remuneration Committee is to assist the Board in ensuring that remuneration practices for the CEO and Executive Officers are in accordance with Government policy relating to Public Sector employment administered by the State Services Authority and Ministerial directives, and that these practices are applied.

Membership during 2013 included:

- > Suzanne Ewart (Committee Chair)
- > Elizabeth White (former Committee Chair)
- > Philip Belcher
- > Noelene Duff
- > John Maddock
- > Bruce Thompson
- > Glen Walker
- > Helen Buckingham
- > Janet Compton
- > Greg Malone
- > Phillip Davies

Capital Planning Committee

- > The objective of the Capital Planning Committee is to oversee and advise the Board in relation to the development and maintenance of the Strategic Asset Management Plan and to monitor the delivery of capital building projects that are included in the institute capital development program.

Membership during 2013 included:

- > Helen Buckingham (Committee Chair)
- > Suzanne Ewart
- > Elizabeth White
- > Bruce Thompson
- > John Maddock
- > Phillip Davies
- > Christine Kilmartin

BOARD MEMBERS

During 2013 CAE had two consecutive Boards:

- > 1 January to 14 April 2013, comprised of the following members:
 - > Elizabeth White (Chair)
 - > Ian Hind
 - > Bruce Thompson
 - > Philip Belcher
 - > John Maddock
 - > Helen Buckingham
 - > Janet Compton
 - > Greg Malone

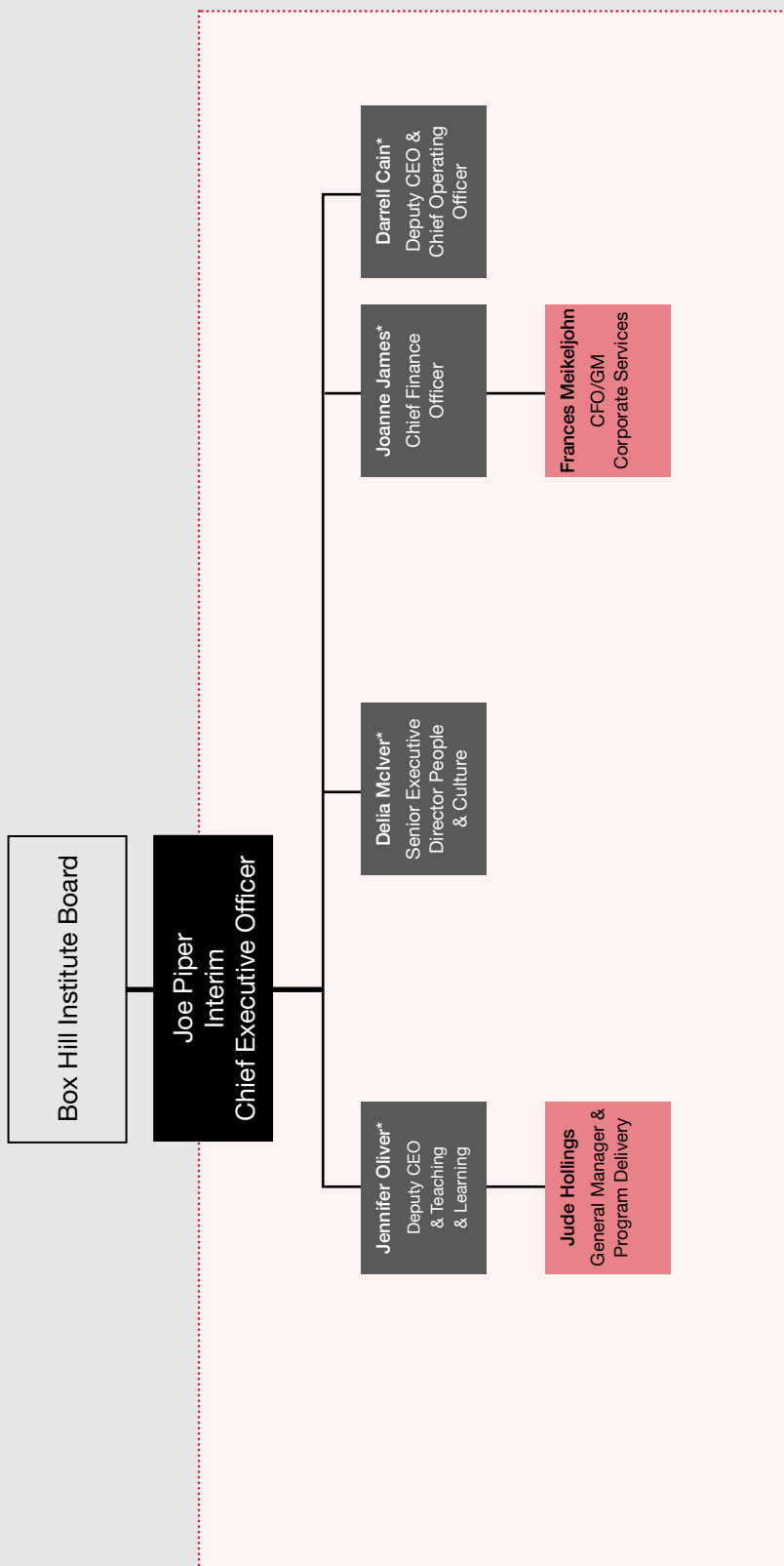
15 April 2013 onwards, comprised of the following members:

- > Suzanne Ewart (Chair)
- > Elizabeth White
- > Bruce Thompson
- > Helen Buckingham
- > Janet Compton
- > Greg Malone
- > Philip Davies
- > Glen Walker
- > Noelene Duff

Attendance at Board meetings in 2013:

- > Suzanne Ewart (Chair from 15 April) Meeting Attendance: 11/11
- > Elizabeth White (former Chair) Meeting Attendance: 8/9
- > Philip Belcher (to 15 April) Meeting Attendance: 1/1
- > Ian Hind (to 31 March) Meeting Attendance: 1/1
- > John Maddock (to 15 April) Meeting Attendance: 1/1
- > Noelene Duff (to 6 November) Meeting Attendance: 5/8
- > Bruce Thompson Meeting Attendance: 11/12
- > Glen Walker (from 15 April) Meeting Attendance: 9/11
- > Helen Buckingham Meeting Attendance: 12/12
- > Janet Compton Meeting Attendance: 10/12
- > Greg Malone Meeting Attendance: 11/12
- > Phillip Davies (from 1 June) Meeting Attendance: 9/9

CAE EXECUTIVE MANAGEMENT STRUCTURE



*Under a Management Services Agreement, CAE managers and staff have reporting responsibilities and accountabilities to Box Hill Institute Senior Executive Officers as part of an integrated management, operational and structural arrangement

2013 FINANCIAL PERFORMANCE

25

The Centre for Adult Education, achieved a net result from continuing and discontinued operations of \$3.339 million (2012: \$1.024 million deficit) compared to a Board approved operating budget of \$0.099 million deficit.

Comprehensive Operating Statement

The higher result for 2013 compared to 2012 is due to a number of contributing factors.

For 2013, operating income has been impacted by a number of factors including;

- > A reduction in subsidy rates for a range of government funded programs from 1st July 2012, and

- > The cessation of government funding for full service provision not tied to program delivery.

These reductions have been fully offset by;

- > An increase in government fee for project contracted revenue,
- > An increase in accredited fee for service vocational programs, and
- > The sale of a business providing occupational English testing services, whilst retaining a significant share in the ongoing operation of the business.

In addition to maintaining overall income from transactions, the Centre for Adult Education continued to focus on improving the efficiency and effectiveness of its operations and during 2013 was able to further capitalise on shared services opportunities arising from consolidation within the Box Hill Institute Group's operations.

YEAR ENDED 31st. DECEMBER	2013 \$000	2012 \$000	2011 \$000	2010 \$000	2009 \$000
SUMMARY OF FINANCIAL PERFORMANCE					
Total Income from Transactions	19,264	19,487	23,342	24,656	27,871
Total Expenses from Transactions	(19,829)	(21,105)	(25,389)	(28,813)	(25,560)
Other Economic Flows and Discontinued Operations	3,904	596	-	-	-
Net Result	3,339	(1,003)	(2,047)	(3,527)	2,311
BALANCE SHEET PERFORMANCE:					
Assets	15,907	12,975	12,782	15,281	17,879
Liabilities	7,598	8,006	6,809	7,261	6,331
Net Worth	8,309	4,970	5,973	8,020	11,548

Compulsory Student Services and Amenities Fee

The Centre for Adult Education levies 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 provision of funding for student recreation, counselling and welfare and other non-academic support services.

The processes for the collection and disbursement of the services and amenities fees are managed by the CAE respectively and are not paid to any student organisations.

Total Student Services and Amenities Fees Collected for the year ending 31st December 2013 was \$104,064.

Consultancies

There were no consultancies engaged during the year with all consultancies pertaining to the BHI Group engaged by Box Hill Institute. Therefore there were no contracts or tenders to which the Victorian Industry Participation Policy was applied to during 2013.

Risk Management and Attestation Statement

During 2013, the Box Hill Institute Group's risk management policy and plan were updated to include the operations of the Centre for Adult Education.

At its meeting of the 19th February 2014, and in accordance with the requirements of the Victorian Management Insurance Authority Act, the Audit Finance and Risk Committee approved the following attestation statement to be made by the Chair on behalf of the Board and the Centre for Adult Education.

Attestation of Compliance For 2013

I, Suzanne Ewart, Chair of the Centre for Adult Education, certify that the Centre for Adult Education has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009 or its successor) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Centre for Adult Education's risk management and internal controls systems are, as part of a governance review, being reviewed by the Board and this process is expected to be finalised early 2014.

The Board verifies this assurance and advises that the current risk profile of the Centre for Adult Education will be critically reviewed.

Ms Suzanne Ewart
Chair of the Board



Date: 27 February 2014
Box Hill, Melbourne

Statements of Pecuniary Interests

The Centre for Adult Education has in place policies and procedures that require relevant officers of all BHI Group entities to complete Statements of Pecuniary Interests on an annual basis. All such statements have been duly completed.

Information about declarations of pecuniary interests by all relevant officers should be directed to:

The Freedom of Information Officer
Box Hill Institute of TAFE
465 Elgar Road,
Box Hill 3128 Telephone: (03) 9286 9222

Details of Shares held by Senior Officers

Requests for information about shares held by senior officers, as nominee or held beneficially in a statutory authority or subsidiary, if any, should be directed to:

The Freedom of Information Officer
Box Hill Institute of TAFE
465 Elgar Road,
Box Hill 3128 Telephone: (03) 9286 9222

National Competition Policy

The Centre for Adult Education has in place policies and procedures to ensure compliance with the National Competition Policy which take into account the Victorian Government's Competitive Neutrality Policy requirements and the requirements of related legislation.

