CAE
the power of learning

CENTRE FOR ADULT EDUCATION 2012 ANNUAL REPORT

BOLD VISION CLEAR FOCUS

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ABOUT CAE

OUR MISSION

Transforming lives through the power of learning

OUR ESTABLISHMENT

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.

CAE's founding director was Colin Badger and the founding chairman was the Honourable Frank Crean.

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.

CAE is governed by a body corporate known as the Board of the Centre for Adult Education as described in the Education and Training Reform Act 2006. The Minister responsible for CAE is the Honourable Peter Hall MLC, Minister for Higher Education and Skills.

BOX HILL INSTITUTE AND CAE PARTNERSHIP

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.

Under that legislation, the Box Hill Institute Board will become the Board of the CAE. However Box Hill Institute and CAE will continue to operate as separate legal entities. During 2012, pending the passing of legislation, CAE and BHI continued to operate with separate Boards. A focus during the year was to integrate core systems, as well as relevant programs and services, to integrate the two organisations and enhance opportunities for service delivery.

OUR LOCATION

An integral part 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 Degraves Street. CAE's new information shop is now open at 44 Degraves Street, where prospective learners can use the latest technology and talk to our Customer Service staff to select the right course for their needs.

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

CAE conducts the globally-delivered Occupational English Test (OET) through the OET Centre.

OUR STRATEGIC DIRECTION

The CAE Strategic Framework 2009–2013 positions CAE to continually meet the changing needs of Melbourne learners, communities, businesses, industries and governments in an ever-changing global environment and guides CAE's daily operations.

The framework outlines four key areas of learning:

Learning for Learning Supporting people to successfully engage in learning;

Learning for Earning Assisting learners to develop, update and enhance skills for employment;

Learning for Business Designing workforce-development solutions to improve and sustain business performance; and

Learning for Living Enriching life through access to diverse learning experiences.

CAE actively promotes the value of learning for all by ensuring that it provides strong transitions, employment skills, enterprise productivity and an enhanced life for all learners, regardless of life stage or personal circumstances.

CAE customises learning solutions to maximise workforce productivity and improve business performance.

CAE also offers rich and varied learning programs that celebrate Melbourne's diverse culture.

OUR PROGRAMS & 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, and connects 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 young and older 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 business.

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, Fitness Instructor Training, Yoga Teaching and Visual Arts, 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 and Lifestyles, Health and Wellbeing, Business and CAE Book Groups.

OUR VALUES

CAE's Staff Code of Conduct and Behaviour aligns with CAE's values statement. CAE staff demonstrate the following values in their daily work:

- Learning
- Inclusion
- Integrity
- Innovation
- Commitment

OUR CAPABILITY

CAE builds its capability through investment in:

- Service Culture – quality and continuous improvement;
- Leadership Strength – research, management, influence and governance;
- Staff – skilled, connected, engaged and diverse; and
- Sustainable Practice – business, environment and systems.

OUR DELIVERY

In 2012 CAE delivered:

- Operating revenue of $23.887 million
- 25,068 learners in over 29,931 course enrolments
- 1.2 million Student Contact Hours (SCH)
- Equivalent full-time staffing average of 45.75
- Working capital ratio at 31 December 2012 of 0.73

"I chose CAE Visual Arts because of the strong focus on attaining practical skills taught by practicing artists. I have found all the teachers to be incredibly supportive as students go through the challenging process of developing their own style. I cannot emphasise enough the value of being taught by practicing, exhibiting artists.

The city location helps too- Ian Potter and the National Gallery Victoria are within five minutes walk – even with a long traffic light change, and there are lots of commercial and artist-run galleries within ten minutes walk.

After a great year of painting and an exciting week of exhibiting I have also found out I have been offered a solo show next year! There can't be a better outcome of the course. Thank you CAE!"

Fiona Crawford,
Diploma Visual Arts student

CHAIRPERSON'S REPORT

On behalf of the Board, I am pleased to present the Centre for Adult Education's (CAE) 2012 Annual Report. This report reflects CAE's key operations and financial management for 2012.

CAE has provided lifelong learning opportunities for adults from all walks of life for over 65 years.

2012 marks a new chapter in the history of CAE with the partnership with Box Hill Institute.

This innovative alliance has thus far resulted in expanded 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 and smooth transition to the new entity. This will enable CAE to continue to deliver great outcomes and experiences for all learners well into the future.

In an environment of continuing change and challenge, CAE has achieved promising results in 2012.

CAE's continued contribution to the economic, social and cultural prosperity of individuals and the community is demonstrated by its delivery of courses to 25,068 individual learners in 29,931 enrolments in 2012. In addition to these formal enrolments, CAE touched the lives of another 28,000 people through the P Driver volunteer project and a further 10,000 people through the Occupational English Test.

In 2012, 17,878 short courses were delivered, encouraging individuals to continue learning, enhancing their lives and ensuring social connectedness and wellbeing. Exciting new courses, including Fantastical St Kilda, Islands in a Wine-Dark Sea and iPhone for Seniors, were developed in response to the continually changing interests and demands of Melbourne's adult learners.

Nationally recognised accredited qualifications were achieved through the delivery of 45 programs from Certificate through to Advanced Diploma levels, supporting adults in effectively gaining employment, or changing or progressing their careers.

In 2012 the Short Course Transition project was undertaken, which saw the management of all Box Hill Institute's short courses come under the management of CAE which has expanded our range of short course offerings for learners.

CAE College learners achieved outstanding results in VCE in 2012, which would not have been possible without the dedication, commitment and professionalism of all staff involved.

During the year, the efforts of the Board focussed on working with State Government on a number of proposals affecting governance arrangements in both the TAFE and ACE sectors. CAE was also impacted by significant increases in price for many State Government funded programs.

The year 2012 was marked by a changing of the guard. Following the resignation of the previous board in 2011, an interim board was established until June 2012, when new board members were appointed. During this time the Board has worked to ensure the role of CAE remains integral to lifelong learning aspirations of Melbourne's Adult Learners. The Board is committed to the continuation of this iconic organisation whose role in the ACE sector is defined by leading practice and delivery excellence.

I would particularly like to thank our Board members: Philip Belcher, Bruce Thompson, Glen Walker, Helen Buckingham, Ian Hind, Janet Compton, Greg Malone and John Maddock. The commitment demonstrated by our Board has been vital to our success and it has been a pleasure to work with such a well informed and forward-thinking group.

In conclusion, I would like to extend my thanks and appreciation to our executive management team and all the staff of CAE for their ongoing commitment, enthusiasm and hard work.

Ms Elizabeth White
Board Chair, CAE

CEO'S REPORT

The Centre for Adult Education (CAE) has continued to support and facilitate the lifelong learning of Melburnians for over 65 years.

CAE understands the pivotal role we play in empowering adult learners of all ages to pursue further study and enhance their employment prospects, which in turn enhances their lives.

As Chief Executive Officer, I am proud to acknowledge CAE's many achievements through this report.

The partnership between CAE and Box Hill Institute, which evolved from a shared vision to promote the value of learning, strengthened in 2012 as CAE took responsibility for all short course operations across both CAE and BHI. This was a significant undertaking and one which I am proud to say has been fruitful. With a wealth of experience between both institutions across an incredible range of areas, we have been able to expand our offerings to students and enhance their learning options.

Work progressed during the year to further cement the relationship between the two organisations and to realise the potential benefit to both organisations through rationalisation and streamlining of many common processes.

In addition to the strengthened partnership between CAE and Box Hill Institute, specific highlights of 2012 included:

- CAE College's pre-accredited Common Ground program was the winner of the Adult Learning Program of the Year Award from Adult Learning Australia. Common Ground provides training to disengaged and disadvantaged learners in a supported environment at the Common Ground Learning Precinct through a partnership between HomeGround Services and CAE, funded by the Adult, Community and Further Education (ACFE) Board.
- The EmployabiLIT-E Program was a finalist in the 'Innovation in Learning' category for excellence in innovation at the 2012 Victorian Learn Local Awards. This program provides highly supported and assisted digital literacy programs to assist learners build confidence, skills and knowledge of digital literacy and take those first steps to further education or employment. Participants in the program were visited by The Hon Peter Hall, Minister for Higher Education and Skills in April and again in November 2012 when the Minister returned to view the progress of the program.
- CAE's pre-accredited program SPLICE was also a finalist in the 'Innovation in Learning' category for being an outstanding pre-accredited program in the 2012 Victorian Learn Local Awards. SPLICE, which stands for Succeed, Participate, Learn, Imagine, Create, Empower, is a program developed to keep young people ages 15-25 engaged in education and learning while undergoing cancer treatment. It is run in partnership with OnTrac@PeterMac and support from Red Kite.
- The results for the AQTF Quality Indicator Learner Survey, which over 500 RTOs participated in, showed that overall learner satisfaction at CAE increased from 67.4% in 2011 to 75% in 2012.
- In 2012 Box Hill Institute signed an agreement with University of Cambridge ESOL Examinations (Cambridge ESOL) to work towards the delivery of language assessment services in Australia and across the world. This relationship capitalises on the expertise, developed over many years, of CAE in the area of language testing.

Graduates from CAE College achieved fantastic VCE (Victorian Certificate of Education) results with a top ATAR university entrance ranking of 99.45. This was followed by high scores of 94.60 and 93.20. These fantastic results of course do not overshadow the efforts of our learners who built Foundation skills in literacy, numeracy and general education, which are enabling them to participate in further courses of study.

There are many more highlights for 2012 and I encourage you to read about these further in the Report of Operations.

Through the provision of nationally recognised accredited qualifications from Foundation through to Diploma level, CAE offered a total of 45 qualifications in 2012. CAE graduates found employment in various industries as a result of qualifications obtained in Community Services, Business and IT, Fitness, Yoga Teaching, Writing and Editing, and Visual Arts.

CAE is integral to the vibrancy of Melbourne's CBD, and through the delivery of thousands of short courses, learners from all different walks of life were able to participate in the lifelong learning journey. The benefits of lifelong learning are many, and include the development of new skills and interests that may lead to further formal learning and employment. Learners participated in a range of stimulating and inspiring short courses ranging from ballet to languages, computers studies to cookery and much more in-between.

I am proud of the professional efforts and dedication from CAE management and staff.

I would like to recognise Daniel O' Hara, who won a Box Hill Institute Staff Achievement and Recognition Program (SARP) Award as Adult Educator for 2012. Daniel worked on the Learn Local Award-winning employabiLIT-E program, which provides digital literacy training to disadvantaged learners.

I'd also like to congratulate Ann Hardingham and Josie Rose, who both received VET Development Scholarships to enrol in the Diploma of VET Practice. Josie and Ann were also shortlisted in the 2012 SARP awards in the categories of CEO Award for Professional Excellence and Teacher of the Year.

Our highly dedicated and qualified staff bring a range of experiences to their work at CAE. Occupational English Test (OET) Assessment Team Leader, Barbara Ying Zhang, received a prestigious Monash University award for her outstanding PhD thesis. Barbara's commitment to her own professional development not only enhances her level of expertise but also ensures our learners benefit from the experiences of staff who are also on a lifelong learning journey.

I would like to acknowledge the strong commitment of the leadership team at CAE as well as the managers, teaching and administrative staff who demonstrate their commitment to achieving the best possible outcomes for our learners every day.

The CAE Board, chaired by Elizabeth White, provided strong governance, guidance and support and helped pave an exciting way forward for CAE and Box Hill Institute.

We look towards 2013 with confidence in our collective ability to provide unique opportunities for Melburnians to transform their lives through learning.

John Maddock
Chief Executive Officer

GOVERNANCE

The Board of CAE is responsible to the Victorian Government, individuals, businesses and communities for the strategic oversight and stewardship of CAE.

The Board is accountable for the provision of sound governance. As a Victorian public entity the activity of the Board is under constant scrutiny by government and community. The Board is committed to transparent and ethical practice.

With the implementation of the Box Hill Institute–CAE partnership, an interim Board was established for CAE commencing on 1 January 2012. A new Board was appointed as from June 2012. With the establishment of new governance arrangements for CAE, the delegation instrument to the Chief Executive Officer was revised and approved. New Board Committees were established and Board Committee Terms of Reference were developed and approved as part of its commitment to continuous improvement and good governance.

CAE is governed by a board that is representative of government, industry and community. The role of the Board is to establish the Institute's strategic direction, oversee and manage effective and efficient management, approve management plans, and ensure that the community is serviced effectively with technical and further education programs which are responsive to their needs.

The Board is 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 Governance Protocol. The Board is ultimately responsible to the Victorian Government for the governance and management of the Institute.

COMMITTEES

As part of sound corporate governance practice and to assist the board in meeting its constitutional duties, the Board has established a number of committees. These include:

- Joint Box Hill Institute–CAE Audit, Finance and Risk Committee
- Board Remuneration Committee.

AUDIT, FINANCE AND RISK COMMITTEE

The objectives of the Audit, Finance and Risk Committee are to provide independent assurance and assistance to the board on the Institute's control and compliance framework and its external accountability responsibilities.

Membership

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

BOARD REMUNERATION COMMITTEE

The Board Remuneration Committee assists the Board in ensuring that the Institute's policy and practice for Board member and executive officer remuneration are appropriate and consistent with the requirements of Victorian Government policy.

Membership

- Elizabeth White (Chair)
- Philip Belcher
- Greg Malone
- John Maddock

The CAE Board held the following meetings in 2012:

- CAE Board: seven meetings (including five of the Interim Board)
- Audit Finance and Risk Committee: five meetings
- Remuneration Committee: no meetings were required

2012 CAE BOARD ORGANISATION STRUCTURE

CAE Board –interim Board appointed from 1 January 2012 to 26 June 2012.

