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ABOUT THE CENTRE FOR ADULT EDUCATION

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 Bronwyn Pike MP, Minister for Education and Minister for Skills and Workforce Participation.

CAE is a leading provider of Adult and Community Education (ACE) in Victoria.

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 include 253 Flinders Lane, 21 Degraeve Street and, from October 2009, a new premises opened at 278 Flinders Lane, creating a CAE precinct within the Flinders Lane area.

CAE also offers courses at the Ola Cohn Centre in East Melbourne, in partnership with other organisations throughout Melbourne, as well as customised industry programs.

The CAE conducts the globally-delivered Occupational English Test (OET) through The OET Centre, also based at 278 Flinders Lane.

OUR STRATEGIC DIRECTION

The CAE Strategic Framework 2009-2013 was officially launched in March 2009 by Jacinta Allan, MP (then Minister for Skills and Workforce Participation). This framework strongly positions CAE to adapt and continually meet the changing needs of Melbourne learners, communities, businesses, industries and governments in an ever-changing global environment.

The CAE Strategic Framework 2009-2013 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. This strategic direction also outlines a commitment to sustainable practice, leadership strength, a service culture and a diverse and skilled workforce.

FOUR KEY AREAS OF LEARNING

LEARNING

EARNING

BUSINESS

LIVING

ABOUT THE CENTRE FOR ADULT EDUCATION

OUR PROGRAMS & SERVICES

CAE is the leading provider of Adult and Community Education (ACE) in Victoria. With a strong focus on delivering both accredited and non-accredited courses, CAE connects with the community through socially inclusive practices that recognise diversity and creativity.

CAE receives Victorian Government funding to deliver accredited courses 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 key resources including the City Library, Learner Services and access to 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 programs and services through the following three delivery centres:

ARTS & CULTURE

Creative Arts, Visual Art, Living & Lifestyles and CAE Book Groups

CAE COLLEGE

Victorian Certificate of Education (VCE), Liberal Arts, Victorian Certificate of Applied Learning (VCAL), General Education and Languages.

EMPLOYMENT SKILLS

Community Services, Business, IT and Retail, Writing & Editing, Health and Wellbeing and Workplace Language, Literacy and Numeracy.

OUR VALUES

CAE's Staff Code of Conduct was developed in line with our values statement and endorsed by the CAE Board in April 2009. CAE staff committed to the following five values and demonstrate these in their daily work:

LEARNING

At CAE we are dedicated to providing the best possible learning experience and outcomes for our learners.

INCLUSION

At CAE we foster an environment for learners and staff in which diversity of constructive opinion, perspective and culture is valued and encouraged.

INTEGRITY

At CAE we are impartial in our actions and support fairness and equity for our learners and staff.

INNOVATION

At CAE we strive for innovation to provide an optimal learning environment and experience.

COMMITMENT

At CAE we behave in a way that supports and demonstrates our commitment to CAE's mission and values.

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.

A significant project commenced in 2009 is the CAE Quality Framework, a platform for continuous improvement. The CAE Quality Framework is based principally on the Australian Quality Training Framework Excellence Criteria. The five categories include:

LEADERSHIP

The focus in this area relates to the establishment and implementation of CAE's purpose, values, direction and performance expectations in order to maintain its status as a reputable training organisation.

LEARNING AND ASSESSMENT

The focus in this area relates to CAE's achievement of high-quality learning and assessment outcomes that meet or exceed client, industry and community expectations.

PEOPLE


Focus in the People area relates to CAE's management of its workforce to ensure that it is motivated, skilled and capable of delivering its planned high-quality learning, and assessment outcomes.

RELATIONSHIP MANAGEMENT

Focus in the Relationship Management area relates to CAE's management and development of its relationship with clients and other stakeholders to add value for clients and the wider community.

CORPORATE (INTEGRATED INFORMATION SYSTEMS)

This criterion relates to CAE's management of its resources, assets, and knowledge base to improve its overall performance.



CAE's Facilities Master Plan was established to maximise the use of existing facilities and forecast future facility needs to enable growth. The first major project has been the development of facilities at 278 Flinders Lane which allocates space for Corporate Services to operate and provides specially designed and equipped areas that better meet delivery requirements of our learners. This includes specialist learning facilities such as an independent learning centre, computer labs and classrooms.

Important improvements in CAE's ICT and systems were achieved in 2009 through an investment of \$900,000. This significant spend resulted in the launch of the following :

- Student Management System;
- Document and Knowledge Management System;
- Web Online Enrolments and Secure Payments;
- Staff and Student Intranet;
- Core Hardware Infrastructure and Storage Upgrade;
- Wireless Networking Infrastructure;
- Business Intelligence Systems;
- Centralised Procurement; and
- Finance System Upgrade.

OUR ACHIEVEMENTS

In 2009 CAE performed well in the following areas:

- Operating revenue of \$27,871,000;
- Equivalent full-time staffing average of 258.05;
- 33,746 learners in over 60,375 subject enrolments;
- Delivery of 1,462,452 Student Contact Hours (SCH); and
- Working capital ratio at 31 December 2009 of 2.04.