28 COMPLIANCE

BUILDING SERVICES

CAE has established policies and mechanisms to ensure that works to existing buildings conform with building standards and with statutory obligations arising from the Building Act 1993 which relate to health and safety measures. CAE places a strong emphasis on the provision and maintenance of high-quality buildings that meet regulatory requirements of OH&S standards. All CAE building works conform to building regulations.

FINANCIAL REPORTING DIRECTIONS

This Report is prepared in accordance with the requirements of the Financial Reporting Directions. For further details please refer to the Financial Statements.

ENVIRONMENTAL PERFORMANCE

CAE is proudly a 'car less' organisation and in 2013 continued to support the Commuter Club for staff, using the yearly Metcard/Myki or V/Line ticket. By participating in the scheme, CAE staff can obtain these tickets at a discounted price and have payments deducted fortnightly through Payroll.

OCCUPATIONAL HEALTH & SAFETY

CAE continues to be committed to ensuring a safe and healthy workplace for staff and learners. The OH&S Committee ensured that all First Aid, OH&S Representative and Floor Warden positions were staffed with trained personnel and that workplace inspections were conducted in each area twice in the year.

As part of our commitment to the ongoing health and welfare of our employees, CAE offered staff free flu vaccinations, and staff were given the opportunity to participate in Box Hill Institute Health and Wellbeing workshops.

WORKPLACE RELATIONS

Consultative committees comprising management, staff and union representatives continued to work closely throughout 2013 towards a new enterprise agreement for CAE employees.

INDUSTRIAL RELATIONS

In 2013, an aggregate figure of 461 days (primarily over a three week period) were lost due to protected industrial action around the negotiation of an enterprise agreement.

FREEDOM OF INFORMATION

CAE has implemented procedures which, subject to privacy provisions, facilitate all reasonable requests for information from students, staff and the general public without recourse to the Freedom of Information Act 1982, as CAE is a Government Agency as defined in the Act, and is therefore subject to the Act.

Requests under the Freedom of Information Act should be addressed to: The Freedom of Information Officer

Box Hill Institute
465 Elgar Road, Box Hill VIC 3128
Telephone: (03) 9286 9222

Box Hill Institute may levy a charge for information provided that is subject to a Freedom of Information request, in accordance with the relevant requirements. CAE received no requests for the application of the Freedom of Information Act 1982.

Any student may see his/her personal record by applying to:

The Registrar
Box Hill Institute
465 Elgar Road, Box Hill VIC 3128
Telephone: (03) 9286 9572

Any staff member may see access to his/her personnel file by applying to:

Executive Manager OD Strategy and Service
Box Hill Institute
810 Whitehorse Road
Box Hill VIC 3128
Telephone: (03) 9286 9441

PROTECTED DISCLOSURE ACT

The Institute has developed a policy which establishes a system for the protection of persons who make a protected disclosure under the Protected Disclosure Act 2012 (Vic) (The Act) from detrimental action by officers, members, employees and contractors of Box Hill Institute and the Centre for Adult Education (CAE), in accordance with section 58 (5) of the Act and ensures that all other requirements of the Act are met.

Full details of the Institute's Protected Disclosure Act policy can be found under the Policies and Procedures section of the CAE website at <http://www.cae.edu.au/web/?cinfo=about>

COMPLIANCE WITH GOVERNMENT GUIDELINES

In accordance with the Performance Agreement as set out by the Minister, CAE has complied with circulars, directives, regulations and guidelines applicable to CAE.

PEOPLE AND CULTURE

Shared service model and partnership with Box Hill Institute

People and Culture continued to work within the shared services model across the BHI Group, with a focus on change and transition management throughout 2013 aimed at progressing the alignment of organisational processes and procedures.

The partnership provides enhanced professional development opportunities for employees from across the BHI Group to work on a range of joint projects and shared activities, as set out below.

Training and Development Opportunities

The broad range of learning and development activities offered in 2013 fostered opportunities for networking, sharing and collaboration across the BHI Group.

Initiatives designed to enhance organisational capability and culture included:

- > A comprehensive management and leadership program that saw all managers undertake the Management Essentials program, which focussed on legislative and compliance training. Additionally, the program included Management Master Classes, tailored coaching and mentoring for managers, a Leadership Toolkit and the 2013 Management Conference. These programs focussed on a broad range of topics and skills, covering practical management skills, compliance and legislation, communication, leading change and lean management.
- > The Industry Skills Development program, aimed at enhancing the commercial skills of employees with key roles in developing commercial business.
- > Business management and project management skill development, along with time management and advanced Microsoft Office courses.

CAE ORGANISATIONAL BEHAVIOURS

CAE employees continue to uphold standards of respect, accountability, integrity, impartiality, leadership and human rights in their interactions with their colleagues, learners, stakeholders and the public, as outlined in the Code of Conduct and Behaviours.

EMPLOYEE RELATIONS

CAE supports the implementation of the public sector employment principles, requiring all employees with management responsibilities to ensure that:

- > employment decisions are based on merit;
- > employees are treated fairly and reasonably;
- > equal employment opportunity is ensured;
- > human rights are protected and upheld, and;
- > employees have a reasonable avenue for redress against unfair or unreasonable treatment.

All employment information and data related to our people is collected and managed confidentially in accordance with privacy, public records and other relevant legislative requirements.

STAFF ACHIEVEMENT AND RECOGNITION

- > CAE is an active member of the BHI Group's Staff Achievement and Recognition Program (SARP), which supports organisational culture in a range of significant areas.
- > The dedication of staff who have been employed within the Institute for 10 years or more is honoured and their commitment is formally recognised.
- > The SARP program recognises those employees and teams who have demonstrated outstanding performance and promotes an increased awareness of best practice. In addition to the annual award program, Spotlight on Excellence awards are presented throughout the year to acknowledge employees whose behaviour or activities exemplify the values of the Institute.
- > In 2013, SARP received submissions of exemplary calibre from CAE and were amongst the winners, whose achievements are outlined in the 'Year of Awards' section of the annual report.

FURTHER INFORMATION

- > statements regarding declarations of pecuniary interest by relevant officers
- > shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- > publications produced and where the publications can be obtained
- > changes in prices, fees, charges, rates and levies charged
- > major external reviews carried out
- > research and development activities undertaken
- > overseas visits undertaken
- > assessments and measures undertaken to improve the occupational health and safety of employees
- > industrial relations issues
- > major committees sponsored by CAE

Enquiries regarding this information should be directed to:

Board Secretary
Centre for Adult Education
253 Flinders Lane
Melbourne VIC 3000
Phone: +613 9652 0611
Email: enquiries@cae.edu.au

COMPLIANCE WITH OTHER LEGISLATION

Box Hill Institute complies with the requirements of relevant legislation and subordinate instruments, including, but not limited to, the following:

- > Education and Training Reform Act 2006
- > The Constitution
- > Directions of the Minister for Higher Education and Skills (or predecessors)
- > TAFE Institute Commercial Guidelines
- > TAFE Institute Strategic Planning Guidelines
- > Public Administration Act 2004
- > Freedom of Information Act 1982
- > Building Act 1983
- > Protected Disclosure Act 2012
- > Victorian Industry Participation Policy Act 2003

32 WORKFORCE DATA 2013

CAE - 2013/2012									
TEACHING STAFF									
Employment Status	Gender	Full Time 2013	Full Time 2012	Part Time 2013	Part Time 2012	Total 2013	Total 2012	EFT 2013	EFT 2012
On-going	Female	6	7	19	24	25	31	14.3	20.4
On-going	Male		3	7	6	7	9	4.8	6.5
Fixed Term	Female	4	2	2	3	6	5	5.2	3.8
Fixed Term	Male	1	0	0	0	0	0	1	0
Sessional	Female			295	156	295	281	13.8	20.1
Sessional	Male	0	0	130	71	130	132	5.9	9.4
SUB-TOTAL	Female	10	9	316	183	326	317	33.3	44.3
SUB-TOTAL	Male	1	3	137	77	137	141	11.7	15.9
GENERAL STAFF									
Executive Officers	Female	1	1	1	1	2	2	1.8	1.8
Executive Officers	Male								
Management	Female	3	5	1	1	4	4	3.6	3.8
Management	Male	1	2			1	2	1	2
General Staff On-going	Female	28	28	7	7	35	35	33.3	33.3
General Staff On-going	Male	16	16	4	4	20	20	18.8	18.8
General Staff Fixed Term	Female	7	7	7	7	14	14	10.5	10.5
General Staff Fixed Term	Male	3	3	1	1	4	4	3.5	3.5
General Staff Casual	Female	0	0	45	28	45	28	8.7	8.9
General Staff Casual	Male	0	0	11	9	11	9	1.5	2.7
Other Staff On-going	Female								
Other Staff On-going	Male								
Other Staff Fixed Term	Female								
Other Staff Fixed Term	Male								
Other Staff Casual	Female			12		12		1.7	
Other Staff Casual	Male					0			
SUB-TOTAL	Female	38	40	60	43	98	83	56.1	58.3
SUB-TOTAL	Male	20	21	16	14	36	35	24.8	27
TOTAL	Female	48	49	376	226	424	400	89.4	102.6
TOTAL	Male	21	24	153	91	173	176	36.5	42.9
GRAND TOTAL		69	73	529	317	597	576	125.9	145.5

ADDITIONAL WORK FORCE DATA: JUNE 2013 SUMMARY

CAE -2013								
Ongoing Employees				Fixed term & Casual Employees				
	Head count 2013	Head count 2012	Full Time Equivalent 2013	Full Time Equivalent 2012	Head count 2013	Head count 2012	Full Time Equivalent 2013	Full Time Equivalent 2012
Jun-13	112		92.3		131		31.8	
Jun-12		122		90.1		261		52.0
CAE	On-going			Fixed term & Casual				
Gender	Head Count 2013	Head count 2012	Full Time Equivalent 2013	Full Time Equivalent 2012	Head count 2013	Head count 2012	Full Time Equivalent 2013	Full Time Equivalent 2012
Male	33	38	29.2	29.3			7.7	13.6
Female	79	84	63.1	60.8			24.1	38.4
Age								
<25	2	2	2	1.8			2.4	1.7
25-34	24	27	22.5	22.3			7.9	7.1
35-44	22	22	17.9	16.5			6.3	12.9
45-54	27	31	22.0	24.3			6.1	9.1
55-64	30	30	23.3	19.6			6.6	15.6
>64	7	10	4.6	5.5			2.5	5.6
Classification								
Teacher	40	49	25.8	28.3			14.2	27.1
General Staff	72	73	66.5	61.8			8.5	15.4
Other*							9.1	9.5

*Includes casual administrative or technical staff, exam supervisors and life models

CENTRE FOR ADULT EDUCATION



FINANCIAL STATEMENTS 31ST DECEMBER 2013



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Centre for Adult Education

The Financial Report

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

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

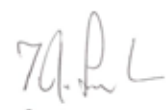
Opinion

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

Matters Relating to the Electronic Publication of the Audited Financial Report

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

MELBOURNE
28 February 2014


For John Doyle
Auditor-General

**CENTRE FOR ADULT EDUCATION
FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2013
DECLARATION BY CHAIR OF THE BOARD
CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCE AND ACCOUNTING OFFICER**

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

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

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

The Chair of the Board and the Chief Executive Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of the Centre for Adult Education.