Appointed by the Hon Peter Hall, MLC, Minister for Higher Education and Skills:

- Mr Darrell Cain – Chair
- Ms Denise O'Brien
- Ms Jennifer Oliver
- Mr Noel Lyons
- Ms Delia McIver
- Ms Joanne James

Ex-officio appointment:

- Mr John Maddock – CEO

Members appointed by co-option of the Board:

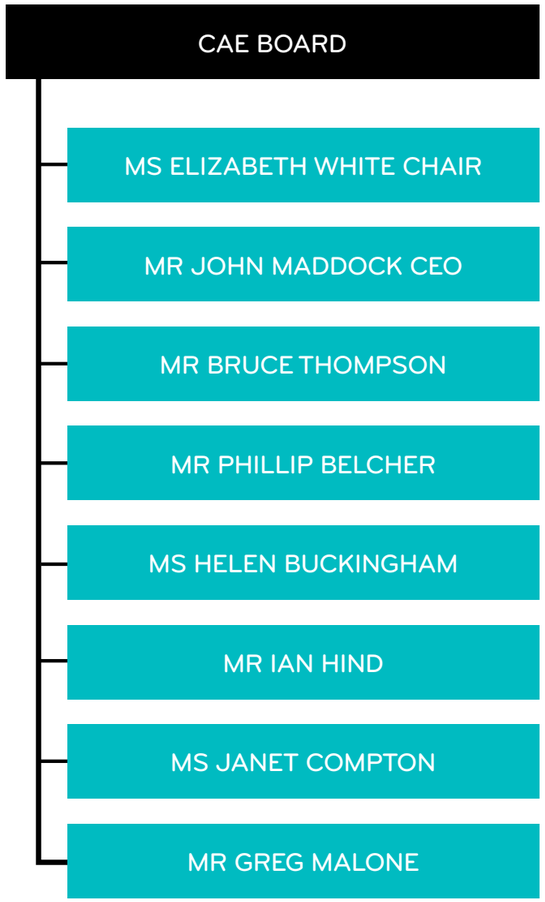
- Mr John Italiano
- Ms Sue Kearney
- Ms Elizabeth White

On 26 June 2012, following the resignation of the Interim Board members other than Ms Elizabeth White and Mr John Maddock, a new Board was appointed by the Minister and by co-option by the Board, comprising members of the CAE Board as shown on the following page:

"I chose CAE because of its good location in the city, the flexibility and the course delivery. The teaching staff and students feel like home. When I finish my course I will look for work in the alcohol and other drugs sector."

Funso Ogunsanya,
Certificate IV Community Services student

2012 CAE BOARD ORGANISATION STRUCTURE



CAE BOARD PROFILES

MS ELIZABETH WHITE (CHAIR)

Qualifications

- Bachelor of Arts (Social Sciences) La Trobe University, Victoria
- Masters of Education, La Trobe University, Victoria
- Trained Primary Teachers Certificate
- Trained Special Teachers Certificate

Professional Affiliations

- Member of the Australian Human Resources Institute (AHRI)
- Member of the Australian Society of Association Executives

Professional Experience

Elizabeth is the Chief Executive of the Victorian Caravan Parks Association, which was formed in 1965 to protect, promote, and advance the caravan-park industry. She has previously held corporate positions within the association management sector and has a background in senior education administration.

Board Attendance: 4 of 4

MR PHILIP BELCHER

Qualifications

- Master of Business Administration - Macquarie University, NSW
- Certificate of Technology (Electronics) – Box Hill Technical College, Victoria

Professional Affiliations

- Fellow of the Australian Institute of Company Directors
- Fellow of the Australian Institute of Management
- Director of the Australian Institute of Management Consultants

Professional Experience

Philip is the Executive General Manager of NECare, NEC Australia Pty, Ltd. Philip has held various managing director, CEO, GM and board positions with various industry-leading companies including Cisco Systems, StorageTek and Datacraft (now Dimension Data) during his extensive career in general management and sales leadership within the Information Technology and Telecommunications sector.

Board Attendance: 1 of 2

MS JANET COMPTON

Qualifications

- Bachelor of Science, University of New South Wales
- Post Graduate Diploma in Physiotherapy, Sydney University, NSW
- Post Graduate Diploma in Administration, Queensland University
- Master in Public Policy, University of New England, NSW
- Diploma, Australian Institute of Company Directors

Professional Affiliations

- Member of the Australian Institute of Company Directors
- Associate Fellow of the Australian College of Health Service Executive
- Member of the Institute of Public Administration Australia
- Fellow of the Leadership Victoria (Williamson Fellow)

Professional Experience

Janet is the Executive Director for Acute Health at Eastern Health. As a physiotherapist, Janet has had a varied career in both the public and private healthcare sector. She has held a variety of senior management and CEO roles at companies including Calvary Healthcare Bethlehem, Nepean Rehabilitation, Western Health and The Alfred. Janet has a keen interest in quality management as a management philosophy and has a number of publications in this area.

Board Attendance: 1 of 2

MR JOHN MADDOCK

Qualifications

- Master of Tertiary Education Management, University of Melbourne
- Diploma of Business Studies – Accountancy, RMIT
- Diploma of Education, State College of Victoria Hawthorn

Professional Affiliations

- Fellow, Australian Institute of Company Directors (FAICD)
- Member of Board for Community Colleges for International Development (CCID)
- Trustee of Committee for Economic Development Australia (CEDA)
- Member of the Institute of Public Administration Australia (IPAA)
- Member of TAFE Directors Australia (TDA)
- Member of Australasian Association of Institutional Research (AAIR)
- Executive Committee Member of the Post Secondary International Network of Presidents of Community Colleges
- Member of the Victorian TAFE Association CEO Council

Professional Experience

John has been CEO of Box Hill Institute since 1999. Prior to this, John was CEO of Gordon Institute and during his career has held a variety of management roles in the TAFE sector. Before starting his career in education, John was employed by one of the 'Big Six' accounting firms, Arthur Andersen & Co. working in the business consultancy area.

John has been involved in many leadership roles across Vocational Education and Training (VET) in Victoria and Australia. They range from his position as Deputy Chair of the Victorian Tertiary Admissions Centre (VTAC), Member of the Victorian Curriculum & Assessment Authority, Member of Deakin University Council for the past six years and a Board Member of the Innovation and Business Skills Australia Board. He serves on a number of key state, national and international Boards and Committees, with a particular focus on education, IT and business skills.

Board Attendance: 6 of 6

MR BRUCE THOMPSON

Qualifications

- Bachelor of Economics, Monash University, Victoria
- Graduate of the Wharton Business School Advanced Management Program

Professional Affiliations

- Fellow of the Australian Society of Certified Practicing Accountants
- Fellow of the Australian Institute of Company Directors

Professional Experience

Bruce is a director of SMS Management and Technology Limited. He is the former Chairman and Managing Director of Hewlett Packard Australia and New Zealand, and worked with Hewlett Packard for 32 years in Australia and overseas until his retirement in August 2000. He was Chairman of Innovonics Australia Ltd until January 2005 and Managing Director and CEO of Keycorp Limited until June 2006. Bruce also served as Trustee of the Melbourne Cricket Ground Trust from 1998 to 2007, and on a number of Boards and industry associations, including the Business Council of Australia from 1995 to 2000. During 2009, Bruce was appointed as a Commissioner and as Chairman of the Victorian Commission for Gambling Regulation (VCGR).

Board Attendance: 2 of 2

MS HELEN BUCKINGHAM

Qualifications

- Bachelor of Arts, La Trobe University, Victoria
- Diploma of Education, La Trobe University, Victoria
- Graduate Diploma in Careers, Deakin University, Victoria
- Australian Institute of Company Directors Diploma, University of NSW

Professional Experience

Helen has extensive experience in State and Local Government and has been a teacher, Careers Counsellor, Local Councillor, Mayor and Member of Parliament, serving as the member for Koonung Province. Whilst a Member of the Legislative Council of the Parliament of Victoria, she served on the Parliamentary Standing Committee for Education and Training, and chaired the Parliamentary Review of the Body Corporate Legislation and Regulations culminating in the Owners Corporation Act 2006. Helen retired from Parliament in 2006. She was an elected Councillor in the City of Whitehorse from 1997 to 2002, and served as Mayor from 1998 to 1999. While she was a councillor, Helen was a member of a number of Council committees. Helen also served as a Board Member of Box Hill Hospital from 1991 to 1995 and was a member of the Monash University Department of Physiology Animal Ethics Committee from 1995 to 2001. Helen is a member of the Council of Deakin University and is a Board Member of the Family Access Network. In 1998 she was awarded the Australian Institute of Company Directors Diploma.

Board Attendance: 2 of 2

MR IAN HIND

Qualifications

- Bachelor or Economics, University of Sydney, NSW
- Diploma of Education, Charles Sturt University, NSW
- Master of Science in Agriculture (Agricultural Economics), University of Sydney, NSW
- Graduate Certificate in Management, Monash University, Victoria

Professional Affiliations

- Fellow of the Australian College of Educators (FACE)

Professional Experience

Ian is an education and strategic planning consultant with over twenty years of experience in all levels of education and training in Australia and in a wide range of international settings. He has extensive experience in international business development, strategic and business planning, education finance, project design, reporting and implementation, institutional strengthening and capacity building, monitoring and evaluation, human-resource management and quality assurance. Ian has led the implementation of a number of significant education and training projects and reviews in the Pacific, Middle East and in South East Asia, and has extensive experience in working with bilateral and multi-lateral development agencies including AusAID, NZAID, the World Bank, Asian Development Bank, SIDA and the European Union.

In addition to having held a number of senior positions in education and strategic planning in the Australian education and training system, Ian has considerable experience in corporate governance, stakeholder consultation and working with senior government, agency officials and Ministers.

Board Attendance: 2 of 2

MR GREG MALONE

Qualifications

- Master of Business Administration, Monash University
- Graduate Diploma in Management, Monash University
- Production Engineering Studies, Granville TAFE
- Electrical Trade Certificate, Wollongong Technical College

Professional Affiliations

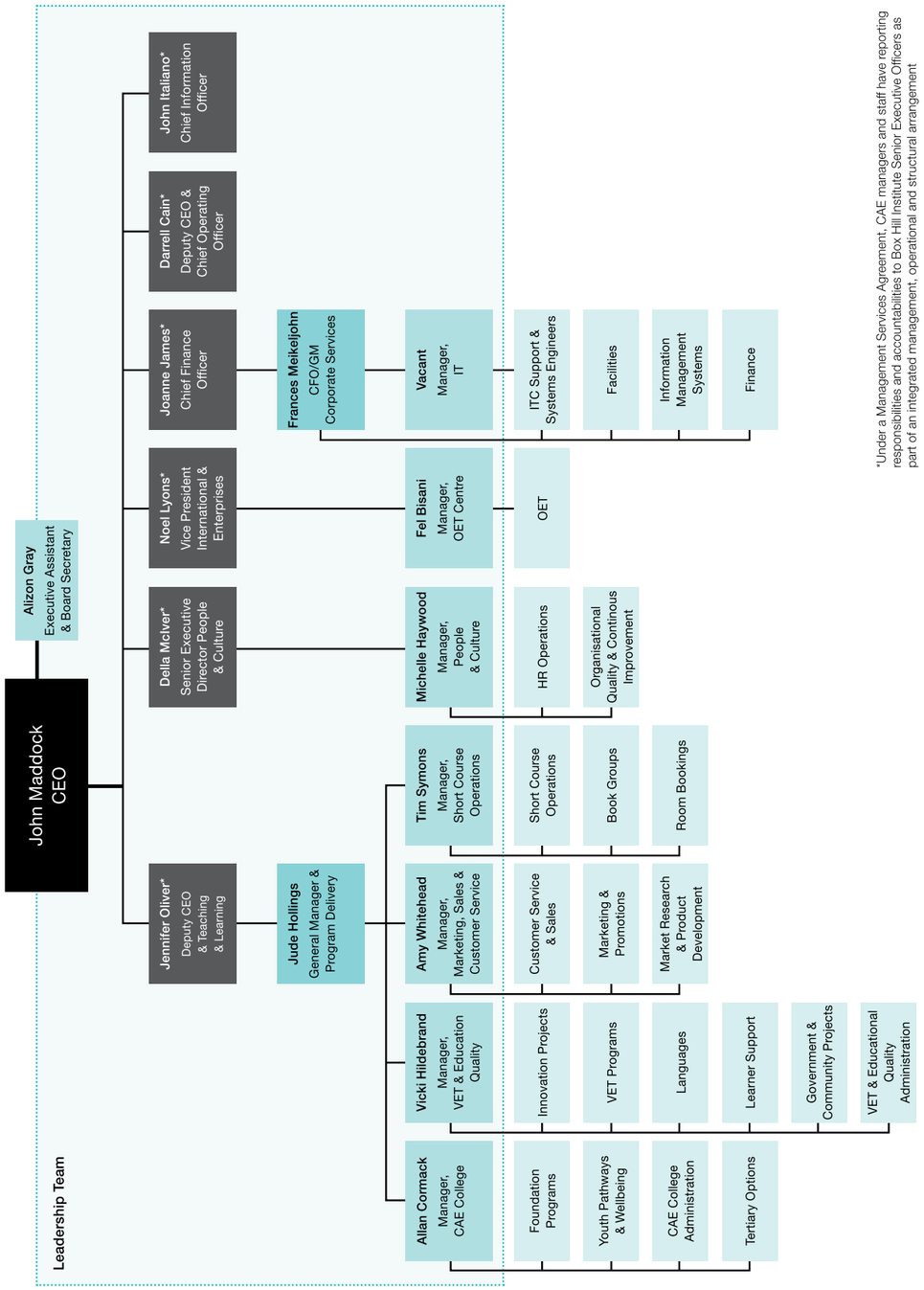
- Member of the Australian Institute of Company Directors

Professional Experience

Greg is the Managing Director of Nexteer Automotive Australia Pty Ltd, a supplier of steering and drive-train systems to global automotive manufacturers. He has over 30 years' experience in manufacturing in Australia and across the Asia-Pacific region, in senior leadership roles specialising in strategic procurement, general management and ongoing business sustainability. During this time, he gained an MBA and Graduate Diploma from Monash University, with studies in Supply Chain Management at Kellogg (USA) and Marketing Management at IMD (Switzerland). Greg has chaired and held Board positions in a number of Industry Associations and is a Member of the Australian Institute of Company Directors.