CHAIRPERSON'S REPORT



“ This report recognises our achievements and highlights our unique role in supporting the lifelong learning and skills acquisition needs of Melburnians ”

On behalf of the CAE Board, I am proud to present the 2009 Annual Report. CAE continues to be a leader in the provision of adult, vocational and community education in Victoria. This report recognises our achievements and highlights our unique role in supporting the lifelong learning and skills acquisition needs of Melburnians. Furthermore, this report acknowledges the contribution of my fellow Board Members and CAE staff in the delivery of a successful year.

The CAE Strategic Framework 2009-2013 was developed in response to the reform of vocational, adult and community education in Victoria. This Strategic Framework lays the foundation for our future growth and positions CAE to continue to meet the learning needs of a diverse range of individuals, as well as the changing expectations of CBD businesses, community and government at all levels. Following the Board's endorsement in late 2008, the Strategic Framework was officially launched in March 2009, by the Honourable Jacinta Allan MP. This Strategic Framework builds on our proud history of achievement in the provision of adult learning in Melbourne and enables us to publicly present our vision for the future to our learners and stakeholders.

The results of the work of CAE in 2009 were very pleasing, meeting financial and contractual requirements, with 15% revenue growth (compared with 7% in 2008). Government sources contributed 38% to the total revenue with the remainder from fee-for-service and other sources. Our working capital ratio continued to improve to 2.04 at 31 December 2009 compared with 1.94 in 2008.

Further to this financial result, CAE's significant contribution to the economic and social wellbeing of the community of Melbourne is illustrated in the delivery of 1,462,452 student contact hours to 33,746 learners in over 60,375 subject enrolments.

In addition to the excellent outcomes for our learners studying for vocational qualifications, we are delighted with the achievements of the OET Centre. The OET assesses the English language proficiency of people who have trained as medical and health practitioners in one country and wish to gain provisional registration to practise their profession in an English-speaking context.

In 2009 the OET was administered globally by the OET Centre seven times. The majority of candidates (56.42%) sat the OET in Australia; demand was strong in countries such as Brazil, Egypt, India, Iran, New Zealand and the United Arab Emirates. The largest professional group sitting the OET was Nursing (46.60% of the total candidature for 2009), followed by Dentistry, Medicine and Pharmacy. Global test registrations for 2009 increased by over 21% compared with 2008.

The Board continued to provide CAE with the governance to meet strategic goals in 2009 and I acknowledge the outstanding commitment of CAE's Board Members to the organisation. I would particularly like to extend my thanks to the outgoing Board Members, Helen Ormond and Graeme Cocks, who finished their terms during 2009. With the other ongoing Board Members: Fran Thorn, Mark Brogan, Shaun Coffey, Denise O'Brien and Michelle McCann, welcome to our incoming Board Members, Jane Garrett, Sean Hughes, Adrian Smith and Alison Terry.

Throughout 2009 the work of the Board included the development of a CAE Board Powers and Delegations Register that resulted in a restructure of the Board Committees in order to better provide expert advice. The committees are: Finance and Resources, Audit and Risk Management and Governance and Remuneration. With a focus on Risk Management the Board participated in a Risk Management workshop at its strategic planning day



in September. Of significance was the endorsement of the CAE Quality Framework. This framework assists CAE to fully comply with key standards and regulations, including those of the Australian Quality Training Framework, and provides for continuous improvement in our work.

I would like to express my appreciation of the time and expertise given by our Board Members to these Board Committees.

CAE enjoys a very positive relationship with the Victorian Government. We thank the Honourable Jacinta Allan MP who relinquished her portfolio as Minister for Skills and Workforce Participation in December 2009. Her commitment and support of CAE over the past years is much appreciated. We look forward to working with the incumbent Minister for Skills and Workforce Participation, the Honourable Bronwyn Pike MP, as CAE continues to actively respond to skills reform through our contribution to consultation processes and the alignment of the CAE Strategic Framework 2009-2013 to the objectives of *Securing Jobs for Your Future – Skills for Victoria*.

We acknowledge and thank Mr Adrian Nye, who stepped down as Acting Chairperson of the ACFE Board in October 2009, for his contribution to the Adult Community Education sector and welcome the appointment of Ms Rowena Allen as Chairperson of the ACFE Board. Ms Allen's three year

term commenced on 1 November 2009 and we look forward to working with her in coming years. We would also like to express our appreciation and thanks to Sandy Forbes, General Manager ACFE, Department of Planning and Community Development.

On behalf of the CAE Board I extend our gratitude to the CEO, Denise O'Brien, who is dedicated to creating a learning environment which engages, inspires, acknowledges and supports its people. Denise continued to provide outstanding leadership and direction for CAE in 2009. I also thank the Executive Team and CAE's committed staff for their contribution to another excellent year.

Frank King

Chair, CAE Board

CEO'S MESSAGE



“ At CAE we proudly present an opportunity for Melburnians to transform their lives through the power of learning ”

At CAE we understand the value of learning. We understand too the vital role the Centre for Adult Education plays in the Melbourne community, enabling adults of all ages to continue to learn, to enhance their life or to develop skills for employment or further study.