Suzanne Ewart
Chair of the Board

Date: 27th February 2014

Box Hill, Melbourne



Joe Piper
Interim Chief Executive Officer

Date: 27th February 2014

Box Hill, Melbourne



Joanne James
Chief Finance & Accounting Officer

Date: 27th February 2014

Box Hill, Melbourne

ACTIVITY TABLE OPERATING STATEMENT - OPERATING EXPENSES

Centre for Adult Education (CAE)

Activity Table Operating Statement - Operating Expenses
for the year ended 31 December 2013

		CAE	
		2013	2012
		\$'000	\$'000

Note A1 - OPERATING STATEMENT

Total operating expenses

Delivery provision and support activity	A2	9,283	9,563
Administration and general services activity	A3	4,417	5,312
Property, plant and equipment services activity	A4	5,814	5,824
Administration and general services activity	A5	316	406
Total Operating expenses		19,829	21,105

Note A2 - OPERATING STATEMENT

Delivery provision and support activity

Salaries, wages, overtime and allowances	7,539	7,347
Superannuation	606	565
Payroll tax	337	350
Other employee benefits	2	38
Purchase of supplies and consumables	285	716
Travel and motor vehicle expenses	20	22
Depreciation, amortisation and impairment	320	361
Other direct delivery expenses	174	164
	9,283	9,563

Note A3 - OPERATING STATEMENT

Administration and general services activity

Salaries, wages, overtime and allowances	2,113	2,433
Superannuation	146	192
Payroll tax	76	113
Other employee benefits	-	36
Purchase of supplies and consumables	110	310
Communication Expenses	290	486
Fees and Charges	347	524
Travel and motor vehicle expenses	4	28
Depreciation, amortisation and impairment	137	168
Other expenses	1,194	1,023
	4,417	5,312



CAE	
2013	2012
\$'000	\$'000

Note A4 - OPERATING STATEMENT

Property, plant and equipment services activity

Salaries, wages, overtime and allowances	168	202
Superannuation	14	15
Payroll tax	8	10
Other employee benefits	2	3
Purchases of supplies and consumables	14	22
Depreciation, amortisation and impairment	183	66
Minor equipment	38	48
Occupancy expenses	271	284
Contract and other services	1,068	1,293
Rent/leasing charges	3,303	2,886
Building repairs and maintenance	618	936
Other expenses	126	58
	5,814	5,824

Note A5 - OPERATING STATEMENT

Student and other services activity

Salaries, wages, overtime and allowances	250	275
Superannuation	21	26
Payroll tax	12	15
Other employee benefits	3	26
Purchase of supplies and consumables	4	3
Depreciation, amortisation and impairment	13	27
Other expenses	12	35
	316	406

Centre for Adult Education (CAE)

Comprehensive Operating Statement for the year ended 31 December 2013

	Note	2013 \$'000	2012 \$'000
Continuing operations			
Income from transactions			
Government contributions - operating	2(a)(i)	7,932	8,607
Sale of goods and services	2(b)	9,328	7,884
Interest	2(c)	139	107
Total fair value of assets and services received free of charge or for nominal consideration	2(d)	66	841
Other Income	2(e)	1,799	2,048
Total income from transactions		19,264	19,487
Expenses from transactions			
Employee benefits	3(a)	11,292	11,647
Depreciation and amortisation	3(b)	653	621
Grants and Transfers	3(c)	3	-
Supplies and services	3(d)	2,981	4,284
Other operating expenses	3(e)	4,900	4,553
Total expenses from transactions		19,829	21,105
Net result from transactions (net operating balance)		(565)	(1,620)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(8)	(760)
Net gain/(loss) on financial instruments and statutory receivables/payables	4(b)	(58)	(7)
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	4(c)	482	-
Other gains/(losses) from other economic flows	4(d)	22	-
Total other economic flows included in net result		438	(767)
Net result from continuing operations		(127)	(2,387)
Net result from discontinued operations	5	3,466	1,363
Net result		3,339	(1,024)
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation surplus	15	-	21
Total other economic flows – Other non-owner changes in equity		-	21
Comprehensive result		3,339	(1,003)

Centre for Adult Education (CAE)

Balance Sheet
as at 31 December 2013

		2013 \$'000	2012 \$'000
	<i>Note</i>		
Assets			
Financial assets			
Cash and deposits	6	4,640	2,595
Receivables	7	1,151	1,157
Investments accounted for using the equity method	8	1,442	-
Total financial assets		7,233	3,753
Non-financial assets			
Property, plant and equipment	9	8,476	9,028
Intangible assets	10	42	84
Other non-financial assets	11	156	109
Total non-financial assets		8,674	9,222
Total assets		15,907	12,975
Liabilities			
Payables	12	3,400	3,857
Provisions	13	1,701	1,354
Other liabilities	14	2,497	2,796
Total liabilities		7,598	8,006
Net assets		8,309	4,970
Equity			
Accumulated deficit	15(b)	(1,385)	(4,724)
Reserves	15(c)	2,076	2,076
Contributed capital	15(a)	7,618	7,618
Net worth		8,309	4,970
Commitments for expenditure	17	51,355	54,501
Contingent assets and liabilities	19	410	431

The above balance sheet should be read in conjunction with the accompanying notes.

Centre for Adult Education (CAE)

Statement of Changes in Equity as at 31 December 2013

		Changes due to	
		Equity at 1 Jan 2013	Equity at 31 Dec 2013
		Total Comprehensive result	
Note	\$'000	\$'000	\$'000
Accumulated deficit		3,339	(1,385)
Accumulated deficit at the end of the year		3,339	(1,385)
Contributions by owners		-	7,618
Physical assets revaluation reserve- Land	15	-	1,833
Physical assets revaluation reserve- Cultural assets	15	-	243
Total equity at the end of the year		3,339	8,309

		Changes due to	
		Equity at 1 Jan 2012	Equity at 31 Dec 2012
		Total Comprehensive result	
Note	\$'000	\$'000	\$'000
Accumulated deficit		(1,024)	(4,724)
Accumulated deficit at the end of the year		(1,024)	(4,724)
Contributions by owners		-	7,618
Physical assets revaluation reserve- Land	15	(67)	1,833
Physical assets revaluation reserve- Buildings	15	(14)	-
Physical assets revaluation reserve- Cultural assets	15	102	243
Total equity at the end of the year		(1,003)	4,970

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

Centre for Adult Education (CAE)

Cash Flow Statement as at 31 December 2013

		2013 \$'000	2012 \$'000
	<i>Note</i>		
Cash flows from operating activities			
Receipts			
Government contributions - operating	2(a)(i)	7,851	8,352
User fees and charges received		13,199	15,490
Interest received		139	107
Total receipts		21,189	23,949
Payments			
Payments to suppliers and employees		(21,005)	(23,265)
Goods and services tax paid to the ATO		(380)	(446)
Total payments		(21,385)	(23,711)
Net cash flows from/(used in) operating activities	16	(196)	238
Cash flows from investing activities			
(Increase)/proceeds from sale of investment		-	1,327
Payments for non-financial assets			(4)
Payments for investment in associates		(960)	-
Proceeds from sale of businesses		3,200	-
Net cash provided by/(used in) investing activities		2,240	1,323
Net increase (decrease) in cash and cash equivalents		2,044	1,561
Cash and cash equivalents at the beginning of the financial year		2,595	1,034
Cash and cash equivalents at the end of the financial year	6	4,640	2,595

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for Centre for Adult Education (CAE)

1.01 Statement of Compliance

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

1.02 Basis of accounting preparation and measurement

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

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

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

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.02 Basis of accounting preparation and measurement (Continued)

Exceptions to the historical cost convention include:

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

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

1.03 Reporting entity

The financial statements cover the Centre for Adult Education (CAE) as an individual reporting entity. The CAE is a Statutory Body Corporate, established pursuant to an act made by the Minister under the Education and Training Reform Act 2006 Section 3.3.28.

Its principal address is:
Centre for Adult Education (CAE)
253 Flinders Lane
Melbourne VIC 3000

1.04 Basis of consolidation

The financial statements include all the activities of the CAE. The CAE has no controlled entity.

1.05 Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the CAE 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. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.06 Goods and Services Tax (GST)

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

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

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

1.07 Income from transactions

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

Government contributions

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

Sale of goods and services

(i) Student fees and charges

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

(ii) Fee for Service

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.07 Income from transactions (Continued)

(iii) Revenue from sale of goods

Revenue from sale of goods is recognised by CAE when:

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

Interest

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

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

1.07 Income from transactions (Continued)

Other income

Rental income

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

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.08 Expenses from transactions

Employee benefits

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

Retirement benefit obligations

(i) Defined contribution plan

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

(ii) Defined benefit plans

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

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

Depreciation and amortisation

Depreciation

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

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

Class of asset	Method	% Rate/%Rates
Buildings	Straight	2 (2012: 2)
Plant & equipment	Straight	20-33 (2012: 9 -15)
Leasehold Improvements	Straight	5 -11 (2012: 33)

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

Buildings relates to the Ola Cohn building which is heritage listed and is depreciated over the useful life.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.08 Expenses from transactions (Continued)

Amortisation

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

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

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

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

Interest Expense

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

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

Grants and other transfers

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

Other operating expenses

Supplies and services

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

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.09 Other economic flows included in net result

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

Net gain/(loss) on non-financial assets

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

Disposal of non-financial assets

Any gain or loss on disposal of non-financial assets is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

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

All other assets are assessed annually for indications of impairment, except for:

- Financial assets;
- Investment property that is measured at fair value;
- Non-current assets held-for-sale;

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 statement of comprehensive income, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.09 Other economic flows included in net result (Continued)

Disposal of non-financial assets (Continued)

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

Net gain/(loss) on financial instruments

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

Revaluations of financial instruments at fair value

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

Impairment of financial assets

Financial assets have been assessed for impairment in accordance with Australian Account Standards. Where a financial asset's fair value at balance date has reduced by 20 per cent or more than its cost price; or where it's fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

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

Other gains/(losses) from other economic flows

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.10 Financial assets

Cash and deposits

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

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

Receivables

Receivables consist of:

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

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

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

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

Investments and other financial assets

Investments are classified in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables, and
- available for sale financial assets.