Board Attendance: 2 of 2

CAE ORGANISATION 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

PROGRAM REPORTS & HIGHLIGHTS

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 cultural life and to entice, educate and entertain its community.

LEARNER SUPPORT SERVICES

The Learner Support Services team provides personal and careers-related counselling services open to all CAE learners in the College and VET programs. In 2012, CAE had a high number of learners with significant learning-support needs and just under 200 learners under the age of 18, who CAE targets with its Youth Pathways service.

In the second half of 2012, a Shared Services agreement was approved for the CAE and Box Hill Institute Learner Support Services teams to work as one team. This gave CAE learners greater access to counselling services.

Personal and Careers Counselling

In 2012, CAE's student counsellors saw a total of 191 CAE learners. The demand for careers counselling was double that for personal counselling. The most common careers-related issues were for general career direction, course advice and VTAC application assistance. The most common issues presented in personal counselling were financial difficulties, anxiety, depression and relationship problems. Most learners accessing the service came from CAE College (Year 12 VCE, ESL and General Education).

During the year, presentations to further support CAE learners were delivered by the team at Learner Orientations and VTAC Information sessions.

"The Training and Assessment course provides the future trainers in the industry, and the team at CAE looks to produce the best! I not only have the qualification I desired, but I have been inspired by a trainer who challenges me to meet their standards."

Arthur Jones,
Cert IV Training and Assessment student

Youth Pathways

The Youth Pathways service aims to support the academic and wellbeing needs of all CAE learners aged 15-25, with a particular focus on those learners who are under the age of 18. Youth Pathways Officers were the main port of call for young learners requiring brief and immediate assistance.

The daily 'Youth Drop-In Hour' (Monday to Friday, 12-1pm) continued to be well utilised, as learners were able to access support during this time without an appointment, and the move to a more-visible location near the Service Hub on level 2 of Building B led to an increase in attendance. The Youth Pathways Officers also ran workshops and supported teachers in classrooms in a diverse range of matters including cyber safety, careers, preparing for employment, family violence and effective communication, and in VTAC information sessions. In addition, Breakfast Club was continued in terms 1 and 2, and lunch was provided in term 3 on a weekly basis. These programs are aimed at fostering a sense of community and inclusiveness among CAE learners, as well as the promotion of healthy eating habits. Generous weekly donations of fresh fruit and produce from the charity Second Bite helped keep costs to run these initiatives to a minimum.

Disability Support

The Disability Support Unit delivered 7,128 supported student contact hours in 2012. Forty-five students enrolled in fifty classes across all programming areas registered for disability support services. Many of these students required more than one type of support.

Of these students:

- 73% were enrolled in accredited courses
- 58% were enrolled in CAE College and 22% in short courses
- 56% required assistive technology in class; 62% required learning support workers in class
- 40% required class materials in alternate formats
- 38% required negotiated flexibility in participation and assessment
- 55% were female
- 38% were in the 19–29 age group.

Learner Support Fund

A total of $1,629 was provided through the CAE Learner Support Fund in 2012 to assist sixteen students on accredited courses with course costs. Fifteen of these students were provided with a total of $1,029 in materials fee subsidies. 69% of these students were female and 56% were in the 15–29 age group. In addition, emergency food vouchers were provided during the course of the year to students experiencing financial crisis.

Fee-for-Service Careers Counselling

The CAE Careers Advisor delivered fee-for-service careers counselling to 134 members of the public, and was invited to present two talkback sessions on ABC Radio Melbourne, addressing careers-related matters.

LEADING PRACTICE

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

Audit

CAE did not undergo any external quality audits during 2012.

AQTF Quality Indicator Learner Survey

The results for 2012 Quality Indicator survey places Overall Learner Satisfaction at 75% in comparison with 67.4% in 2011.

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 which they can take back to their respective teaching areas. The Delivery Innovation Team also runs CAE's Independent Learning Centre, 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 has proudly provided highly personalised learning experiences for our learners.

During 2012, the staff of learn@CAE supported 1,149 computer users as well as a further 394 who accessed our facilities for private study. 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.

learn@CAE staff trialled three Adult Community and Further Education (ACFE) funded digital curricula ¬– the International Computer Driver Licence, Microsoft and Intel digital-literacy programs. This initiative was central to our employabiLIT-E program, which was shortlisted for an ACFE Learn Local award. The program was twice visited by The Hon Peter Hall, Victoria's Minister for Higher Education and Skills. During 2012, 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:

- Digital literacy training for marginalised and disadvantaged learners, funded by the VET E-learning Strategy
- The e-books for teachers project
- Reaccreditation of two courses (Assessment of Informal Learning and Recognised Informal Learning) on behalf of ACFE, and state-wide training of Learn Local staff in this important area
- Further enhancing the strength and validity of pre-accredited courses through the development of a quality framework and subsequent training for Learn Local staff
- State-wide e-mentor project to support development of e-learning capability in Learn Local organisations.

Our staff also participated in training and presentations for a wide range of clients and conferences, including Medical Indemnity Protection Society, ConVerge12 – the leading Victorian e-learning conference, VET Development Centre's Digital Communities project and a range of Learn Local organisations both metropolitan and regional.

"I loved studying at CAE. Along with developing stronger skills as a painter and illustrator, I was mentored by teachers who are established artists and still practicing, making their insight into the current art industry beneficial for me to launch my career."

Marguerite Tierney,
Diploma Visual Arts student

CAE COLLEGE

CAE College provides a supportive adult learning environment for individuals to achieve their vocational, personal and further-study goals.

In 2012 CAE College delivered quality education programs to approximately 1000 learners from a variety of backgrounds, ages and learning abilities including:

- 350 learners in the Victorian Certificate of Education (VCE)
- 250 in General Education
- 100 in Victorian Certificate of Applied Learning (VCAL)
- 26 learners in New Pathways
- Just over 80,000 hours of pre-accredited programs to a variety of community partners and CAE learners.

CAE College developed a number of initiatives with relevant departments at Box Hill Institute including a shared-services agreement with the learner services team and combined Professional Development day with the Vocational Access and Equity department. Teaching staff from the two departments had the opportunity to meet and discuss ideas about how they can collaborate on things such as moderations, resource sharing and joint exam preparation sessions. Our community partners in 2012 included Victoria Police, Hanover, Common Ground, Peter Mac Hospital, WISE employment, Melbourne City Mission, Medical Insurance Protection Society, Fitted For Work and YWCA. Through strong partnership models that included onsite and offsite delivery as well as auspice delivery arrangements, we delivered quality pre-accredited programs to learners who have significant barriers to education and employment.

CAE College also successfully won and implemented government projects that included the Web Wise cyber safety program for the Office of Youth affairs and the Access and Equity program in partnership with Melbourne community agency Hanover.

Highlights for CAE College in 2012

- Our performance in VCE was commendable, with a top score of 44 in Media studies and five students receiving marks in the 40s. Our top ATAR scores were 99.45, 94.60 and 93.20
- The pre-accredited Common Ground program was the winner of the Adult Learning program of the year awarded by Adult Learning Australia
- The pre-accredited Succeed, Participate, Learn, Imagine, Create, Empower (SPLICE) program was a finalist in the Learn Local award
- CAE College received two grants from the Box Hill Institute's SARP (Staff Awards Recognition Program) to improve the Trade-Up program - a pre-accredited woodworking and basic trade skills class onsite at Common Ground and the Personalised Computer Skills program for Hanover and Common Ground clients.

"Going to CAE has been the best experience of my life. Not only has it improved my learning, but it has also helped me to become a better person.

Thanks to CAE, I am on my way to success and building a pathway to my future. I want to continue studying at CAE doing the Visual Arts course."

Bridie Nicholls,
VCE student

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- 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 and Career Fitness resulted in the successful delivery of high-quality programs, which ensured graduates were well-equipped for their industries. CAE also worked in partnership with McCullough Institute to offer Recognised Prior Learning and Training and Assessment to people in the Mt Beauty area.

In 2012 nationally recognised qualifications in the following areas were delivered in response to industry and individual learner demand:

- Writing & Editing
- Community Services
- Disability Support
- Visual Arts
- Fitness Instructor Training
- Yoga Teaching
- Business (Move UP! Program)
- Training & Assessment.

CAE's innovative business and leadership pathway program, Move UP!, has matured and grown throughout 2012. A range of highly qualified speakers from business and industry provided an inspirational series of lectures to the participants who commenced their individual learning pathways under this program.

VET Programs was successful in tendering to work with the Department of Health to deliver courses in Training and Assessment, and also continued its 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 2012, with several language courses being conducted. CAE has been listed as a preferred provider for languages training to defence personnel for the next three to five years.

Highlights for VET in 2012:

- Enrolments in Visual Arts, Training and Assessment and Move UP! 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
- The inclusion of additional learning support for learners assisted learners to successfully complete their courses
- Work placement was introduced to all Community Services programs, and also to the VCAL Retail program
- A VET program in Applied Language – Indonesian conducted with Dromana Secondary College was successfully completed
- All VET programs received high overall satisfaction ratings from learners.

"I have no doubt that the careers counselling sessions were the trigger for me to realise that it's ok to work in a creative job that really suits me."

Lea,
CAE Careers Counselling Client

SHORT COURSES

Short courses operate to serve CAE's Learning for Living strategy, which aims to 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
- Delivering a service that continues to be sustainable and meets public demand.

2012 saw the CAE Short Course Operations department take over the coordination of delivery of all short courses at both the CAE site and the Box Hill Institute site. This has resulted in streamlined and standardised systems, an increased audience for CAE and Box Hill Institute's short-course marketing, opportunities to deliver new short courses and improved performance of Box Hill Institute and CAE short courses. Another result has been the creation of a CAE brand presence in the eastern suburbs, providing a platform and physical location for future growth of CAE.

A highlight of 2012 was the delivery of a number of short courses in the newly inaugurated Degraves Street Info Shop, to demonstrate CAE's wide offering to the large number of passers-by in the café precinct of Degraves Street and Flinders lane. These courses included coffee appreciation, a soul-choir performance, Mexico's Day of the Dead event delivered in Spanish and social art classes. These demonstration classes built on CAE's aim to use the streets of Melbourne as our classroom.

Book Groups

Book Groups operate to serve CAE's Learning for Living strategy. Of special note, 60% of our book group members are seniors, so a focus on healthy aging and the social and intellectual benefits of being part of a book group are promoted by the Book Groups team.

Highlights in 2012 include:

- A large reduction in costs and manual processing leading to improved business sustainability, as well as the control of costs being passed onto our members
- The design and implementation of an e-books trial
- Work with a variety of academic and community groups throughout the year
- The revamp of the book group's catalogue Dialogue, as well as our website and brochures
- A review of our book group software systems aimed at improving business sustainability.

"I chose CAE because of its reputation for professionalism and flexibility, and I quickly discovered that this reputation is well deserved. The way CAE structured their classes, with morning, afternoon and night classes available, made it easy for me to balance work and school. I found the teachers at CAE to be engaging, knowledgeable and professional.

Having completed my VCE, I'm now in my third year of studying English and History at Monash University and aim to teach high school students. Hopefully I can be as inspiring to them as my teachers were to me!"

Jacob Lewis,
VCE graduate

OCCUPATIONAL ENGLISH TEST

The purpose of the Occupational English Test (OET) is to evaluate the English-language competence of health professionals who have trained outside Australia and wish to gain registration to practise their profession in an English-speaking context. The test is used by the governing bodies of health professions at state and national level in Australia, New Zealand and Singapore, and is recognised by the Department of Immigration and Citizenship.

All four language skills are tested – listening, speaking, reading and writing – with an emphasis on contextualised communication for professional purposes. Candidates for the test come from twelve professions: dentistry, dietetics, medicine, nursing, occupational therapy, optometry, pharmacy, physiotherapy, podiatry, radiography, speech pathology and veterinary science. The regulatory authority governing each profession determines both the result candidates require in order to communicate effectively in the workplace and the period of validity of the results. Nurses were by far the largest group of candidates in 2012, followed by dentists and doctors.

Administration and assessment of the OET is carried out by the OET Centre, a business unit of CAE. The Centre has a Memorandum of Understanding with the University of Melbourne for OET research, the supply of test materials and assessment analysis.