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.10 Financial assets (Continued)

Associated entities (associates)

Associates are those entities over which the CAE exercises significant influence, but not control, generally accompanying a shareholding and voting rights of between 20% and 50%.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under this method, the CAE's share of the post-acquisition profits or losses of associates is recognised in net result and its share of post-acquisition movements in reserves is recognised in reserves (non-owner equity) in both the statement of comprehensive income and the statement of changes in equity. The cumulative post-acquisition movements are adjusted against the cost of the investment.

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:

- CAE has transferred its rights to receive cash flows from the asset and either: or
- CAE 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
- CAE 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

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

At the end of each reporting period, CAE assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 90 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.10 Financial assets (Continued)

Derecognition of financial assets (Continued)

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

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.11 Leases

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

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

Finance leases

Centre for Adult Education as lessor

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest income and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Centre for Adult Education as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating leases

Centre for Adult Education as lessor

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

Centre for Adult Education as lessee

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.11 Leases (Continued)

Lease incentives

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

1.12 Non-Financial Assets

Property, plant and equipment

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

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.

Freehold land and buildings are shown initially at cost, then subsequently at their fair value less accumulated depreciation where applicable.

CAE inherited a property at East Melbourne from the late Ola Cohn, a local artist. The land and building assets are heritage listed. This asset is deemed worthy of preservation because of its social rather than financial benefits provided to the community. The nature of these asset means there are certain limitations and restrictions imposed on use and /or disposal.

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

Leasehold improvements

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

Cultural assets

The CAEs cultural assets is measured at valuation.

Work in progress

Work in progress is initially valued at cost of acquisition. Work in progress includes the cost of materials and other cost directly attributable to the acquisition and commissioning of assets.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.12 Non-Financial Assets (Continued)

Non financial physical assets constructed by CAE

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

Revaluations of non-current physical assets

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

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

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

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

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

Intangibles

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.13 Liabilities

Payables

Payables consist of:

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

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

Provisions

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

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

Employee benefits

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.13 Liabilities (Continued)

(i) Wages and salaries, and annual leave

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

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

(ii) Long service leave

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

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

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

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 4(d)).

(iii) Termination benefits

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

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.13 Liabilities (Continued)

Performance Payments

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

Borrowings

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

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

Financial liabilities

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

Derecognition of financial liabilities

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

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

Financial guarantees

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

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

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

Centre for Adult Education (CAE)

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

NOTE 1**Statement of significant accounting policies****1.13 Liabilities (Continued)****Onerous contracts**

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

1.14 Commitments

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

1.15 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 19) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.16 Equity**Contributed capital**

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.17 Foreign currency translations

Functional and presentation currency

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

Transactions and balances

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

1.18 Materiality

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.19 Change in accounting policy

AASB 13 Fair Value Measurement

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

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

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these provisions, the CAE has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see note 1.22). Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

AASB 119 Employee benefits

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

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. This change has no impact on the CAE 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.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.19 Change in accounting policy (Continued)

AASB 119 Employee benefits (Continued)

In addition, AASB 119 also changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the CAE as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered the CAEs measurement of the annual leave provision.

1.20 New accounting standards and interpretations

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

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

Standard/ Interpretation	Effective Date	Outline of Amendment	Impact on financial statements
AASB 9 Financial Instruments	1 Jan 2015	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AAS 139 Financial Instruments: Recognition and Measurement).	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.20 New accounting standards and interpretations (Continued)

Standard/ Interpretation	Effective Date	Outline of Amendment	Impact on financial statements
AASB 10 Consolidated Financial Statements	1 Jan 2014	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, the CAE will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.20 New accounting standards and interpretations (Continued)

Standard/ Interpretation	Effective Date	Outline of Amendment	Impact on financial statements
AASB 11 Joint Arrangements	1 Jan 2014	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, the CAE will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	1 Jan 2014	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.20 New accounting standards and interpretations (Continued)

Standard/ Interpretation	Effective Date	Outline of Amendment	Impact on financial statements
AASB 127 Separate Financial Statements	1 Jan 2014	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	1 Jan 2014	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	1 Jan 2014	These standards set out the tiers of financial reporting and the reduced disclosure framework.	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.20 New accounting standards and interpretations (Continued)

Standard/ Interpretation	Effective Date	Outline of Amendment	Impact on financial statements
AASB 1055 Budgetary Reporting	1 Jan 2014	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	If separate budget is presented to the parliament: • The CAE will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget. If separate budget is not presented to the parliament: • This Standard is not applicable as no budget disclosure is required.

1.21 Rounding of amounts

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.22 Comparative information

Where practicable comparative amounts are presented and classified on a basis consistent with the current year. However as a result of the sale of the Occupational English Test business and the CAE reviewing definitions within HEGS - Annual Financial Reporting Framework several 2012 amounts have been reclassified as follows:

	Previous 2012	Adjusted 2012
	\$'000	\$'000
Comprehensive Operating Statement		
2(a) Grants and other transfers (other than contributions by owners)		
State Government Recurrent	8,624	8,607
2(b) Sales of goods and services		
Student fees and charges	320	484
Fee for service government	1,547	(99)
Fee for service - international operations	4,214	26
Fee for service -other	5,994	7,339
Sale of goods	850	134
2(e) Other income		
Rent/Venue hire	1,194	-
Other revenue	166	2,018
3(a) Employee expenses		
Salaries, wages, overtime and allowances	(10,700)	(9,362)
Superannuation	(879)	(798)
Payroll tax	(538)	(488)
Worker's compensation	(121)	(111)
Long service leave	(129)	(116)
Annual leave	(214)	(543)
Other	(22)	(7)
3(d) Supplies and services		
Purchase of supplies and consumables	(1,289)	(1,130)
Communication expenses	(383)	(408)
Contract and other services	(3,666)	(1,293)
Building repairs and maintenance	(106)	(915)
Minor equipment	-	(48)
Fees and charges	(659)	(490)

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.22 Comparative information (Continued)

	Previous 2012	Adjusted 2012
	\$'000	\$'000
Comprehensive Operating Statement (Continued)		
3(e) Other expenses		
Marketing and promotional expenses	(768)	(831)
Occupancy expenses	(3,153)	(3,098)
Staff development	(65)	(60)
Travel and motor vehicle expenses	(29)	(25)
Other expenses	(528)	(482)
4(b) Net gain/(loss) on financial instruments and statutory receivables/payables		
Impairment of loans and receivables	-	(7)
4(e) Net result from discontinued operations		
Income	-	4,384
Expenses	-	(3,021)
	(340)	(340)

	Previous 2012	Adjusted 2012
	\$'000	\$'000
Balance Sheet		
6 Cash and deposits		
Fixed Interest Term Deposits with TCV	-	1,379
Investments, loans and other financial assets		
Fixed Interest Term Deposits with TCV	1,379	-
7 Non-current receivables		
Security bonds paid	-	62
11 Other non-financial assets		
Prepayments	62	-
12 Payables		
Supplies and services	(1,227)	(1,147)
13 Provisions		
Termination Benefits	-	(80)
	214	214

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.23 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is summarised below and at notes 9 and 27.4.

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

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

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.23 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Assets / Liabilities measured at fair value as at		Fair Value Hierarchy	Valuation Techniques(s) and key assumptions	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
2013 \$'000	2012 \$'000				
Land - \$1,833	Land - \$1,833	2	Market approach - whereby subject land is compared to recent comparable land sales or sales of land with no added or nominal value improvement value, making adjustments for points of difference to fair value. Valuation of the subject land was determined by analysing land sales in comparable proximity to the subject property and allowing for shape, size, topography, location and other relevant factors specific to the land being valued. From the sales analysed, an appropriate rate per square meter has been	Recent land sales data	The higher the cost of land per square metre, the higher the fair value.
Buildings and plant and equipment excluding works in progress and leasehold improvements - \$48	Buildings and plant and equipment excluding works in progress and leasehold improvements - \$88	3	Cost approach - Subject assets were valued at replacement cost of assets after applying the appropriate depreciation rate, on a useful life basis after making adjustments for condition and general maintenance. This approach was used as market approach was considered not suitable as the assets are rarely sold except as part of a continuing business, or alternatively, the improvements are of a specialised nature and the market buying price would differ materially to the market selling price as the asset is normally bought as a new asset but could only be sold for its residual value.	Specialised assets, estimates made on current replacement cost of asset.	The higher the construction cost, the higher the fair value.

Centre for Adult Education (CAE)

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

NOTE 1

Statement of significant accounting policies

1.23 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Assets / Liabilities measured at fair value as at		Fair Value Hierarchy	Valuation Techniques(s) and key assumptions	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
2013 \$'000	2012 \$'000				
Investments accounted for using the equity method - \$1,442	NA	2	Market Approach - Subject asset was valued applying the terms as per the contracted sale agreement entered into with a third party during the year.	Sale Agreement between an Institute's controlled entity and a third party.	The higher the consideration and profit sharing arrangements the higher the fair value.
N/A	Work in progress - \$841	1	Quoted Price - Subject asset was valued applying prices in an active market.	NA	NA
Artworks - \$456	Artworks - \$456	2	Market Approach - Subject assets were valued taking into consideration the historical significance, age and condition of artworks as well as the artists reputation.	Artists reputation	The better the artist reputation the higher the price of the artworks.