Highlights for the OET Centre for 2012 include:

- OET Candidature increased from 2011 numbers; candidates came from over 100 countries
- The OET Centre Acting Manager, Gerrard Neve, appeared with Professor Tim McNamara of the University of Melbourne at the Parliamentary Enquiry into registration processes for overseas trained doctors, to present the case for more appropriate English-language standards
- The OET Centre continued 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.
- In a major development for both Box Hill Institute and the CAE, during 2012 Box Hill Institute signed an agreement with University of Cambridge ESOL Examinations (Cambridge ESOL) to work towards the delivery of language assessment services in Australia and around the world. This will impact on the future of the OET and broaden the opportunities to leverage on the OET's success over a number of years.

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 2012 include:

- 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
- 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 including corporate, not-for-profit and SME clients. This strongly contributes to CAE's outreach into the community and business world
- Improved marketing of CAE learning facilities to external clients
- 1165 room hire sessions booked and 5,259 hours of room hire delivered in 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 Room Hire.

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.

In July 2012 CAE took responsibility for managing all Box Hill Institute short courses. This included all marketing and promotions for short course offerings for both brands.

The inaugural CAE and Box Hill Institute Work Skills guide was produced and inserted into the Saturday Herald Sun reaching almost 1.3 million Melburnians in its first foray into the market.

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. The winter and summer 2012/13 guides included the combined CAE and Box Hill Institute short course offerings, and all 'Living and Lifestyles' course guides 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 our CBD campuses.

To drive enrolments during each season, the course guides were supported with a range of e-broadcasts sent out via CAE's electronic database in addition to mainstream media activity in print, outdoor, online and keyword-search advertising.

The new CAE College Prospectus was completed in September and distributed electronically to the CAE College database, as well as to a range of secondary school careers advisors at the Box Hill Institute Careers Practitioner event which CAE hosted in October. The Prospectus outlines the various elements that make CAE's VCE, VCAL and General Education unique in the market.

A stronger emphasis on digital media activities, including e-broadcasts and use of social media platforms Facebook and Twitter, not only drove brand awareness and engagement, but increased enrolments across CAE's wide range of courses. 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 2012 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.

Sponsorships:

My Melbourne - International Students Photography competition.

Partnerships:

La Mirada (Spanish Film Festival), Melbourne International Comedy Festival and Dumbo Feather.

Expos and Events:

In 2012 we once again showcased the depth and breadth of the CAE course offerings to a wide range of potential learners at The Age VCE and Careers Expo (Thursday 3 May to Sunday 6 May 2012) at the Caulfield Racecourse, the Herald Sun Careers Expo (Fri 27 Jul to Sun 29 Jul 2012) and the Reinvent your Career Expo (Saturday 16 to Sunday 17 June 2012) both at the Melbourne Convention and Exhibition Centre.

Further activities included the Box Hill Institute Careers Practitioner event hosted at CAE, the joint Box Hill Institute and CAE 'City Campus' Open Day and 'Adult Learners Week' where we celebrated Digital Literacy. Staff from all program delivery areas assisted with the 'tell and sell' of our range of nationally recognised training and short course programs.

PEOPLE & CULTURE

Partnership with Box Hill Institute

Throughout 2012, the People & Culture Unit has been working closely with Box Hill Institute's People and Culture portfolio with a strong focus on change and transition management and the alignment of organisational processes and procedures. The partnership is expected to provide significant benefits and opportunities for CAE staff, including broader career opportunities within Australia and abroad, and access to a wider range of professional development opportunities.

Highlights of the partnership have included the following:

Improved processes, policies and systems across CAE

- The implementation of the Management Services Agreement which has allowed CAE staff to work at Box Hill Institute and its associated entities, including the Australian Pacific Technical College, and Box Hill Institute staff to work at CAE
- Consistent change management processes have been implemented, including the opportunity for any staff affected by change to be considered for redeployment or transfer to Box Hill Institute positions in addition to positions available at CAE
- The move towards shared services has seen the CAE payroll system transitioned to Box Hill Institute's payroll system
- Box Hill Institute and CAE vacancies are now advertised across all Box Hill Institute Group entities
- A review of all Box Hill Institute and CAE People and Culture policies, leading to the implementation of a new consistent policy and procedure framework
- The addition of four CAE staff to the People and Culture Organisation Development Advisory Group (ODAG)
- The 2012 Australian Quality Training Framework (Quality Indicator survey shows overall learner satisfaction has increased to 75% from 67.4% in 2011.

Improved training and development opportunities

- Leadership Development and Management Essential programs have been offered to all managers across CAE and Box Hill Institute, providing opportunities for networking, sharing and collaboration
- The funding of two Diploma of Vocational Education and Training Programs for teachers across all centres to increase the capability of the teaching workforce
- Rolling out the Box Hill Institute online 'Leadership Development Capability Framework' to CAE managers
- Members of the management team were provided with funded opportunities to undertake targeted leadership and skill development as identified in their individual professional development plans
- Twenty-one members of staff completed the Certificate IV in Training and Assessment (TAE), providing a significant opportunity to discuss cross-organisational teaching and assessment practices
- Eighteen staff undertook the CAE-tailored 'Move UP!' Diploma of Business program.

CAE ORGANISATIONAL BEHAVIOURS

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

WORKFORCE DATA 2012

The workforce data table shows the equivalent full-time (EFT) staff numbers for 2011 and 2012

	EFT 2012	*Head Count 2012*
Teaching staff – ongoing	26.93	40
Teaching staff – fixed term	3.8	5
Teaching staff – sessional	29.52	413
Teaching staff sub-total	**60.25**	**458**
Executive Officers	1.8	2
Administrative staff – ongoing	58.1	61
Administrative staff – fixed term	14	18
Casual	11.6	37
Non-teaching subtotal	**85.5**	**118**
EFT total for CAE	145.75	576

	EFT 2011	*Head Count 2011*
Teaching staff - ongoing	27.8	45
Teaching staff - fixed term	3.8	4
Teaching staff - sessional	39.3	713
Teaching staff sub-total	**70.9**	**762**
Executive Officers	2.8	3
Administrative staff - ongoing	68	70
Administrative staff - fixed term	7	9
Casual	9	134
Non-teaching subtotal	**84**	**213**
EFT total for CAE	157.7	978

BUILDING SERVICES

CAE has established policies and mechanisms to ensure that works to existing buildings conform to 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.

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

CAE's negotiating position for enterprise bargaining was approved by the State Government in December 2012. Negotiations with the National Tertiary Education Union (NTEU) towards a whole-of-staff enterprise agreement are continuing.

No days were lost during 2012 due to industrial action.

COMPLIANCE WITH FREEDOM OF INFORMATION ACT 1982

CAE complies with government freedom of information regulations, as outlined under the Freedom of Information Act 1982, including the amendments of 3 August 2007. The Freedom of Information Act 1982 allows the public a right of access to documents held by CAE. It is CAE's policy to facilitate, subject to privacy and confidentiality provisions, access to information without recourse to the provisions of the Act.

For the period from 1 January to 31 December 2012, no requests were made for documents under the Freedom of Information Act 1982.

WHISTLEBLOWERS PROTECTION ACT 2001

CAE complies with the provisions in the Whistleblowers Protection Act 2001, incorporating the amendments of 1 July 2007, and ensures that its processes are transparent, with appropriate accountabilities. CAE supports the making of disclosures that reveal corrupt conduct, mismanagement of public resources or risk to public health, safety or the environment.

CAE has established a policy for reporting disclosures of improper conduct or detrimental action, which ensures that staff can make disclosures without fear of retribution. For the year ending 31 December 2012, there were no instances raised with CAE in regards to the Whistleblowers Protection Act 2001.

NATIONAL COMPETITION POLICY

CAE has comprehensive policies, procedures and costing models to ensure compliance with the National Competition Policy and the Victorian Government's competitive neutrality principles.

CAE SUBJECT ENROLMENTS AND STUDENT CONTACT HOURS (SCH)

Levels		Students*	Course Enrolments	Unit Enrolments	SCH
Foundation	ACE Delivery	600	682	1,177	83,466
	Additional	33	33	39	6,924
	Fee for Service	51	52	138	5,849
	Government Contract	1,023	1,164	8,061	294,406
Creation	Fee for Service	169	169	406	23,730
	Government Contract	570	583	2,698	175,101
Building	Fee for Service	263	281	2,385	64,013
	Government Contract	372	401	3,059	92,270
Deepening	Fee for Service	60	60	465	24,632
	Government Contract	15	15	89	2,255
Short Course	Fee for Service	14,461	17,878	18,557	188,905
Book Groups	Fee for Service	8,568	8,623	8,623	248,136
Total		**25,068**	**29,931**	**45,697**	**1,209,686**

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 2012, CAE has 42 training-package qualifications and 20 nationally recognised courses on its scope of registration.

MODULE LOAD COMPLETION RATE

480,740 = 0.65

741,525

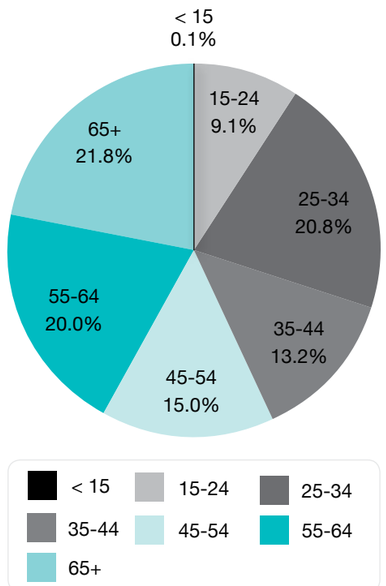
NUMBER OF PROGRAMS

Number of Programs (qualification is a program, FFS course is a program)

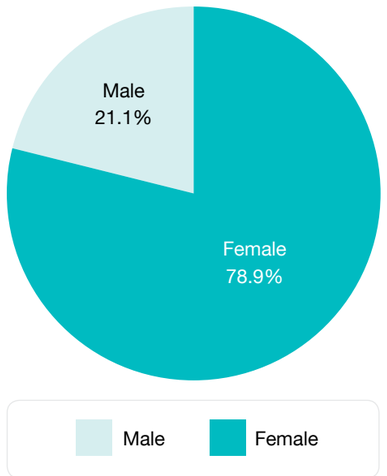
	Accredited	Pre-Accredited	LLNP	Short Courses	Book Groups	Total
2012	45	9	1	596	813	1,464
Total	**45**	**9**	**1**	**596**	**813**	**1,464**

CAE LEARNER PROFILE

Age Analysis



Gender Breakdown



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

Age	Female	Male	Total
<15	27	7	34
15-24	1,496	776	2,272
25-64	13,508	3,795	17,303
65+	4,755	704	5,459
Total	**19,786**	**5,282**	**25,068**

Learners by age group (age taken at 30 June 2012)

Age	Total no. students	%
<15	34	0.1%
15-24	2,272	9.1%
25-34	5,219	20.8%
34-44	3,312	13.2%
45-54	3,767	15.0%
55-64	5,005	20.0%
65+	5,459	21.8%
Total	**25,068**	**100%**

Learners by age group by funding type (age taken at 30 June 2012)

Age	Government	Fee-for-service	Book Groups	Total
<15	1	33	0	34
15-24	666	1,656	16	2,272
25-34	192	4,350	749	5,219
34-44	171	2,796	404	3,312
45-54	201	2,570	1,101	3,767
55-64	145	2,620	2,355	5,005
65+	83	1,520	3,943	5,459
Total	**1,459**	**15,545**	**8,568**	**25,068**

"Only CAE could offer the adult learning environment which truly prepares you for university study. The emphasis on being an independent learner really appealed to me, and the opportunity to study amongst people of different ages, cultures and backgrounds was one that excited me.

Completing VCE at CAE was a very worthwhile experience. From the amazing city campus, to the freedom to take charge of your own education, I found learning at CAE to be a pleasant change from the mainstream high school setting. Overall, I believe that it was a different learning approach at CAE which enabled me to succeed in Year 12."

Brandon Spina, VCE graduate

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.

ENVIRONMENTAL PERFORMANCE

CAE is proudly a 'car less' organisation and in 2012 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.

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

ATTESTATION OF COMPLIANCE WITH THE AUSTRALIAN / NEW ZEALAND RISK MANAGEMENT STANDARD

CAE

ATTESTATION OF COMPLIANCE WITH THE AUSTRALIAN / NEW ZEALAND RISK MANAGEMENT STANDARD

CENTRE FOR ADULT EDUCATION
ATTESTATION OF COMPLIANCE FOR 2012

I, Elizabeth White, certify that CAE has risk management processes in place consistent with the Australian/New Zealand Risk Management Standards and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposure. The Audit and Risk Management Committee verifies this assurance and that the risk profile of CAE has been critically reviewed within the last 12 months.

Elizabeth White
Board Chairperson
Date 28 February 2013

FINANCIAL REPORT

SUMMARY OF 2012 FINANCIAL RESULTS

The CAE budget for 2012 was prepared on the basis of reducing the deficit recorded in 2011 and included a full year effect of the restructure which took place in early 2011 together with synergies and applicable changes due to the partnership with Box Hill Institute. These included changes in student contact hour rates for VET courses commencing on or after 1, July 2012, changes to TAFE teaching salary rates for eligible staff and not renewing the provision of library services provided by Melbourne City Library.

CAE delivered an operating result of $(1.003 million).

SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2012 WITH PREVIOUS FOUR YEAR COMPARATIVES

	2012 $000	2011 $000	2010 $000	2009 $000	2008 $000
Revenue	23,887	23,342	24,656	27,871	24,175
Expenses - and other economic flows	24,890	25,389	28,813	25,560	22,690
Net Result	**(1,003)**	**(2,047)**	**(3,527)**	**2,311**	**1,485**
Total Assets	12,975	12,782	15,281	17,879	16,725
Total Liabilities	8,006	6,809	7,261	6,331	7,488
Net Assets	**4,970**	**5,973**	**8,020**	**11,548**	**9,237**
Net increase/decrease in cash & cash equivalents	**183**	**(1,274)**	**(3,568)**	**(2,280)**	**1,320**

CONSULTANCIES

During the year ended 31 December 2012, CAE engaged one individual consultant with fees in excess of $100,000 (excluding GST). CAE engaged five consultants each costing less than $100,000 at a total expenditure of $182,614 (excluding GST).

Consultant	Project	Total project fees	Expenditure for year ending 31 December 2012	Future Commitments
BDO	OET part Sale to Cambridge	$15,150	$15,150	nil
Grant Thornton	OET part Sale to Cambridge	$25,000	$24,104	nil
PwC	OET part Sale to Cambridge	$127,718	$127,718	nil
Leonie Hammill	Payroll Integration to BHI system	$54,000	$53,274	nil
		$221,868	**$220,246**	

There were two consultants individually valued at less than $10,000 (exclusive of GST) with a total value of $5,390.

SUBSEQUENT EVENTS

CAE currently has an Overseas Occupational Testing Centre (OET), which evaluates the English language competency of overseas qualified medical practitioners who wish to gain provisional registration to practise their profession in an English Speaking context.

During 2012, negotiations were entered into involving CAE, Box Hill Institute and Cambridge ESOL for a partial sale of the OET Centre to a newly set up Unit Trust – Cambridge Box Hill Language Assessment Propriety Limited.

Completion of this transaction is expected to take place early in 2013

SUMMARY OF SIGNIFICANT CHANGES

Significant changes during 2012 included :

- Integration of the CAE Finance system to the Box Hill Institute Finance system
- Integration of the CAE payroll system to the Box Hill Institute payroll system
- Integration, and rationalisation of a number of other Information Technology applications.

ACTIVITY TABLE OPERATING STATEMENT - OPERATING EXPENSES

Centre for Adult Education (CAE)

Activity Table Operating Statement -
Operating Expenses
for the year ended 31 December 2012

NOTE A1 - OPERATING STATEMENT		CAE 2012 $'000	CAE 2011 $'000
Total operating expenses			
Delivery provision and support activity	A2	11,040	12,323
Administration and general services activity	A3	5,337	5,844
Property plant and equipment services activity	A4	7,368	6,349
Student and other services activity	A5	406	873
Total operating expenses		**24,151**	**25,389**

NOTE A2 - OPERATING STATEMENT		
Delivery provision and support activity		
Salaries, wages, overtime and allowances	8,359	7,895
Superannuation	646	645
Payroll tax	400	384
Other employee benefits	62	93
Purchases of supplies and consumables	876	577
Travel and motor vehicle expenses	29	257
Depreciation, amortisation and impairment	361	2,142
Other direct delivery expenses	307	330
	11,040	**12,323**

NOTE A3 - OPERATING STATEMENT		
Administration and general services activity		
Salaries, wages, overtime and allowances	2,433	3,247
Superannuation	192	238
Payroll tax	113	149
Other employee benefits	36	85
Purchases of supplies and consumables	310	127
Communication expenses	486	33
Fees and charges	549	372
Travel and motor vehicle expenses	28	232
Depreciation, amortisation and impairment	168	0
Other expenses	1,023	1,361
	5,337	**5,844**

NOTE A4 - OPERATING STATEMENT	CAE 2012 $'000	CAE 2011 $'000
Property, plant and equipment services activity		
Salaries, wages, overtime and allowances	202	337
Superannuation	15	28
Payroll tax	10	18
Other employee benefits	3	6
Purchases of supplies and consumables	22	76
Depreciation, amortisation and impairment	66	1,217
Minor equipment	48	0
Occupancy expenses	284	171
Contract and other services	2,837	945
Rent/leasing charges	2,886	3,140
Building repairs and maintenance	936	219
Other expenses	58	192
	7,368	**6,349**

NOTE A5 - OPERATING STATEMENT **Student and other services activity**		
Salaries, wages, overtime and allowances	275	363
Superannuation	26	31
Payroll tax	15	19
Other employee benefits	26	6
Purchases of supplies and consumables	3	4
Depreciation, amortisation and impairment	27	0
Other expenses	35	450
	406	**873**

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

FOR THE YEAR ENDED 31 DECEMBER 2012

- VICTORIAN AUDITOR GENERAL'S REPORT
- ANNUAL DECLARATION BY THE BOARD CHAIRPERSON, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE AND ACCOUNTING OFFICER
- BALANCE SHEET
- COMPREHENSIVE OPERATING STATEMENT
- STATEMENT OF CHANGES IN EQUITY
- STATEMENT OF CASH FLOWS
- NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
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3. EXPENSES FROM TRANSACTIONS
4. CASH AND CASH EQUIVALENTS
5. RECEIVABLES
6. INVESTMENTS, LOANS AND OTHER FINANCIAL ASSETS
7. PROPERTY, PLANT AND EQUIPMENT
8. INTANGIBLE ASSETS
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23. RELATED PARTIES
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25. FINANCIAL INSTRUMENTS (PART 1-4)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Centre for Adult Education

The Financial Report

The accompanying financial report for the year ended 31 December 2012 of the Centre for Adult Education which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, comprising a summary of significant accounting policies and other explanatory information, and the chairperson of the board, chief executive officer, and chief finance and accounting officers' declaration has been audited.

The Boards' 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.

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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 2012 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 2012 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
5 March 2013

for Dr Peter Frost
Acting Auditor-General

ANNUAL DECLARATION BY THE BOARD CHAIRPERSON, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE AND ACCOUNTING OFFICER FOR THE YEAR ENDED 31 DECEMBER 2012

CAE

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2012
DECLARATION BY THE BOARD CHAIRPERSON, 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 2012 and financial position of the Centre for Adult Education as at 31 December 2012.

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

The Board Chairperson 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.

Elizabeth White
Board Chairperson
Date 28 February 2013

John Maddock
Chief Executive Office
Date 28 February 2013

Frances Meiklejohn
Frances Meiklejohn
Chief Finance and Accounting Officer
Date 28 February 2013

Centre for Adult Education (CAE)

Balance Sheet
for the year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Assets			
Financial assets			
Cash and deposits	4	1,217	1,034
Receivables	5	1,095	499
Investments, loans and other financial assets	6	1,379	1,327
Total financial assets		**3,691**	**2,860**
Non-financial assets			
Property, plant and equipment	7	9,028	9,258
Intangible assets	8	84	371
Other non-financial assets	9	171	293
Total non-financial assets		**9,284**	**9,922**
Total assets		**12,975**	**12,782**
Liabilities			
Payables	10	3,937	2,623
Provisions	11	1,274	1,260
Other liabilities	12	2,796	2,926
Total liabilities		**8,006**	**6,809**
Net assets		**4,970**	**5,973**
Equity			
Accumulated deficit	13(b)	**(4,724)**	(3,700)
Reserves	13(c)	**2,076**	2,055
Contributed capital	13(a)	**7,618**	7,618
Net worth		**4,970**	**5,973**
Commitments for expenditure	15	**54,501**	**66,390**
Contingent assets and contingent liabilities	17	**431**	**431**

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

Centre for Adult Education (CAE)

Comprehensive Operating Statement
for the year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Continuing operations			
Income from transactions			
Government contributions - operating	2(a)(i)	8,624	9,393
Government contributions - capital	2(a)(ii)	-	3
Sale of goods and services	2(b)	12,924	12,448
Interest	2(c)	107	198
Total fair value of assets and services received free of charge or for nominal consideration	1.12	841	-
Other Income	2(d)	1,390	1,300
Total income from transactions		**23,887**	**23,342**
Expenses from transactions			
Employee benefits	3(a)	12,825	13,545
Depreciation and amortisation	3(b)	621	1,217
Interest expense	3(c)	400	252
Supplies and services	3(d)	6,103	5,724
Other operating expenses	3(e)	4,202	4,652
Total expenses from transactions		**24,151**	**25,389**
Net result from transactions (net operating balance)		**(264)**	**(2,047)**
Other economic flows included in net result			
Write off of plant and equipment	1.19	(687)	-
Impairment of assets		(73)	-
Total other economic flows included in net result		**(760)**	**-**
Net result from continuing operations		**(1,024)**	**(2,047)**
Net result		**(1,024)**	**(2,047)**
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation surplus	13	21	-
Total other economic flows – Other non-owner changes in equity		**21**	**-**
Comprehensive result		**(1,003)**	**(2,047)**

Centre for Adult Education (CAE)

Statement of Changes in Equity
for the year ended 31 December 2012

	Note	Equity at 1 Jan 2012 $'000	Changes due to Total Comprehensive result $'000	Equity at 31 Dec 2012 $'000
Accumulated deficit		**(3,700)**	(1,024)	(4,724)
Accumulated deficit at the end of the year		**(3,700)**	**(1,024)**	**(4,724)**
Contributions by owners		**7,618**	-	7,618
Physical assets revaluation reserve- Land	13	**1,900**	(67)	1,833
Physical assets revaluation reserve- Buildings	13	**14**	(14)	-
Physical assets revaluation reserve- Cultural assets	13	**141**	102	243
Total equity at the end of the year		**5,973**	**(1,002)**	**4,970**

	Note	Equity at 1 Jan 2011 $'000	Changes due to Total Comprehensive result $'000	Equity at 31 Dec 2011 $'000
Accumulated deficit		**(1,653)**	(2,047)	(3,700)
Accumulated deficit at the end of the year		**(1,653)**	**(2,047)**	**(3,700)**
Contributions by owners		**7,618**	-	7,618
Physical assets revaluation reserve- Land		**1,900**	-	1,900
Physical assets revaluation reserve- Buildings		**14**	-	14
Physical assets revaluation reserve- Cultural assets		**141**	-	141
Total equity at the end of the year		**8,020**	**(2,047)**	**5,974**

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

Centre for Adult Education (CAE)

Cash Flow Statement
for the year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Cash flows from operating activities			
Receipts			
Government contributions - operating	2(a)(i)	8,474	**8,735**
Government contributions - capital	2(a)(ii)	-	**3**
User fees and charges received		15,486	**15,968**
Interest received		107	**189**
Total receipts		**24,067**	**24,895**
Payments			
Payments to suppliers and employees		**(22,984)**	**(25,156)**
Goods and services tax paid to the ATO		**(448)**	**(784)**
Interest and other costs of finance paid		**(400)**	**(252)**
Total payments		**(23,832)**	**(26,192)**
Net cash flows from/(used in) operating activities	**14**	**235**	**(1,297)**
Cash flows from investing activities			
(Increase)/proceeds from sale of investment		**(52)**	**173**
Payments for non-financial assets	7&8	**-**	**(150)**
Net cash provided by/(used in) investing activities		**(52)**	**23**
Net increase (decrease) in cash and cash equivalents		**183**	**(1,274)**
Cash and cash equivalents at the beginning of the financial year		**1,034**	**2,308**
Cash and cash equivalents at the end of the financial year	**4**	**1,217**	**1,034**

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

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.

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

1.02 Basis of accounting preparation and measurement

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

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

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;

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2012 and the comparative information presented for the year ended 31 December 2011.

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.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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.

(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.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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

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

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

(ii) Defined benefit plans
The amount charged to the 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	2.0%
Plant & equipment	Straight	9%-15%
Leasehold Improvements	Straight	33.0%

There is no change in asset depreciation rate in current year .

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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

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

Intangible assets with indefinite lives are not amortised. The useful life of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, 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 2012

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.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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 percent or more than its cost price; or where it's fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

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

Other gains/(losses) from other economic flows

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

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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.

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

• the rights to receive cash flows from the asset have expired; or
• 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 transferred control of the asset.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

Derecognition of financial assets
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.

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.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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.

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 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.

Free of charge

During the year, the Box Hill Institute of TAFE contributed $841,000 to urgent refurbishment and maintenance works associated with the 21 Degraves Street property which is leased from the state government.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

Cultural assists

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 commission of assets.

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 2012

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 2012

NOTE 1

Statement of significant accounting policies

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be 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 for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be 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 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 CAE does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

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

Non-current liability - conditional LSL representing less than 7 completed years of service, 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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

(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 within the provision for employee benefits.

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

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

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

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

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

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

Onerous contracts
An onerous contract is considered to exist where 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 17) 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 2012

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.

1.19 Change in accounting policy

The CAE increased the capitalisation threshold from $1,000 to $5,000 effective from 1 January 2012. The effect of this change is $687,000,which recognises previously capitalised computer software and plant and equipment

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 1

Statement of significant accounting policies

1.20 New accounting standards and interpretations.

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2012 reporting period.

As at 31 December 2012 the following standards and interpretations (applicable to the CAE) had been issued but were not mandatory for financial year ending 31 December 2012. The CAE has not, and does not intend to, adopt these standards early.

Amending Pronouncements and Errata	Effective Date	Outline of Amendment	Impact on financial statements
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	1July 2012	This standard makes amendments to Australian Accounting Standard AASB 1049 Whole of Government and General Government Sector Financial Reporting.	Detail of impact is still being assessed.
AASB 2011-9 Amendments to Australian Accounting Standards– Presentation of Items of Other Comprehensive Income	1July 2012	This standard amends AASB 101 Presentation of Items of Other Comprehensive Income and requires entities to group items presented in OCI on the basis of whether they are potentially reclassifiable to profit of loss subsequently.	Detail of impact is still being assessed.
AASB 2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049	1July 2012	This standard makes amendments to Australian Accounting Standard AASB 1049 Whole of Government and General Government Sector Financial Reporting.	Detail of impact is still being assessed.

1.21 Rounding of amounts

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

1.22 Comparative information

When required by Accounting Standards, comparative figures have been adjusted to conform to

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 2

Income from Transactions

2 Income from transactions	2012 $'000	2011 $'000
(a) Grants and other transfers (other than contributions by owners)		
Government financial assistance		
(i) Government contributions - operating		
State government recurrent	8,624	9,393
Total government contributions - operating	**8,624**	**9,393**
(ii) Government contributions - capital		
State capital	-	3
Total government contributions - capital	**-**	**3**
Total government financial assistance	**8,624**	**9,396**
(b) Sales of goods and services		
Student fees and charges	320	434
Rendering of services		
Fee for service - Government	1,547	1,383
Fee for service - International operations - offshore	4,214	3,837
Fee for service - other	5,994	6,057
Total rendering of services	**11,754**	**11,276**
Other non-course fees and charges		
Sale of goods	850	738
Total other fees and charges	**850**	**738**
Total revenue from sale of goods and services	**12,924**	**12,448**
(c) Interest		
Interest from financial assets not at fair value through P/L:		
Interest on bank deposits	107	198
Total interest revenue from financial assets not at fair value through P/L	**107**	**198**
Net interest income	**107**	**198**
(d) Other income		
Rental revenue:		
Rent/ venue hire	1,194	1,118
Total rental revenue	**1,194**	**1,118**
Donations, bequests and contributions	30	2
Other revenue	166	180
Total other income	**1,390**	**1,300**

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 3

Expenses from transactions

3 Expenses from transactions	2012 $'000	2011 $'000
(a) Employee expenses		
Salaries, wages, overtime and allowances	10,700	10,799
Superannuation	879	942
Payroll tax	538	570
Worker's compensation	121	136
Long service leave	129	252
Annual leave	214	185
Termination benefits	223	606
Other	22	54
Total employee expenses	**12,825**	**13,545**
(b) Depreciation and amortisation		
Depreciation of non-current assets		
Buildings	4	4
Plant and equipment	22	284
Total depreciation	**26**	**288**
Amortisation of non-current physical and intangible assets		
Leasehold improvements	556	558
Software	39	371
Total amortisation	**595**	**929**
Total depreciation, amortisation and impairment	**621**	**1,217**
(c) Interest Expense costs		
Finance lease costs	400	252
Inc Total interest expense	**400**	**252**
(d) Supplies and Services		
Purchase of supplies and consumables	1,289	784
Communication expenses	383	307
Contract and other services	3,666	3,459
Building repairs and maintenance	106	219
Fees and charges	659	955
Total supplies and services	**6,103**	**5,724**
(e) Other Expenses		
General Expenses		
Marketing and promotional expenses	768	866
Occupancy expenses	3,153	3,294
Audit fees and services	57	74
Staff development	65	180
Travel and motor vehicle expenses	29	52
Other expenses	131	159
Total other expenses	**4,202**	**4,626**
Equipment below capitalisation threshold	-	26
Total other operating expenses	**4,202**	**4,652**

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

NOTE 4

Cash and cash equivalents

	2012 $'000	2011 $'000
Cash at bank and on hand	254	325
Australian currency Deposits - at call	963	709
Total cash and cash equivalents	**1,217**	**1,034**

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

(a) Reconciliation to cash at the end of the year	2012 $'000	2011 $'000
Balances as above	1,217	1,034
Balance as per cashflow statement	**1,217**	**1,034**

(b) Cash at bank and on hand

These are non-interest bearing.

(c) Deposits at call

The deposits are bearing floating interest rates between 3.11% and 4.39% (2011 - 4.49% and 4.86%).

These deposits have an average maturity of 30 to 120 days.

NOTE 5

Receivables

	2012 $'000	2011 $'000
Current receivables		
Contractual		
Trade receivables[1]	793	248
Provision for doubtful contractual receivables(a) (See also Note 5(a) below)	(6)	(6)
Revenue receivable	53	14
Total contractual	**840**	**256**
Statutory		
Amounts owing from Victorian Government	255	243
Total statutory	**255**	**243**
Total current receivables	**1,095**	**499**
Total receivables	**1,095**	**499**

1 The average credit period on sales of goodsand 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.

(a) Movement in the provision for doubtful contractual receivables	2012 $'000	2011 $'000
Balance at beginning of the year	(6)	(16)
Decrease/ Increase in provision recognised in the net result	-	10
Balance at end of the year	**(6)**	**(6)**

(b) Ageing analysis of contractual receivables

Please refer to Note 25 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 25 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 2012

NOTE 6

Investments, loans and other financial assets

	2012 $'000	2011 $'000
Fixed Interest Term Deposits with TCV	1,379	1,327
Total investments, loans and other financial assets	**1,379**	**1,327**

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

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

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

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

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

NOTE 7

Property Plant & Equipment

	Land	Buildings	Construction in progress	Plant & Equipment	Leasehold Improvements	Cultural Assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2011							
Cost	-	-	202	1,957	10,415	-	**12,574**
Valuation	1,900	160	-	-	-	354	**2,414**
Accumulated depreciation	-	(12)	-	(1,238)	(3,491)	-	**(4,741)**
Net book amount	**1,900**	**148**	**202**	**719**	**6,924**	**354**	**10,247**
Year ended 31 December 2011							
Opening net book amount	1,900	148	202	719	6,924	354	**10,247**
Additions	-	-	-	60	18	-	**78**
Disposals	-	-	-	-	(19)	-	**(19)**
Depreciation expense [1]	-	(4)	-	(284)	(558)	-	**(846)**
Trasfer to assets	-	-	(202)	-	-	-	**(202)**
Closing net book amount	**1,900**	**144**	**-**	**495**	**6,365**	**354**	**9,258**
At 31 December 2011							
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**
Changes in accounting policy	-	-	-	(438)	-	-	**(438)**
Revaluation of assets	(67)	(18)	-	-	-	102	**17**
Impairment	-	(69)	-	-	-	-	**(69)**
Depreciation expense	-	(4)	-	(22)	(556)	-	**(582)**
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 value at the end of the financial year	**1,833**	**53**	**841**	**35**	**5,809**	**456**	**9,028**

(a) Valuations of land and buildings

Land and buildings was independently revalued during 2012.

Property, plant and equipment was independently revalued during 2012 with the exception of 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.

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

NOTE 8

Intangible assets

	Software	Total
	$'000	$'000
At 1 January 2011		
Cost	1,156	**1,156**
Accumulated amortisation and impairment	(520)	**(520)**
Net book amount	**636**	**636**
Year ended 31 December 2011		
Opening net book amount	636	**636**
Additions	106	**106**
Amortisation charge	(371)	**(371)**
Closing net book amount	**371**	**371**
At 31 December 2011		
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 of accounting policy (Refer note1.19)	(248)	**(248)**
Amortisation charge	(39)	**(39)**
Closing net book amount	**84**	**84**
Includes a payable to Box Hill Institute of $138,000.		
At 31 December 2012		
Cost	154	**154**
Accumulated amortisation and impairment	(70)	**(70)**
Net book value at the end of the financial year	**84**	**84**

NOTE 9

Other non-financial assets

	2012 $'000	2011 $'000
Current other non-financial assets		
Prepayments	171	293
Total other non-financial assets	**171**	**293**

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 10

Payables

	2012 $'000	2011 $'000
Current		
Contractual		
Supplies and services	1,227	921
Other employee entitlements payable within 12 months	-	233
Other	2,661	1,436
Total current payables	**3,888**	**2,590**
Statutory		
Taxes Payable	49	33
Total current statutory payables	**49**	**33**
Total payables	**3,937**	**2,623**

The carrying amounts of the CAE's payables are denominated in the following currencies:

Notes

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

2 Includes a payable to Box Hill Institute of $138,000.

Maturity analysis of contractual payables

Refer to Note 25 for maturity analysis of contractural payables.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 11

Provisions

	2012 $'000	2011 $'000
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	461	418
Long service leave	49	147
Total current provisions expected to be settled within 12 months	**510**	**565**
Current provisions expected to be settled after 12 months		
Employee benefits		
Annual leave	110	52
Long service leave	452	440
Total current provisions expected to be settled after 12 months	**562**	**492**
Total current provisions	**1,072**	**1,057**
Non-current		
Employee benefits:		
Long service leave	201	203
Total non-current provisions	**201**	**203**
Total provisions	**1,274**	**1,260**

NOTE 12

Other Liabilities

Other liabilities	2012 $'000	2011 $'000
Current		
Lease Incentive	235	185
Total current other liabilities	**235**	**185**
Non-current		
Lease Incentive	2,561	2,741
Total non-current other liabilities	**2,561**	**2,741**
Total other liabilities	**2,796**	**2,926**

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 13

Equity

	2012 $'000	2011 $'000
(a) Contributed Capital		
Balance at 1 January	7,618	7,618
Balance at 31 December	**7,618**	**7,618**
(b) Accumulated surplus / (deficit)		
Balance at 1 January	(3,700)	(1,653)
Net result for the year	(1,024)	(2,047)
Balance at 31 December	**(4,724)**	**(3,700)**
(c) Reserves		
Composition of Reserves		
Asset Revaluation Reserve - Land	1,833	1,900
Asset Revaluation Reserve - Buildings	-	14
Asset Revaluation Reserve - Cultural assets	243	141
Balance at 31 December	**2,076**	**2,055**
Total equity	**4,970**	**5,973**

Movements in Reserves	2012 $'000	2011 $'000
Physical Asset Revaluation Reserve - Land		
Balance at 1 January	1,900	1,900
Movements during the year	(67)	-
Balance at 31 December	**1,833**	**1,900**
Physical Asset Revaluation Reserve - Buildings		
Balance at 1 January	14	14
Movements during the year	(14)	-
Balance at 31 December	**-**	**14**
Physical Asset Revaluation Reserve - Cultural Assets		
Balance at 1 January	141	141
Movements during the year	102	-
Balance at 31 December	**243**	**141**

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 7.

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 14

Cash flow information

	2012 $'000	2011 $'000
(a) Reconciliation of operating result after income tax to net cash flows from operating activities		
Net result for the year	(1,024)	(2,047)
Non-cash flows in operating result		
Depreciation and amortisation of non-current assets	621	1,217
Fair value of assists received free of charge	(841)	-
Write-off of plant and equipment	687	-
Impairment of non-current assets	73	-
Amortisation of lease incentive	-	(171)
Total non-cash flows in operating result	**539**	**1,046**
Movements in operating assets and liabilities		
Decrease /(Increase) in trade receivables	(597)	(112)
Decrease/(increase) in other assets	122	99
Increase/(decrease) in payables	1,313	(73)
Increase/(decrease) in employee benefits	13	(210)
Increase/(decrease) in other liabilities	(132)	-
Total movement in operating assets and liabilities	**719**	**(296)**
Net cash flows provided by/(used in) operating activities	**235**	**(1,297)**

Centre for Adult Education (CAE)

Notes to the Financial Statements
for the year ended 31 December 2012

NOTE 15

Commitments

Lease Commitments

	2012 $'000	2011 $'000
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	3,460	3,468
Later than one year but not later than five years	14,598	14,795
Later than five years	41,893	54,765
IncludeTotal lease commitments	**59,951**	**73,028**
GST reclaimable on the above	(5,450)	(6,638)
Net commitments Operating leases	**54,501**	**66,390**
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	54,501	66,390
Total lease commitments	**54,501**	**66,390**

(i) Operating leases

	2012 $'000	2011 $'000
253 Flinders Lane, Melbourne	48,186	62,422
278 Flinders Lane, Melbourne	10,189	10,542
40-44 Degraves Street	1,530	-
Operating leases payable for Phoptocopier	46	64
Total operating lease commitments	**59,951**	**73,028**

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

NOTE 16

Leased assets

Within one year	1,062	946
Later than one year but not later than five years	3,827	4,074
Later than five years	3,088	4,726
Total operating lease receivables	**7,977**	**9,746**
GST reclaimable on the above	(725)	(887)
Net operating leases receivables	**7,252**	**8,859**

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 2012

NOTE 17

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:

	2012 $'000	2011 $'000
Contingent Liabilities		
In respect of Business Undertakings		
Bank Guarantees issued at reporting date:		
271 Collins Street Pty ltd.	(238)	(238)
Trust Co.Ltd	(193)	(193)
Total Contingent Liabilities	**(431)**	**(431)**
Net Estimated Contingent Liabilities	**(431)**	**(431)**

NOTE 18

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 36% (2011 :40%) of the CAE's total revenue.