Centre for Adult Education (CAE)

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

NOTE 2

Income from transactions

	2013 \$'000	2012 \$'000
2 Income from transactions		
(a) Grants and other transfers (other than contributions by owners)		
Government financial assistance		
(i) Government contributions - operating		
State government recurrent	7,932	8,607
Total government contributions - operating	7,932	8,607
Total government financial assistance	7,932	8,607
(b) Sales of goods and services		
Student fees and charges	553	484
Rendering of services		
Fee for service - Government	1,611	(99)
Fee for service - International operations - offshore	354	26
Fee for service - other	6,550	7,339
Total rendering of services	8,515	7,266
Other non-course fees and charges		
Sale of goods	260	134
Total other fees and charges	260	134
Total revenue from sale of goods and services	9,328	7,884
(c) Interest		
Interest from financial assets not at fair value through P/L:		
Interest on bank deposits	139	107
Total interest revenue from financial assets not at fair value through P/L	139	107
Net interest income	139	107
(d) Fair value of assets and services received free of charge or for nominal consideration		
Assets:		
Services - Resources received free of charge	66	841
Total Assets	66	841
Total fair value of assets and services received free of charge or for nominal consideration	66	841
(e) Other income		
Donations, bequests and contributions	30	30
Other revenue	1,768	2,018
Total other income	1,799	2,048

Centre for Adult Education (CAE)

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

NOTE 3

Expenses from transactions

	2013 \$'000	2012 \$'000
3 Expenses from transactions		
(a) Employee expenses		
Salaries, wages, overtime and allowances	9,849	9,362
Superannuation	788	798
Payroll tax	433	488
Worker's compensation	4	111
Long service leave	124	116
Annual leave	94	543
Termination benefits	-	223
Other	-	7
Total employee expenses	11,292	11,647
(b) Depreciation and amortisation		
Depreciation of non-current assets		
Buildings	23	4
Plant and equipment	9	22
Total depreciation	32	26
Amortisation of non-current physical and intangible assets		
Leasehold improvements	578	556
Software	43	39
Total amortisation	620	595
Total depreciation, amortisation and impairment	653	621
(c) Grants and other transfers (other than contributions by owners)		
Grants and subsidies other Vet Programs	3	-
Total grants and other payments	3	-
(d) Supplies and Services		
Purchase of supplies and consumables	713	1,130
Communication expenses	272	408
Contract and other services	1,068	1,293
Building repairs and maintenance	616	915
Minor equipment	38	48
Fees and charges	274	490
Total supplies and services	2,981	4,284
(e) Other Expenses		
Marketing and promotional expenses	792	831
Occupancy expenses	3,556	3,098
Audit fees and services	53	57
Staff development	45	60
Travel and motor vehicle expenses	24	25
Other expenses	430	482
Total other expenses	4,900	4,553

Centre for Adult Education (CAE)

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

NOTE 4

Other economic flows included in net result

Other economic flows included in net result	2013 \$'000	2012 \$'000
(a) Net gain/(loss) on non-financial assets (including PPE and intangible assets)		
Write off of plant and equipment	-	(687)
Net gain/(loss) on disposal of physical assets	(8)	-
Impairment of non-financial assets	-	(73)
Total net gain/(loss) on non-financial assets and liabilities	(8)	(760)
(b) Net gain/(loss) on financial instruments and statutory receivables/payables		
Impairment of loans and receivables	(58)	(7)
Total net gain/(loss) on financial instruments	(58)	(7)
(c) Share of net profits/(losses) of associates and joint venture entities excluding dividends		
Share of net profits/(losses) of associates excluding dividends	482	-
Total share of net profit(loss) of associates and joint ventures excluding dividends	482	-
(d) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	22	-
Total other gains/(losses) from other economic flows	22	-

NOTE 5

Net result from discontinued operations

(a) Description

During the previous year CAE announced its intention to sell its Occupational English Test business. The business was sold on 15 March 2013 with effect from 16 March 2013 and the business disposed of was reported in these financial statements as a discontinued operation.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period 1 January 2013 to 15th March 2013 inclusive and the year ended 31 December 2012.

	2013 \$'000	2012 \$'000
Income from transactions	844	4,384
Expenses from transactions	(578)	(3,021)
Gain on sale of business	3,200	-
Net result from discontinued operations	3,466	1,363

Centre for Adult Education (CAE)

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

NOTE 6

Cash and deposits

	2013 \$'000	2012 \$'000
Cash at bank and on hand	284	254
Australian currency deposits - at call	2,938	963
Short Term Deposits - TCV	1,418	1,379
Total cash and cash equivalents	4,640	2,595

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

	2013 \$'000	2012 \$'000
(a) Reconciliation to cash at the end of the year		
Balances as above	4,640	2,595
Balance as per cashflow statement	4,640	2,595

(b) Cash at bank and on hand

Cash at bank and on hand attract floating interest rates between 0.00% and 2.5% (2012: 0.00% to 3.5%).

(c) Deposits at call

The deposits are bearing floating interest rates between 2.4% and 2.55% (2012: 3.11% and 4.39%).

(d) Short term deposits

The deposit has a fixed interest rate of 2.60% (2012: 4.06%). The deposit matures in 30 days.

Centre for Adult Education (CAE)

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

NOTE 7

Receivables

	2013 \$'000	2012 \$'000
Current receivables		
Contractual		
Trade receivables ¹	908	793
Provision for doubtful contractual receivables(a) (See also Note 5(a) below)	(32)	(6)
Revenue receivable	118	53
Total contractual	994	840
Statutory		
Amounts owing from Victorian Government	81	255
GST receivable from ATO	14	-
Total statutory	95	255
Total current receivables	1,089	1,095
Non-current receivables		
Contractual		
Security bonds paid	62	62
Total contractual	62	62
Total non-current receivables	62	62
Total receivables	1,151	1,157

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

	2013 \$'000	2012 \$'000
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	(6)	(6)
Decrease/ Increase in provision recognised in the net result	(26)	-
Balance at end of the year	(32)	(6)

(b) Ageing analysis of contractual receivables

Please refer to Note 27 for the nature and extent of ageing analysis arising from contractual receivables

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

Please refer to Note 27 for the nature and extent of credit risk arising from contractual receivables.

Centre for Adult Education (CAE)

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

NOTE 8**Investments accounted for using the equity method**

	2013 \$'000	2012 \$'000
Non-current investments accounted for using the equity method		
Movements in carrying amounts		
Balance 1 January	-	-
Additions	960	-
Share of profit for the year	482	-
Total investments accounted for using the equity method	1,442	-

Centre for Adult Education (CAE)

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

NOTE 9

Property, plant and equipment

	Land	Buildings	Construction in progress	Plant & equipment	Leasehold improvements	Art works	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2012							
Cost	-	-	-	2,017	10,414	354	12,785
Valuation	1,900	160	-	-	-	-	2,060
Accumulated depreciation	-	(16)	-	(1,522)	(4,049)	-	(5,587)
Net book amount	1,900	144	-	495	6,365	354	9,258
Year ended 31 December 2012							
Opening net book amount	1,900	144	-	495	6,365	354	9,258
Additions	-	-	841	-	-	-	841
Disposals	-	-	-	-	-	-	-
Net revaluation increments/ decrements	(67)	(18)	-	-	-	102	17
Transfer to assets classified as held-for-sale	-	-	-	-	-	-	-
Impairment loss charged to net result	-	(69)	-	-	-	-	(69)
Changes in accounting policy	-	-	-	(438)	-	-	(438)
Depreciation expense ¹	-	(4)	-	(22)	(556)	-	(582)
Transfer to assets	-	-	-	-	-	-	-
Closing net book amount	1,833	53	841	35	5,809	456	9,028
At 31 December 2012							
Cost	-	-	841	-	10,149	-	10,990
Valuation	1,833	53	-	35	-	456	2,377
Accumulated depreciation	-	-	-	-	(4,340)	-	(4,340)
Net book amount	1,833	53	841	35	5,809	456	9,028
Year ended 31 December 2013							
Opening net book amount	1,833	53	841	35	5,809	456	9,028
Additions	-	-	-	-	907	-	907
Disposals	-	-	-	(8)	-	-	(8)
Revaluation of assets	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Depreciation expense	-	(23)	-	(9)	(578)	-	(610)
Transfer to assets	-	-	(841)	-	-	-	(841)
Closing net book amount	1,833	30	-	18	6,138	456	8,476
At 31 December 2013							
Cost	-	-	-	-	11,056	-	11,056
Valuation	1,833	53	-	27	-	456	2,369
Accumulated depreciation	-	(23)	-	(8)	(4,918)	-	(4,949)
Net book value at the end of the financial year	1,833	30	-	18	6,138	456	8,476

Centre for Adult Education (CAE)

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

NOTE 9

Property, plant and equipment

a) Valuations of property, plant and equipment

Fair value assessments have been performed at 31 December 2013 for all classes of assets. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2017.

The fair value of land was determined after applying the fair value derived by the Valuer General as at 31 December 2012. The Valuer General in determining this adopted the market approach whereby subject land is compared to recent comparable land sales or sales of land with no added or nominal value improvement value, making adjustments for points of difference to fair value. Valuation of the subject land was determined by analysing land sales in comparable proximity to the subject property and allowing for shape, size, topography, location and other relevant factors specific to the land being valued. From the sales analysed, an appropriate rate per square meter has been applied to the subject property. As at 31 December 2013 the CAE used the Valuer General's land indices to establish if these values had materially moved. No materially movement was observed.

The fair value of buildings and plant and equipment (excluding leasehold improvements) was determined after applying the fair value derived by the Valuer General as at 31 December 2012. The Valuer General in determining this adopted the cost approach whereby subject assets were valued at replacement cost of assets after applying the appropriate depreciation rate, on a useful life basis after making adjustments for condition and general maintenance. This approach was used as market approach was considered not suitable as the assets are rarely sold except as part of a continuing business, or alternatively, the improvements are of a specialised nature and the market buying price would differ materially to the market selling price as the asset is normally bought as a new asset but could only be sold for its residual value. As at 31 December 2013 the CAE used the Valuer General's building indices to establish if these building values had materially moved and used the Valuer General to assist in establishing whether the plant and equipment values had moved materially. No materially movement was observed in either instances.

For leasehold improvements the CAE considered whether there is evidence that a market based fair value exists for these leasehold improvements and whether the evidence indicates a fair value materially different from the existing carrying amount. The assessment identified there is no market for which fair value could be reliably measured. As such, the CAE considers that the carrying amount represents a fair approximation of fair value for leasehold improvements.

The fair value of cultural assets was determined after applying the valuation adopted by a Valuer as at 31 December 2012. In determining the fair value the Valuer took into consideration the historical significance, age and condition of cultural assets as well as the artists reputation. The CAE considers that the carrying amount represents a fair approximation of fair value for cultural assets as at 31 December 2013.