NOTE 19

Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the 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 2012

NOTE 20

Remuneration of auditors

	2012 $'000	2011 $'000
Remuneration of Victorian Auditor General's Office for:		
Audit of the financial statements	35	38
Total remuneration of Victoria Auditor General's Office	**35**	**38**
Remuneration of other auditors		
Internal audit	22	36
Total remuneration of other auditors of subsidiaries	**22**	**36**
Total Remuneration of auditors	**57**	**74**

NOTE 21

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	2012 $'000	2011 $'000
Paid Contribution for the Year		
Defined benefit plans :		
Emergency Services State Superannuation Fund – revised and new	70	103
Total defined benefit plans	**70**	**103**
Defined contribution plans:		
VicSuper	495	556
Other	270	281
Total defined contribution plans	**765**	**837**
Total paid contribution for the year	**835**	**940**

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

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 2012

NOTE 22

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 Appointmnets	**Period of Tenure**
Mr. Darrell Cain- Chair *	05/01/2012 - 22/05/2012
Ms Jennifer Oliver *	05/01/2012 - 22/05/2012
Ms. Denise O'Brien *	05/01/2012 - 22/05/2012
Ms Delia McIver *	05/01/2012 - 22/05/2012
Mr Noel Lyons *	05/01/2012 - 22/05/2012
Ms Joanne James *	05/01/2012 - 22/05/2012
Ms Elizabeth White	23/04/2012 - 31/12/2012
Ms Helen Buckingham	26/07/2012 - 31/12/2012
Mr Bruce Thompson	26/07/2012 - 31/12/2012
Mr Ian Hind	26/07/2012 - 31/12/2012
Ms Janet Compton	26/07/2012 - 31/12/2012
Mr Greg Malone	26/07/2012 - 31/12/2012
Mr Philip Belcher	26/07/2012 - 31/12/2012
Accountable Officer	
Mr John Maddock (Chief Executive Officer) *	01/01/2012 - 31/12/2012

* Refer note 23

Responsible persons

Key management personnel disclosures	2012 $'000	2011 $'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.	-	280

	No.	No.
Income range		
The number of Board members whose remuneration from CAE was within the specified bands are as follows:		
$0-$10,000	14	8
$70,001-$80,000	-	1
$200,001-$210,000	-	1
Total number of Responsible Persons	**14**	**10**

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

NOTE 22

Key management personnel disclosures

Key management personnel disclosures	2012 $'000	2011 $'000
Executive Officers' Remuneration		
Base remuneration of executive officers	228	298
Total remuneration of executive officers	250	429
	No.	**No.**
Income range		
The number of executive officers whose remuneration from CAE was within the specified bands are as follows:		
$100,001-$110,000	-	2
$110,001-$120,000	1	-
$130,001-$140,000	1	-
$140,001-$150,000	-	1
Total executive officers	**2**	**3**
Total annualised employee equivalent (AEE) [(a)]	**2**	**3**

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

Key management personnel

Key management personnel disclosures	2012 No.	2011 No.
Excutive Officers' personnel compensation		
Short-term employee benefits	-	12
Termination benefits	-	116
Total key management personnel compensation	**-**	**128**

NOTE 23

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 24

CAE details

CAE details

The registered office and principal place of business of CAE is 253 Flinders Lane Mebourne 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 2012

Note 25-1

Financial Instruments (Part I)

Financial Instruments

Financial risk management

(i) Financial risk management objectives

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

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

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

(ii) Financial risk exposures and management

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

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

(iii) Categorisation of financial instruments

Carrying amount of financial instruments by category:

	Note	Category	2012 $'000	2011 $'000
Financial Assets				
Cash and Deposits	4	Cash	1,217	1,034
Receivables [(a)]	5	Loans and receivables	840	256
Investments	6		1,379	1,327
			3,436	**2,617**
Financial liabilities				
Payables [(a)]	10	Financial liabilities	3,888	2,590
			3,888	**2,590**

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

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

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

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.

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

Note 25-1

Financial Instruments (Part I)

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.

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 2012.

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

The trade receivables balance at 31 December 2012 and 31 December 2011 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 Institute's exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

Liquidity risk

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

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 2012

NOTE 25 - 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	Interest rate risk			
		-1%		2%	
		Result	Equity	Result	Equity
31 December 2012	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Cash and deposits	1,217	(12)	(12)	24	24
Receivables [1]	840	-	-	-	-
Investments, loans and other financial assets	1,379	(14)	(14)	28	28
Total increase/ (decrease) in financial assets	**3,436**	**(26)**	**(26)**	**52**	**52**
Financial liabilities					
Payables [1]	(3,888)	-	-	-	-
Other financial liabilities	(2,796)	-	-	-	-
Total increase/ (decrease) in financial liabilities	**(6,684)**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**(3,248)**	**(26)**	**(26)**	**52**	**52**

	Carrying amount	Interest rate risk			
		-1%		2%	
		Result	Equity	Result	Equity
31 December 2011	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Cash and cash equivalents	1,034	(10)	(10)	21	21
Receivables [1]	256	-	-	-	-
Investments, loans and other financial assets	1,327	(13)	(13)	27	27
Total increase/ (decrease) in financial assets	**2,616**	**(24)**	**(24)**	**47**	**47**
Includes a payable to Box Hill Institute of $138,000.					
Payables [1]	(1,154)	-	-	-	-
Other financial liabilities	(2,926)	-	-	-	-
Total increase/ (decrease) in financial liabilities	**(4,080)**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**(1,464)**	**(24)**	**(24)**	**47**	**47**

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 2012

NOTE 25 - 3

Financial instruments (Part III)

25 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

2012	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
	%	$`000	$`000	$`000	$`000
Financial assets					
Cash and deposits					
Cash at bank and on hand	3.31	254	254	-	-
Deposits at call	4.39	963	963	-	-
Contractual receivables					
Trade receivables	-	793	-	-	799
Revenue receivables	-	53	-	-	53
Investment, loans and other financial assets					
Fixed interest bearing bills, bonds/term deposits	4.06	1,379	-	1,379	-
Total financial assets	**12**	**3,442**	**1,217**	**1,379**	**852**
Trade and other payables	-	(3,888)	-	-	(3,888)
Borrowings					
Other Liabilities - lease liability	11.99	(2,796)	-	(2,796)	-
Total financial liabilities	**12**	**(6,684)**	**-**	**(2,796)**	**(3,888)**

2011	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
	%	$`000	$`000	$`000	$`000
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand	3.50	325	325	-	-
Deposits at call	4.59	709	709	-	-
Contractual receivables					
Trade receivables	-	499	-	-	499
Revenue receivables	-	14	-	-	14
Investments, loans and other financial assets					
Fixed interest bearing bills, bonds/term deposits	4.77	1,327	-	1,327	-
Total financial assets	**13**	**2,874**	**1,034**	**1,327**	**513**
Financial liabilities					
Trade and other payables	-	1,154	-	-	1,154
Borrowings					
Other Liabilities - lease liability	12	2,926	-	2,926	-
Total financial liabilities	**12**	**4,080**	**-**	**2,926**	**1,154**

Note
1. Other receivables does not include statutory receivables.

(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.

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

NOTE 25 - 3

Financial instruments (Part III)

	Carrying amount	Not past due and not impaired	Maturity dates			
			Less than 1 month	1-3 months	3 months – 1 year	
2012 Financial assets						
Contractual receivables						
Trade receivables	793	793	-	787	6	-
Revenue receivables	53	53	-	53	-	-
Investments, loans and other financial assets		-				
Fixed interest bearing bills, bonds/term deposits	1,379	1,379	-	1,379	-	
Total 2012 financial assets	**2,225**	**2,225**	**-**	**2,219**	**6**	**-**
2012 Financial liabilities						
Financial liabilities						
Trade and other payables	3,888	-	-	3,888	-	-
Borrowings						
Other Liabilities - lease liability	2,796	-	-	-	235	2,561
Total 2012 financial liabilities	**6,684**	**-**	**-**	**3,888**	**235**	**2,561**
2011 Financial assets						
Contractual receivables						
Trade receivables	499	493	-	493	6	-
Revenue receivables	14	14	-	14	-	-
Investments, loans and other financial assets						
Fixed interest bearing bills, bonds/term deposits	1,327	1,327	-	1,327	-	-
Receivables:						
Total 2011 financial assets	**1,840**	**1,834**	**-**	**1,834**	**6**	**-**
2011 Financial liabilities						
Financial liabilities						
Trade and other payables	1,154	-	-	1,154	-	-
Borrowings						
Other Liabilities - lease liability	2,926	-	-	-	185	2,741
Total 2011 financial liabilities	**4,080**	**-**	**-**	**1,154**	**185**	**2,741**

Centre for Adult Education (CAE)

Notes to the Financial Statements for the year ended 31 December 2012

NOTE 25 - 4

Financial instruments (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 Institute is the current bid price.

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

	2012		2011	
Financial instruments	**Carrying Amount $'000**	**Net Fair Value $'000**	**Carrying Amount $'000**	**Net Fair Value $'000**
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	254	254	325	325
Deposits at call	963	963	709	709
Contractual receivables				
Trade receivables	800	793	505	499
Revenue receivables	53	53	14	14
Investments, loans and other financial assets				
Fixed interest bearing bills, bonds/term deposits	1,379	1,379	1,327	1,327
Total financial assets	**3,448**	**3,442**	**2,880**	**2,874**
Financial liabilities				
Payables - Includes a payable to Box Hill Institute of $138,000.	3,888	3,888	1,154	1,154
Other Liabilities - lease liability	2,796	2,796	2,926	2,926
Total financial liabilities	**6,684**	**6,684**	**4,080**	**4,080**

The following tables provides 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).

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INDEPENDENT AUDITOR'S REPORT

To the Members of Centre for Adult Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2012 of the Centre for Adult Education which comprises the statement, the relates noted the Chairperson of the Board, Chief Executive Officer and Chief Finance and Accounting Officers' declaration has been audited.

The Board's' Responsibility for the Statement of Performance

The Board Members of Centre for Adult Education are responsible for the preparation and the 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 of the statement of performance that is free of 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 judgment, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

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

Independence

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

Auditing in the Public Interest

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Independent Auditor's Report (continued)

Opinion

In my opinion, the statement of performance of the Centre for Adult Education in respect of the 31 December 2012 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 performance statement of the Centre for Adult Education for the year ended 31 December 2012 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 performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
5 March 2013

Dr Peter Frost
Acting Auditor-General

CAE

CENTRE FOR ADULT EDUCATION PERFORMANCE STATEMENT FOR 2012

In our opinion, the accompanying Statement of Performance of the Centre for Adult Education in respect of the 2012 financial year is presented fairly in accordance with the Financial Management Act 1994.

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 circumstances which would render any particulars in the Statement to be misleading or inaccurate.

Elizabeth White
Board Chairperson
Date 28 February 2013

John Maddock
Chief Executive Officer
Date 28 February 2013

Frances Meiklejohn

Frances Meiklejohn
Chief Financial and Accounting Officer
Date 28 February 2013

CENTRE FOR ADULT EDUCATION
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

KPI	Note	Definition	Result	*Target*
Participation of 15-24 year olds.	1	Number of students within the age group.	2,272	2,519
Participation of 25-64 year olds.	1	Number of students within the age group.	17,303	20,016
Module Load Completion Rate.	1	Scheduled hours 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.	65%	62%
Student Satisfaction.	1	As per survey.	75%	65%
Total Cost per Student Contact Hour (SCH).		Total funded expenditure (excluding depreciation) / total SCH.	$19.45	$19.24
Working Capital ratio (adjusted)	**2**	Current Assets/ current Liabilities (adjusted for Non current Long Service leave	0.73	1.00
Net Operating Margin.	2	Funded operating surplus / total revenue (excluding capital).	1.49%	-3.56%
Fee for Service Revenue.		Fee for Service Revenue (excl Sale of Goods)/Total Revenue (incl Capital excl Sale of Goods) %	49.13%	50.15%
Revenue per EFT Staff.	3	Total revenue (excluding capital) / average EFT staff.	$163,890	$147,996
Student Contact Hours (SCH).		Total SCH reported (including training activity from all funding sources and fee for service full fee paying students).	1,209,686	1,226,730
Energy Consumption.		Percentage change in energy consumption for electricity, gas, fuel and heating oil using 2007 as a base year. The target for the current year is base on previous years actual	-9.9%	2.0%

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

Note 1: As advised in Executive Memo 2007-04, issued on the 12th February 2007, the CAE's actual delivery outcomes for the preceding year pertaining to this KPI represents the baseline for measuring performance in subsequent years. Consequently the target for these indicators represents prior year actuals.

Note 2: The favourable variance in working capital and net operating margin is as a result the improved operating results before depreciation and economic flows for 2012 largely arising from efficiences realised as a result of the merger with Box Hill Institute.

Note 3: The favourable variance in revenue per EFT is due to higher levels of fee for service revenue for Occupational English Tests and lower staff numbers than previous years.