Centre for Adult Education (CAE)

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

NOTE 9

Property, plant and equipment

a) Valuations of property, plant and equipment (Continued)

Details of the CAE's property, plant and equipment information about the fair value hierarchy as at 31 December 2013 are as follows:

	<u>Recurring fair value hierarchy</u>			Fair value as at 31/12/13
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000
Land	-	1,833	-	1,833
Buildings	-	-	30	30
Plant and equipment	-	-	18	18
Artworks	-	456	-	456
	-	2,289	48	2,338

There were no transfers between Level 1 and Level 2 during the year.

Centre for Adult Education (CAE)

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

NOTE 10

Intangible assets		
	Software \$'000	Total \$'000
At 1 January 2012		
Cost	1,262	1,262
Accumulated amortisation and impairment	(891)	(891)
Net book amount	371	371
Year ended 31 December 2012		
Opening net book amount	371	371
Change in accounting policy (Refer note 1.19)	(248)	1,194
Amortisation charge	(39)	(39)
Closing net book amount	84	1,526
At 31 December 2012		
Cost	154	154
Accumulated amortisation and impairment	(70)	(70)
Net book amount	84	84
Year ended 31 December 2013		
Opening net book amount	84	84
Amortisation charge	(43)	(43)
Closing net book amount	41	41
At 31 December 2013		
Cost	154	154
Accumulated amortisation and impairment	(113)	(113)
Net book value at the end of the financial year	42	42

NOTE 11

Other non-financial assets		
	2013 \$'000	2012 \$'000
Current other non-financial assets		
Prepayments	156	109
Total other non-financial assets	156	109

Centre for Adult Education (CAE)

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

NOTE 12

Payables

	2013 \$'000	2012 \$'000
Current		
Contractual		
Supplies and services	1,147	1,147
Other	2,253	2,661
Total current payables	3,400	3,808
Statutory		
Taxes Payable	-	49
Amounts owing to Victorian Government	-	-
Total current statutory payables	-	49
Total payables	3,400	3,857

Notes

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

Maturity analysis of contractual payables

Refer to Note 27 for maturity analysis of contractual payables.

Centre for Adult Education (CAE)

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

NOTE 13

Provisions

	2013 \$'000	2012 \$'000
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	425	461
Long service leave	78	49
Termination Benefits	-	80
Other		
Other	354	-
Total current provisions expected to be settled within 12 months	857	590
Current provisions expected to be settled after 12 months		
Employee benefits		
Annual leave	55	110
Long service leave	567	452
Total current provisions expected to be settled after 12 months	621	562
Total current provisions	1,478	1,152
Non-current		
Employee benefits:		
Long service leave	223	201
Total non-current provisions	223	201
Total provisions	1,701	1,354

NOTE 14

Other Liabilities

	2013 \$'000	2012 \$'000
Current		
Lease Incentive	242	235
Total current other liabilities	242	235
Non-current		
Lease Incentive	2,255	2,561
Total non-current other liabilities	2,255	2,561
Total other liabilities	2,497	2,796

Centre for Adult Education (CAE)

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

NOTE 15

Equity

	2013 \$'000	2012 \$'000
(a) Contributed Capital		
Balance at 1 January	7,618	7,618
(b) Accumulated surplus / (deficit)		
Balance at 1 January	(4,724)	(3,700)
Net result for the year	3,339	(1,024)
Balance at 31 December	(1,385)	(4,724)
(c) Reserves		
Composition of Reserves		
Asset Revaluation Reserve - Land	1,833	1,833
Asset Revaluation Reserve - Buildings	-	-
Asset Revaluation Reserve - Cultural assets	243	243
Balance at 31 December	2,076	2,076
Total equity	8,309	4,970

	2013 \$'000	2012 \$'000
Movements in Reserves		
Physical Asset Revaluation Reserve - Land		
Balance at 1 January	1,833	1,900
Movements during the year	-	(67)
	1,833	1,833
Physical Asset Revaluation Reserve - Buildings		
Balance at 1 January	-	14
Movements during the year	-	(14)
Balance at 31 December	-	-
Physical Asset Revaluation Reserve - Cultural Assets		
Balance at 1 January	243	141
Movements during the year	-	102
Balance at 31 December	243	243

Nature and purpose of reserve

The physical asset revaluation is used to record increments and decrements on the revaluation of non current assets as described in note 9.

Centre for Adult Education (CAE)

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

NOTE 16

Cash flow information

	2013 \$'000	2012 \$'000
(a) Reconciliation of operating result after income tax to net cash flows from operating activities		
Net result for the year	3,339	(1,024)
Non-cash flows in operating result		
Depreciation and amortisation of non-current assets	653	621
Net gain/(loss) on disposal of physical assets	8	-
Fair value of assets received free of charge	(66)	(841)
Write-off of plant and equipment	-	687
Impairment of non financial assets	-	73
Gain on sale of business	(3,200)	-
Total non-cash flows in operating result	(2,605)	540
Movements included in investing and financing activities		
Share of associate's (profits)/losses, excluding dividends	(482)	-
Total movements included in investing and financing activities	(482)	-
Movements in operating assets and liabilities		
Decrease /(Increase) in trade receivables	7	(595)
Decrease/(increase) in other assets	(47)	122
Increase/(decrease) in payables	(457)	4,028
Increase/(decrease) in provisions	347	93
Increase/(decrease) in other liabilities	(297)	(2,926)
Total movement in operating assets and liabilities	(447)	722
Net cash flows provided by/(used in) operating activities	(196)	238

Centre for Adult Education (CAE)

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

NOTE 17

Commitments

Lease Commitments

	2013 \$'000	2012 \$'000
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	3,563	3,460
Later than one year but not later than five years	14,713	14,598
Later than five years	38,215	41,893
Total lease commitments	56,491	59,951
GST reclaimable on the above	(5,136)	(5,450)
Net commitments Operating leases	51,355	54,501
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	51,355	54,501
Total lease commitments	51,355	54,501

(i) Operating leases

	2013 \$'000	2012 \$'000
253 Flinders Lane, Melbourne	46,128	48,186
278 Flinders Lane, Melbourne	9,116	10,189
40-44 Degraes Street	1,200	1,530
Operating leases payable for Photocopier	47	46
Total operating lease commitments	56,491	59,951

The amounts above are measured at nominal value inclusive of GST.

Centre for Adult Education (CAE)

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

NOTE 18

Leased assets

	2013 \$'000	2012 \$'000
As at the reporting date the CAE leased out the following assets:		
253 Flinders Lane Melbourne- City Library	6,036	6,814
253 Flinders Lane Melbourne- Shopfront Cafes	801	899
278 Flinders Lane Melbourne- Kangan Batman Institute of TAFE	78	264
Gross amount of leased assets	6,915	7,977
Operating Lease Receivables		
Non-cancellable operating lease receivables		
Payments due		
Within one year	978	1,062
Later than one year but not later than five years	3,850	3,827
Later than five years	2,087	3,088
Total operating lease receivables	6,915	7,977
GST reclaimable on the above	(629)	(725)
Net operating leases receivables	6,286	7,252

The CAE leases out certain land, buildings and equipment, which are excess to current requirements, at current market rates.

Centre for Adult Education (CAE)
Notes to the Financial Statements
for the year ended 31 December 2013

NOTE 19

Contingent Assets and Contingent Liabilities

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

	2013 \$'000	2012 \$'000
Contingent Liabilities		
In respect of Business Undertakings		
Bank Guarantees issued at reporting date:		
271 Collins Street Pty Ltd.	(238)	(238)
Trust Co.Ltd	(172)	(193)
Total Contingent Liabilities	(410)	(431)
Net Estimated Contingent Liabilities	(410)	(431)

NOTE 20

Economic dependency

As an adult education institution, CAE provides training on behalf of the Adults, Community and Further Education (ACFE) and Higher Education Skills Group (HESG). The CAE is dependant on the ACFE Board and Higher Education Skills Group (HESG) for a significant volume of revenue and financial support. The contribution from ACFE Board and Higher Education Skills Group (HESG) represents 41.8% (2012 :44.2%) of the CAE's total revenue.

NOTE 21

Subsequent events

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

Centre for Adult Education (CAE)

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

NOTE 22**Remuneration of auditors**

	2013 \$'000	2012 \$'000
Remuneration of Victorian Auditor General's Office for:		
Audit of the financial statements	34	35
Total remuneration of Victoria Auditor General's Office	34	35
Remuneration of other auditors		
Internal audit	11	22
Total remuneration of other auditors of subsidiaries	11	22
Total Remuneration of auditors	45	57

Centre for Adult Education (CAE)

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

NOTE 23

Superannuation

Employees of CAE 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.

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Statement of Comprehensive Income of CAE.

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

Superannuation	2013 \$'000	2012 \$'000
Paid Contribution for the Year		
Defined benefit plans :		
Emergency Services State Superannuation Fund – revised and new	77	70
Total defined benefit plans	77	70
Defined contribution plans:		
VicSuper	478	495
Other	250	270
Total defined contribution plans	727	765
Total paid contribution for the year	804	835
Contribution Outstanding at Year End		
Defined contribution plans :		
VicSuper	19	-
Other	18	-
Total defined benefit plans	37	-

- 1 The bases for contributions are determined by the various schemes.
- 2 The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

Centre for Adult Education (CAE)

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

NOTE 24

Key management personnel disclosures

Responsible persons related disclosures

In accordance with the directions of the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made for the responsible Ministers and responsible Members of Council.

(i) Minister

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

(ii) Members of the Board of Centre for Adult Education (CAE)

The following persons were responsible persons and executive officers of CAE during the year.

Ministerial Appointments	Period of Tenure
Ms Elizabeth White	01/01/2013 - 15/04/2013
Ms Helen Buckingham	01/01/2013 - 15/04/2013
Mr Bruce Thompson	01/01/2013 - 15/04/2013
Mr Ian Hind	01/01/2013 - 31/03/2013
Ms Janet Compton	01/01/2013 - 15/04/2013
Mr Greg Malone	01/01/2013 - 15/04/2013
Mr Philip Belcher	01/01/2013 - 15/04/2013
Accountable Officer	
Mr John Maddock (Chief Executive Officer)	01/01/2013 - 15/04/2013

The new constitution whereby the Board of Box Hill Institute also became the Board of CAE came into effect on 16th April 2013.