DISCLOSURE INDEX

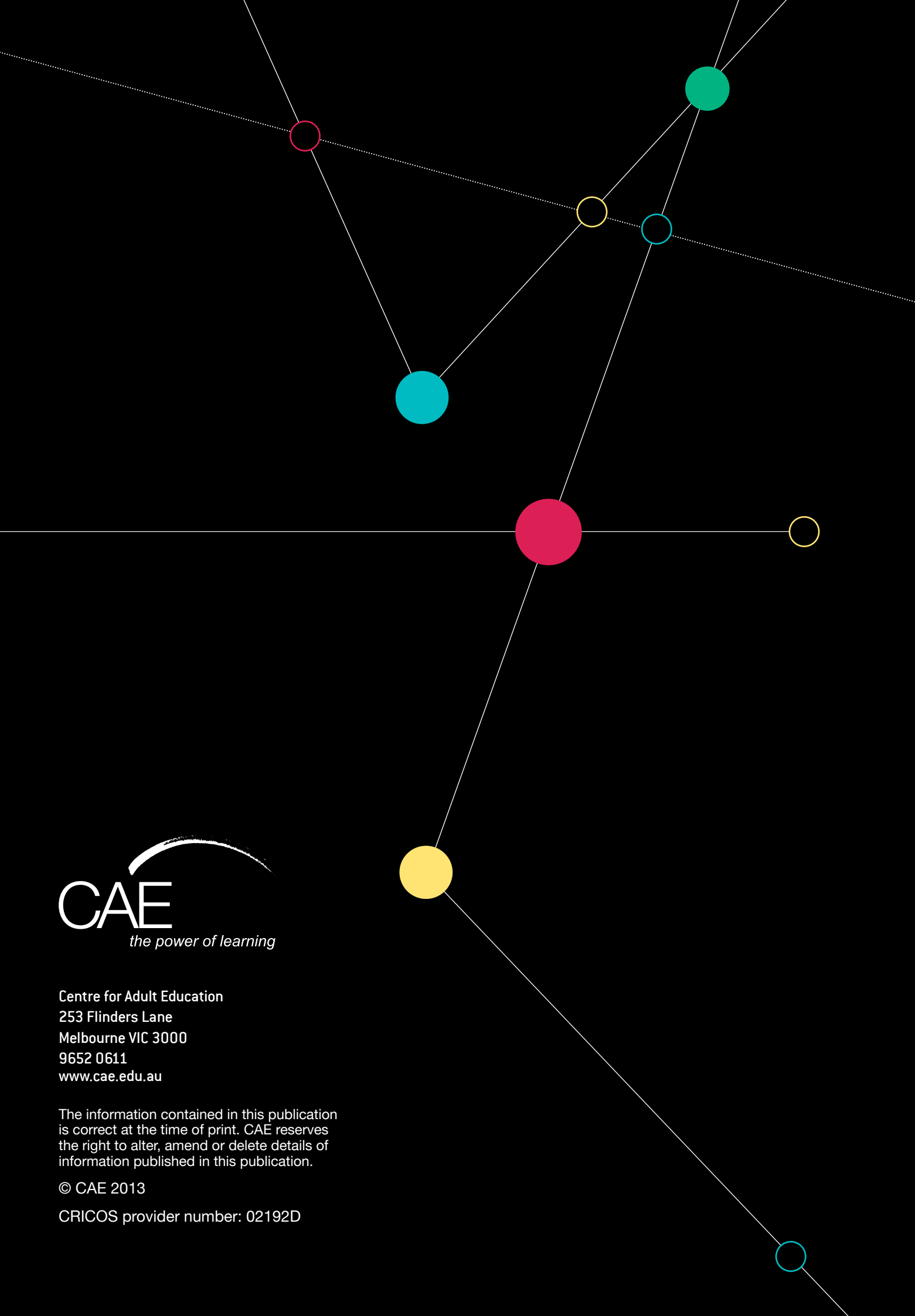
	Source reference	Reporting Requirement	Identify relevant pages(s)
(A) REPORT OF OPERATIONS			
[1]	SD 4.2(g) FRD 22	The Report of Operations is to include qualitative and quantitative information on operations and be prepared on a basis consistent with the financial statements prepared pursuant to the Financial Management Act 1994. This report is to provide users with information about: • an institute and its activities; • operational highlights for the reporting period; • future initiatives; and • other relevant information not included in the financial statements.	4-32
[2]	SD 4.2(h) FRD 22	The Report of Operations must be prepared in accordance with the requirements of the financial reporting directions.	4-32
[3]	SD 4.5.5	Signature of responsible person – Attestation of compliance with the Australian/New Zealand Risk Management Standard.	33
[4]	SD 4.2(j) FRD 22	Signature of responsible person – The Report of Operations must be signed and dated by the Accountable Officer in the case of a Government Department, or in the case of any other Public Sector Body, a member of the responsible Body.	42
STANDARD DISCLOSURES IN THE REPORT OF OPERATIONS GENERAL INFORMATION			
[5]	FRD 22	Manner of Establishment, including the relevant Minister.	4
[6]	FRD 22	The objectives, functions, powers and duties, linked to a summary of its activities, programs and achievements for the reporting period.	4-32
[7]	FRD 22	Nature and range of service provision, including the communities served.	20-28
[8]	FRD 22	Organisational chart(s) detailing members of the governing board and the CEO, and organisational chart(s) detailing occupants of senior officers and their responsibilities.	14,19
GOVERNANCE Recommendations of the TAFE Governance Review, May 2003			
[9]	TAFE Gov. Review	Outline of the structure of the board including: • committees of the board; • descriptions of their functions; and • the names of the members of each committee.	12-13
[10]	TAFE Gov. Review	Outline of the structure of an institute board, including: • names and qualifications of members of the board, including knowledge, experience and skills; and • a summary of the number of meetings attended by each board member.	15-18
[11]	TAFE Gov. Review	Summary of training undertaken by board members throughout the year, including the number and type of programs.	N/A
[12]	TAFE Gov. Review	A summary of performance and activities of a board including a brief description of a values of a board and whether there is a code of conduct used to guide board decisions.	12-13
[13]	FRD 22B	Statement on an AEI's workforce data for the current and previous reporting period.	28
[14]	FRD 22B	Statement on the application of employment and conduct principles.	28
[15]	FRD 22B	Statement on occupational health and safety including appropriate performance indicators outlining an AEI's performance against such indicators and details of assessments and measures taken to improve the occupational health and safety of employees. A general statement on industrial relations within an institute and details of time lost through industrial accidents and disputes.	29
[16]	FRD 22B	A general statement on industrial relations within an institute and details of time lost through industrial accidents and disputes.	29

	Source reference	Reporting Requirement	Identify relevant pages(s)
DISCLOSURE INDEX			
[17]	FRD 10	The Disclosure Index is to contain a list identifying the relevant clauses of Victorian legislation with statutory disclosure requirements.	89-93
[18]	FRD 10	A short description of the relevant requirement.	89-93
[19]	FRD 10	The page in an annual report where the disclosure in satisfaction of the relevant requirement is made.	89-93
DISCLOSURES **Disclosure of ex-gratia payments**			
[20]	FRD 11	Disclosure in aggregate of the nature and amount of any ex gratia payments incurred and written off during the reporting period. This is to be included in the notes to the financial statement.	NA
Disclosures of responsible persons			
[21]	FRD 21A (1) (a)	The name of each person holding a position that meets the definition of responsible person of the reporting entity at any time during the reporting period.	77
Disclosures of remuneration of executive officers			
[22]	FRD 21A (1) (b)	Where there is more than one responsible person during any reporting period, the total remuneration of all responsible persons received or receivable in connection to their employment.	77-78
[23]	FRD 21A (1) (c)	An analysis of remuneration of responsible persons: • in bands of $10,000; and • listing the number of responsible persons whose actual remuneration for the period falls within each band.	77-78
[24]	FRD 21A (1) (d)	A table disclosing the aggregate amount of related party transactions at the reporting date, including but not limited to the aggregate amount of repayments, shares and share options and other sources of remuneration that do not come under the definition of any of the above mentioned categories received by the responsible person in addition to base remuneration.	77-78
[25]	FRD 21 (2) (a)	Total remuneration of all executive officers received or receivable in connection to their employment: • including the remuneration of executive officers acting in the position of an accountable officer at any time during the reporting period; and • to ensure disclosures are meaningful, additional information may need to be disclosed about the nature of such remuneration.	77-78
[26]	FRD 21 (2) (b)	Base remuneration disclosed separately from actual remuneration. Significant variations between total and base remuneration should be supported by explanatory commentary.	77-78
[27]	FRD 21 (2) (c)	Accrual principles that apply in determining remuneration levels. All amounts received or receivable by the individual are to be disclosed.	77-78
FINANCIAL INFORMATION			
[28]	FRD 22	Summary of financial results with comparative information for preceding four years.	34
[29]	FRD 22	Summary of significant changes in financial position	35
[30]	FRD 22	Summary of operational and budgetary objectives, including performance against objectives and significant achievements.	88
[31]	FRD 22	Events subsequent to balance date which may have a significant effect on operations in subsequent years, including a summary of major changes affecting the achievement of operational objectives.	35
[32]	FRD 22	For each consultancy valued in excess of $10,000, set out: • a schedule listing the consultants engaged; • a summary of project involved; • total project fees approved (excluding GST); • expenditure for the reporting period (excluding GST); and • future commitments relating to consultant.	34

	Source reference	Reporting Requirement	Identify relevant pages(s)
[33]	FRD 22	Total number of consultancies individually valued at less than $100,000 (excl. of GST).	34
[34]	FRD 22	Total expenditure (exclusive of GST) of these consultancy engagements.	34
[35]	FRD 22	Financial information must be consistent with that included in the financial statements.	34-37
[36]	FRD 22	The Report of Operations should be presented in a format that complements the financial report as a whole: • containing any additional information the accountable officer or the governing board considers appropriate; or • any information which has been mandated by other authoritative pronouncements. The Report of Operations must contain general and financial information, including other relevant financial information, outlining and explaining an entity's operations and activities for the reporting period.	4-32
[37]	FRD 27	The Report of Operations must include in its report of operations an audited statement of performance including: • the relevant performance targets and indicators as determined by the responsible Minister; • the actual results achieved for that financial year against predetermined performance targets and indicators; and • an explanation of any significant variance between the actual results and performance targets indicators.	4-32
OTHER RELEVANT INFORMATION			
[38]	FRD 22	Summary of Application of the Freedom of Information Act 1982 (including amendments of 3 August 2007).	29
[39]	FRD 22	Statement on compliance with building and maintenance provisions of the Building Act 1993 (including amendments of 1 July 2007).	29
[40]	FRD 22	Summary of the application and operation of the Whistleblowers Protection Act 2001 (including amendments of 1 July 2007) and disclosures required by this Act.	29
[41]	FRD 22	Statement on implementation and compliance with National Competition Policy, including statement on compliance with policy statements, especially: • "Competitive Neutrality: A Statement of Victorian Government Policy"; • "Victorian Government Timetable for the Review of Legislative Restrictions on Competition"; and • any subsequent reforms.	29
[42]	FRD 22	Summary of environmental performance.	32
[43]	FRD 22	Statement (to the extent applicable that the information listed in Appendix 1) is available on request to the relevant Minister, members of Parliament or the public. This includes additional information available on request subject to provision of the Freedom of Information Act 1982 (including amendments of 3 August 2007).	32
[44]	FRD 22	Statement that declarations of pecuniary interests have been duly completed by all relevant officers.	32
[45]	FRD 22	Details of shares held by senior officers (as nominees or held beneficially in a statutory authority or subsidiary).	32
[46]	FRD 22	Details of publications produced by the entity about itself and how they can be obtained).	27,32
[47]	FRD 22	Details of major promotional, public relations and marketing activities undertaken to develop community awareness of the institute and its services.	27,32
[48]	FRD 22	Details of changes in prices, fees, charges, rates and levies charged by the institute.	32
[49]	FRD 22	Details of any major external reviews carried out on the institute.	32

	Source reference	Reporting Requirement	Identify relevant pages(s)
[50]	FRD 22	Details of major research and development activities undertaken by the institute.	32
[51]	FRD 22	Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.	32
[52]	FRD 22	List of major committees sponsored by the institute, the purposes of each committee and the extent to which the purposes have been achieved.	32
OVERSEAS OPERATIONS OF VICTORIAN AEIs			
[53]	PAEC	Financial and other information on initiatives taken or strategies relating to the AEI's international operations.	NA
AUDITOR GENERAL Recommendation in relation to Overseas Operations of AEIs – 3.110 Auditor General, Special Reviews, 30 June 2002.			
[54]	3.110	Information in annual reports of an AEI should include: • nature of strategic and operational risks; • strategies established to manage such risks; • performance measures and targets formulated for off shore operations; and • the extent to which expected outcomes have been achieved.	NA
FINANCIAL REPORTING DIRECTION 27 – PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs.			
[55]	FRD 27A	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) 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.	88
(B) FINANCIAL STATEMENTS Part 7 of the Financial Management Act 1994 (FMA)			
[56]	FMA 49 (a)	Must contain such information as required by the Minister.	39-88
[57]	FMA 49 (b)	Must be prepared in a manner and form approved by the Minister.	39-88
[58]	FMA 49 (c)	Must present fairly the financial transactions of an institute during the financial year to which they relate.	39-88
[59]	FMA 49 (d)	Must present fairly the financial position of an institute as at the end of the year.	39-88
[60]	FMA 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister.	39-88
The Financial Statements must be prepared in accordance with:			
[61]	SD 4.2 (a)	Australian Accounting Standards (AAS and AASB) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts).	47
[62]	SD 4.2 (a)	Financial Report Directions.	47-63
[63]	SDA 4.2 (a)	Business rules.	47-63
The Financial Statements are to comprise the following:			
[64]	SD 4.2 (b)	An operating statement.	36-37
[65]	SD 4.2 (b)	A balance sheet.	43
[66]	SD 4.2 (b)	A statement of recognised income and expenses.	44
[67]	SD 4.2 (b)	A cash flow statement.	46

	Source reference	Reporting Requirement	Identify relevant pages(s)
[68]	SD 4.2 (b)	Notes to the financial statements.	47-85
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:			
[69]	SD 4.2 (c)	The Financial Statements present fairly the financial transactions during the reporting period and the financial position at the end of the period.	42
[70]	SD 4.2 (c)	The Financial Statements are prepared in accordance with this direction and applicable Financial Reporting Directions.	42
[71]	SD 4.2 (c)	The Financial Statements comply with applicable Australian Accounting Standards (AAS and AAB) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts).	42



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the power of learning

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CRICOS provider number: 02192D