Members of the Board of Box Hill Institute and the Board of the CAE

Ms Suzanne Ewart (Chair)	16/04/2013 - 31/12/2013
Ms Barbara Elizabeth White	01/01/2013 - 31/12/2013
Mr Phillip Davies	01/06/2013 - 31/12/2013
Mr Francis Bruce Thompson	01/01/2013 - 31/12/2013
Ms Noelene Duff	01/01/2013 - 06/11/2013
Ms Helen Buckingham	01/01/2013 - 31/12/2013
Ms Janet Compton	01/01/2013 - 31/12/2013
Mr Greg Malone	01/01/2013 - 31/12/2013
Mr Glen Walker	01/01/2013 - 31/12/2013

Centre for Adult Education (CAE)

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

NOTE 24

Key management personnel disclosures

Responsible persons related disclosures (Continued)

Key management personnel disclosures	2013 \$'000	2012 \$'000
Remuneration of Board members		
Remuneration received, or due and receivable from CAE in connection with the management of CAE includes termination payments and bonuses paid at end of contracts.	-	-

	No.	No.
Income range		
The number of Board members whose remuneration from CAE was within the specified bands are as follows:		
\$0-\$10,000	9	14
\$70,001-\$80,000	-	-
\$200,001-\$210,000	-	-
Total number of Responsible Persons	9	14

Key management personnel disclosures	2013 \$'000	2012 \$'000
Executive Officers' Remuneration		
Base remuneration of executive officers	293	228
Total remuneration of executive officers	304	250

	No.	No.
Income range		
The number of executive officers whose remuneration from CAE was within the specified bands are as follows:		
\$110,001-\$120,000	-	1
\$130,001-\$140,000	-	1
\$140,001-\$150,000	1	-
\$160,001-\$170,000	1	-
Total executive officers	2	2
Total annualised employee equivalent (AEE) ^(a)	2	2

Note

(a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Centre for Adult Education (CAE)

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

NOTE 25**Related parties****Key management personnel**

A number of CAE key management personnel and the Accountable Officer are also key management of the Box Hill Group. None of the BHI key personnel have received any remuneration from the CAE for the reporting period.

NOTE 26**CAE details****CAE details**

The registered office and principal place of business of CAE is 253 Flinders Lane Melbourne 3000. The CAE Australian Business Number (ABN) is 84 434 201 642.

Centre for Adult Education (CAE)

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

NOTE 27-1

Financial Instruments (Part I)

Financial Instruments

Financial risk management

(i) Financial risk management objectives

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

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

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

(ii) Financial risk exposures and management

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

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

(iii) Categorisation of financial instruments

Carrying amount of financial instruments by category:

Financial Assets

Cash and Deposits

Receivables ^(a)

Financial liabilities

Payables ^(a)

Other financial liabilities

Note	2013 \$'000	2012 \$'000
6	4,640	2,595
7	994	840
	5,634	3,435
12	3,400	3,808
14	2,497	2,796
	5,897	6,604

Note:

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

Centre for Adult Education (CAE)

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

NOTE 27-1

Financial Instruments (Part I)

Market risk

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

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

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

Foreign currency risk

The CAE is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than AUD\$. This risk is managed by natural hedging where possible.

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

Price risk

The CAE is exposed to price risk in respect of fee for service and contract services which are subject open market competition.

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

Interest rate risk

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

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

Centre for Adult Education (CAE)

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

NOTE 27-1

Financial Instruments (Part I)

Funding risk

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

The CAE manages funding risk by continuing to diversify and increase funding from Commercial activities, both domestically and off shore.

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

Concentrations of credit risk

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

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

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

The Audit Finance & Risk Committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

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

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

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

There has been no significant change in the CAE'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.

Centre for Adult Education (CAE)

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

NOTE 27-1**Financial Instruments (Part I)****Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the CAE'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 CAE manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

There has been no significant change in the CAE'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.

Centre for Adult Education (CAE)

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

NOTE 27 - 2

Financial Instruments (Part II)

Financial instruments

(ii) Summarised sensitivity analysis

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

	Carrying amount \$'000	Interest rate risk			
		-1%		2%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2013					
Financial assets					
Cash and Deposits	4,640	(46)	(46)	93	93
Receivables ¹	994	-	-	-	-
Total increase/ (decrease) in financial assets	5,634	(46)	(46)	93	93
Financial liabilities					
Payables ¹	(3,400)	-	-	-	-
Other financial liabilities	(2,497)	-	-	-	-
Total increase/ (decrease) in financial liabilities	(5,897)	-	-	-	-
Total increase/ (decrease)	(262)	(46)	(46)	93	93

	Carrying amount \$'000	Interest rate risk			
		-1%		2%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2012					
Financial assets					
Cash and Deposits	2,595	(26)	(26)	52	52
Receivables ¹	840	-	-	-	-
Total increase/ (decrease) in financial assets	3,436	(26)	(26)	52	52
Includes a payable to Box Hill Institute of \$138,000.					
Payables ¹	(3,808)	-	-	-	-
Other financial liabilities	(2,796)	-	-	-	-
Total increase/ (decrease) in financial liabilities	(6,604)	-	-	-	-
Total increase/ (decrease)	(3,168)	(26)	(26)	52	52

Note

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

Centre for Adult Education (CAE)

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

NOTE 27-3

Financial instruments (Part III)

Financial instruments

(iii) Financial instrument composition and interest rate exposure

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Exposure to interest rate risk is insignificant and may arise primarily through the CAE's borrowings. Minimisation of risk is achieved by mainly undertaking fixed rate or non interest bearing financial instruments. For financial liabilities, the CAE mainly undertakes financial liabilities with relatively even maturity profiles. The CAE's borrowings and any movements in interest rates are monitored on a daily basis. The CAE's exposure to interest rate risk is set out below

	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non- Interest Bearing
2013	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits					
Cash at bank and on hand	2.40	284	284	-	-
Deposits at call	2.61	2,938	2,938	-	-
Short term deposits - TCV	2.77	1,418	-	1,418	-
Contractual receivables					
Trade receivables	-	908	-	-	908
Revenue receivables	-	118	-	-	118
Total financial assets		5,666	3,222	1,418	1,026
Trade and other payables	-	(3,400)	-	-	(3,400)
Borrowings					
Other Liabilities - lease liability	7.93	(2,497)	-	(2,497)	-
Total financial liabilities		(5,897)	-	(2,497)	(3,400)

Note

1. Other receivables does not include statutory receivables.

Centre for Adult Education (CAE)

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

NOTE 27-3

Financial instruments (Part III)					
	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non- Interest Bearing
2012	%	\$`000	\$`000	\$`000	\$`000
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand	3.31	254	254	-	-
Deposits at call	4.39	963	963	-	-
Short term deposits - TCV	4.06	1,379	-	1,379	-
Contractual receivables					
Trade receivables	-	793	-	-	799
Revenue receivables	-	53	-	-	53
Total financial assets		3,442	1,217	1,379	852
Financial liabilities					
Trade and other payables	-	(3,808)	-	-	(3,808)
Borrowings					
Other Liabilities - lease liability	11.99	(2,796)	-	(2,796)	-
Total financial liabilities	-	(6,604)	-	(2,796)	(3,808)

Note

1. Other receivables does not include statutory receivables.

Centre for Adult Education (CAE)

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

NOTE 27-3

Financial instruments (Part III)

Financial instruments

(iv) Ageing analysis of financial assets

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

	Carrying amount	Not past due and not impaired	Maturity dates				Impaired financial assets
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	
2013 Financial assets							
Contractual receivables							
Trade receivables	908	508	17	343	3	5	32
Revenue receivables	118	118					
Total 2013 financial assets	1,026	626	17	343	3	5	32
2013 Financial liabilities							
Financial liabilities							
Trade and other payables	3,400	3,400	-	-	-	-	-
Borrowings							
Other Liabilities - lease liability	2,497	-	15	31	196	2,255	-
Total 2013 financial liabilities	5,897	3,400	15	31	196	2,255	-
2012 Financial assets							
Contractual receivables							
Trade receivables	793	787	-	-	6	-	-
Revenue receivables	53	53		-	-	-	-
Investments, loans and other financial assets							
Fixed interest bearing bills, bonds/term deposits	1,379	1,379	-	-	-	-	-
Receivables:							
Total 2012 financial assets	2,225	2,218	-	-	6	-	-
2012 Financial liabilities							
Financial liabilities							
Trade and other payables	3,857	3,857	-	-	-	-	-
Borrowings							
Other Liabilities - lease liability	2,796	-	-	-	235	2,561	-
Total 2012 financial liabilities	6,653	3,857	-	-	235	2,561	-

Centre for Adult Education (CAE)

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

NOTE 27-4

Financial instruments (Part IV)

Financial instruments

Fair value estimation

The fair value of financial assets and financial liabilities is estimated for recognition and measurement for disclosure purposes.

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

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

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

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

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

	2013		2012	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$'000	\$'000	\$'000	\$'000
Financial instruments				
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	284	284	254	254
Deposits at call	2,938	2,938	963	963
Fixed interest bearing bills, bonds/term deposits	1,418	1,418	1,379	1,379
Investments using the equity method	1,442	1,442	-	-
Contractual receivables				
Trade receivables	940	908	800	793
Revenue receivables	118	118	53	53
Total financial assets	7,140	7,108	3,448	3,442
Financial liabilities				
Payables	3,400	3,400	3,808	3,808
Other Liabilities - lease liability	2,497	2,497	2,796	2,796
Total financial liabilities	5,897	5,897	6,604	6,604

Centre for Adult Education (CAE)

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

Centre for Adult Education (CAE)

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

NOTE 27-4**Financial instruments (Part IV)**

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

Fair value measurements recognised in the balance sheet are categorised into the following levels:

		Level 1	Level 2	Level 3
	2013	Quoted Prices	Observable Price Inputs	Un-observable Inputs
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Investments using the equity method	1,442	-	1,442	-
Total financial assets	1,442	-	1,442	-

CENTRE FOR ADULT EDUCATION



PERFORMANCE STATEMENTS



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Centre for Adult Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2013 of Centre for Adult Education comprises the statement, the related notes and the Declaration by Chair of the Board, Interim Chief Executive Officer and Chief Finance and Accounting Officer has been audited.

The Board Members' Responsibility for the Statement of Performance

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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


Opinion

In my opinion, the statement of performance of the Centre for Adult Education in respect of the 31 December 2013 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

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

MELBOURNE
28 February 2014


John Doyle
Auditor-General

**CENTRE FOR ADULT EDUCATION
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

In our opinion, the accompanying Statement of Performance of the Centre for Adult Education in respect of the 2013 financial year is presented fairly in accordance with the Financial Management Act.

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

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



Suzanne Ewart
Chair of the Board

Date: 27th February 2014



Joe Piper
Interim Chief Executive Officer

Date: 27th February 2014



Joanne James
Chief Finance & Accounting Officer

Date: 27th February 2014

**CENTRE FOR ADULT EDUCATION
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

Key Performance Indicator	Note	Definition	2013 Actual	2013 Target
Module Load Completion Rate	1	Scheduled hrs assessed and passed including recognition or prior learning (RPL) or satisfactory completion / total scheduled hours reported less recorded with credit transfer and continuing studies outcome.	74.00%	65.00%
Participants of 15-24 year olds	1	No. of Students within the age group	2,330	2,272
Participation of 25-64 year olds	1	No. of Students within the age group	16,530	17,303
Student Satisfaction	1	As per survey	70.00%	75.00%
Total Cost per Student Contact Hour (SCH)	2	Total funded expenditure (excl Depreciation) / Total SCH	\$17.13	\$16.28
Working Capital Ratio	2,3	Current Assets / Current Liabilities (adjusted for Current Other Long Term Employee Benefits)	1.61	0.94
Net Operating Margin	2,3	Funded Operating Surplus / Total Revenue (excl Capital)	0.46%	3.31%
Fee For Service Revenue	2	Fee for Service Revenue (excl Sale of Goods)/Total Revenue (incl Capital excl Sale of Goods) %	44.81%	41.52%
Revenue per EFT Staff	2,4	Total Revenue (excl Capital) / Average EFT Staff	\$154,480	\$134,957
Student Contact Hours	1	Total no' of student contact hours delivered	1,119,713	1,209,686
Energy Consumption		Percentage reduction in energy consumption for Electricity, Gas, LPG, Green Power and Heating Oil.	Reduced energy consumption for gas by 8.8%, however electricity consumption increased 4.7%.	To reduce energy consumption year on year

Notes: Explanation of Significant Variances of 10% or more.

Note 1: The Institute's actual delivery outcomes for the year ended 31 December 2012 represents the target for measuring performance in 2013.

Note 2: The Institute's target for measuring performance in 2013 is derived from the board approved budget for 2013.

Note 3: The favourable variance in working capital as a result of the sale of the OET business stream.

Note 4: The favourable variance in revenue per EFT is due to a reduction in staff numbers on prior years.

112 DISCLOSURE INDEX

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT <i>Important Note:</i> please refer to the individual FRD, SD or CG for full detail of requirements (see weblinks shown at top of this document) as the information provided below is a summary only	Identify relevant page(s) in your Annual Report <i>If not applicable to your institute, do not leave blank, write "n/a"</i>
		REPORT OF OPERATIONS	
		CHARTER AND PURPOSE	
1	FRD 22D	Manner of establishment and the relevant Minister	2,3
2	FRD 22D	Objectives, functions, powers and duties	2,3
3	FRD 22D	Nature and range of services provided including communities served	10-21
		MANAGEMENT AND STRUCTURE	
4	FRD 22D	Organisational structure and chart, including accountabilities	24
5	FRD 22D	Names of Board members	23
		FINANCIAL AND OTHER INFORMATION	
6	FRD 03A	Accounting for Dividends	N/A
7	FRD 07A	Early adoption of authoritative accounting pronouncements	64
8	FRD 10	Disclosure Index	112
9	FRD15B	Executive officer disclosures	22,23
10	FRD 17A	Long Service leave wage inflation and discount rates	60
11	FRD19	Private provision of public infrastructure	N/A
12	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
13	FRD22 & SD 4.2(k)	Operational and budgetary objectives, performance against objectives and achievements	10-21, 25-26
14	FRD 22D	Occupational health and safety statement including performance indicator and performance against those indicators	28
15	FRD 22D	Workforce data for current and previous reporting period including a statement on employment and conduct principles	32,33
16	FRD 22D	Summary of the financial results for the year including previous 4 year comparisons	26
17	FRD 22D	Significant changes in financial position during the year	25
18	FRD 22D	Major changes or factors affecting performance	25
19	FRD 22D	Post-balance sheet date events likely to significantly affect subsequent reporting periods	N/A
20	FRD 22D	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	29
21	FRD 22D	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	28
22	FRD 22D	Statement on National Competition Policy	27
23	FRD 22D	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	29
24	FRD 22D	Summary of Environmental Performance.	28, 111

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT	
		<u>Important Note:</u> please refer to the individual FRD, SD or CG for full detail of requirements (see weblinks shown at top of this document) as the information provided below is a summary only	Identify relevant page(s) in your Annual Report <i>If not applicable to your institute, do not leave blank, write "n/a"</i>
25	FRD 22C	Details of consultancies over \$10,000 (refer to FRD for information required)	26
26	FRD 22C	Details of consultancies under \$10,000 (refer to FRD for information required)	26
27	FRD 22D	List of certain other information available on request (as specified in the FRD)	27
28	FRD 24C	Reporting of office based environmental impacts	N/A
29	FRD 25A	Victorian Industry Participation Policy Disclosures	26
30	FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
31	FRD 29	Workforce Data Disclosures on the public service employee workforce	32
32	FRD30A	Standard requirements for the design and print of annual reports	1-33
33	SD 4.5.5	Risk Management compliance attestation	26
34	SD 4.2 (g)	Qualitative and Quantitative information to be included	2-33
35	SD 4.2 (h)	Statement that Report prepared in accordance with Financial Reporting Directions	28
36	SD 4.2 (j)	Sign-off by member of Responsible Body	38
37	CG 10 (clause 27)	Major Commercial Activities	3
38	CG 12 (clause 33)	Controlled Entities	N/A

		FINANCIAL REPORT	
		FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984	
39	SD 4.2 (a)	<p>The financial statements must be prepared in accordance with:</p> <ul style="list-style-type: none"> • Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views); • Financial Reporting Directions; and • business rules. 	<p>38-106</p> <p>38-106</p> <p>38-106</p>
40	SD 4.2 (b)	<p>The financial statements are to comprise the following:</p> <ul style="list-style-type: none"> • income statement; • balance sheet; • statement of recognised income and expense; and • cash flows statement; and • notes to the financial statements. 	<p>41</p> <p>42</p> <p>43</p> <p>44</p> <p>45-106</p>
		OTHER REQUIREMENTS UNDER STANDING DIRECTION 4.2	
41	SD 4.2 (c)	<p>The financial statements must where applicable be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, stating whether, in their opinion:</p> <ul style="list-style-type: none"> • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of the period; • the financial statements are prepared in accordance with this direction and applicable Financial Reporting Directions; and • the financial statements comply with applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views). 	<p>38</p> <p>38</p> <p>38</p>
42	SD 4.2 (d)	Rounding of amounts.	69
43	SD 4.2 (e)	Review and sign off by Audit Committee or responsible body	38
44	SD 4.2 (f)	Compliance with DTF Model Financial report	38
		OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS	
45	FRD 9A	Disclosure of administered assets and liabilities	N/A
46	FRD 11	Disclosure of ex-gratia payments	N/A
47	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	94, 95
48	FRD 101	First time adoption	64
49	FRD 102	Inventories	N/A
50	FRD 103D	Non-current physical assets	81-83
51	FRD 104	Foreign currency	63
52	FRD 105A	Borrowing costs	61
53	FRD 106	Impairment of assets	N/A
54	FRD 109	Intangible assets	84
55	FRD 107	Investment properties	N/A
56	FRD 110	Cash flow statements	49-88
57	FRD 112C	Defined benefit superannuation obligations	93
58	FRD 113	Investment in subsidiaries, jointly controlled entities and associates	50, 80
59	FRD 114A	Financial instruments – general government entities and public non-financial corporations	97-106
60	FRD 115	Non-current physical assets – first time adoption	64

61	FRD 119	Contributions by owners	43
62	FRD 119A	Transfers through contributed capital	43
63	FRD 120G	Accounting and reporting pronouncements applicable to the reporting period	45-74
64	FRD 121	Infrastructure assets	N/A
PART 7 OF THE FINANCIAL MANAGEMENT ACT 1994 (FMA)			
65	FMA 49 (a)	Must contain such information as required by the Minister.	36-106
66	FMA 49 (b)	Must be prepared in a manner and form approved by the Minister.	36-106
67	FMA 49 (c)	Must present fairly the financial transactions of an institute during the financial year to which they relate.	36-106
68	FMA 49 (d)	Must present fairly the financial position of an institute as at the end of the year.	36-106
69	FMA 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister.	38
COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS			
70	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"> • Education and Training Reform Act 2006 (ETRA) • TAFE institute constitution • Directions of the Minister for Higher Education and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • Public Administration Act 2004 • Freedom of Information Act 1982 • Building Act 1983 • Protected Disclosure Act 2012 • Victorian Industry Participation Policy Act 2003 	28-31
71	ETRA s 3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2013.	26
PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs.			
72	FRD 27B	<p>Reporting and performance should be presented using KPIs and a signed Performance Management Certificate should also be completed. (The following 11 are the mandatory KPIs)</p> <ol style="list-style-type: none"> 1. Participation of 15-24 year olds. 2. Participation of 25-64 year olds. 3. Module Load Completion Rate. 4. Student satisfaction. 5. Total Cost per Student Contact Hour (SCH). 6. Working Capital Ratio. 7. Net Operating Margin. 8. Fee for Service Revenue. 9. Revenue per EFT Staff. 10. Student Contact Hours (SCH). 11. Energy Consumption. 	110-111
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
73	PAEC and VAGO (June 2003 Special Review item 3.110)	<ul style="list-style-type: none"> • financial and other information on initiatives taken or strategies relating to the institute's overseas operations. • nature of strategic and operational risks for overseas operations; • strategies established to manage such risks of overseas operations; • performance measures and targets formulated for overseas operations; • the extent to which expected outcomes for overseas operations have been achieved. 	N/A

116 GLOSSARY

ACSO	Australian Community Support Organisation
ACFE	Adult Community and Further Education Division
ACE	Adult and Community Education
ACU	Australian Catholic University
BHI	Box Hill Institute
BHIG	Box Hill Institute Group
CABS	Central Auslan Booking Service
CAE	Centre for Adult Education
CGEA	Certificate in General Education for Adults
ESL	English as a Second Language
ILC	Independent Learning Centre
LLN	Language, Literacy and Numeracy
OET	Occupational English Test
SARP	Staff Achievement and Recognition Program
TAE	Training and Assessment
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VET	Vocational Education and Training VTAC Victorian Tertiary Admissions Centre



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