We proudly present a unique opportunity for learners to participate in learning by traversing through the many short course options and utilising the numerous access points into accredited training that expand skills and qualifications. This provision of exciting, relevant and accessible programs and services to the residents, visitors and employers of Melbourne's vibrant CBD is at the heart of our work at CAE.

In 2009 CAE continued with its mission to “transform lives through the power of learning”. With the endorsement of the CAE Strategic Framework 2009-2013 we embarked on delivering a broad range of programs and services to our learners and clients, identified in the four learning streams: Learning for Learning, Learning for Earning, Learning for Business and Learning for Living. Our Strategic Framework guides our work at all levels; it describes a range of broad objectives to assist CAE to diversify and grow through meeting the current and future needs of our learners and clients.

CAE welcomed the Victorian Government's *A Stronger ACFE – Delivering Skills for Victoria* statement. Significant investment in the Adult and Community Education (ACE) sector is made through this statement, that further supports the skills reform agenda as set out in the *Securing Jobs for Your Future – Skills for Victoria* package. CAE has positioned well for these initiatives and is pleased to be a Skills for Growth provider delivering workforce consultancy services to small business.

Along with the hundreds of short course options available to our learners, CAE continues to provide government supported programs that lead to a range of nationally accredited qualifications, from Foundation level through to Diploma or Advanced Diploma levels. CAE is accessible and strives to create the learning environments that best supports learners to meet their goals and aspirations.

There are many achievements to celebrate for 2009:

- CAE continued to deliver the ReTale program with industry partners Victoria Police, Salvation Army, City Local Learning and Employment Network and City of Melbourne. This program is designed for at-risk youth who have experienced a disruption to learning and includes the full Certificate II in Retail. I was delighted to be present at two graduations in June and December and celebrate the achievements with the learners, their families, friends and supporters.
- In partnership with Melbourne Library Service and the Mitchell Library in Glasgow, Scotland, CAE Book Groups launched the “Two Books, Two Cities” project in which a CAE Book Group in Melbourne connected with a Mitchell Library Book Group in Glasgow. Both book groups read the same book and discussed it virtually, via an online discussion forum.
- CAE enjoyed further engagement with the Melbourne community through festivals and events. CAE was a supporting partner of the Melbourne International Comedy Festival, Melbourne International Arts Festival, Melbourne Writer's Festival and State Library of Victoria's Summer Read program. CAE was involved in umbrella programming with Melbourne Spring Fashion Week, the Melbourne Food and Wine Festival, Craft Victoria, the National Gallery of Victoria and Federation Square.



- CAE managed three key ACFE projects for the ACE sector: Support for Quality Pre-accredited Teaching and Learning in ACE; A-frame, Adult Literacy and Numeracy in ACE Capability Project Stage 2 and Quality Pre-accredited Delivery. These projects bring together expertise from staff in Educational Research, Delivery Innovation, General Education and Workplace LLN.
- CAE delivered customised language and cross-cultural communication skills training to a range of corporate and government clients in 2009. Languages delivered included Auslan (Australian Sign Language), Farsi, Filipino, Khmer, Mandarin and Portuguese.

There are many more highlights from 2009 to revisit and I encourage you to read further in the Report of Operations.

The success of CAE is due to the support of many. I am grateful for the ongoing assistance received from Sandy Forbes, General Manager, ACFE. Sandy was a strong advocate for the work of CAE throughout her six or so years with ACFE. We look forward to our continued association with the ACFE team at the Department of Planning and Community Development.

I thank most sincerely the CAE Board, Chairperson Frank King and all Board members for their encouragement, and acknowledge their dedication to the provision of good governance.

I appreciate and acknowledge the individual and collective contribution of the Executive, managers and staff to the development and roll-out of the Strategic Framework 2009-2013. We commenced the year with the task of ensuring our organisational structures, systems and operational

processes were aligned to our strategic objectives, as well as positioning CAE to maximise the opportunities of the Victorian Government's skills reform. This required all at CAE to work 'beyond the call' and with the investment in new systems and facilities a solid foundation is now in place to support our work.

The Executive team brings an exceptional combination of experience, knowledge and strong leadership to CAE and I thank them for their significant contribution to CAE in 2009: Gulay Cuvegen, Chief Financial Officer, General Manager Corporate Services; Sue Seawright, General Manager Business Development & Consulting Services; Jan Golden, General Manager Learner Development & Delivery Innovation; and Fel Bisiani, Executive Manager, OET & Educational Research.

2009 has been a year of significant change for CAE and I particularly thank the teaching and administrative staff who have demonstrated their commitment, enthusiasm and professionalism on a daily basis to the learners, employers and community they serve.

Denise O'Brien
Chief Executive Officer

CAE BOARD as at 31 December 2009

CAE BOARD	
Mr Frank King	Chair
Ms Denise O'Brien	CEO
Mr Mark Brogan	
Dr Graeme Cocks*	
Ms Jane Garrett**	
Mr Sean Hughes**	
Ms Helen Ormond*	
Mr Adrian Smith**	
Ms Alison Terry**	
Ms Fran Thorn	
Ms Michelle McCann	Staff member
Mr Shaun Coffey	Learner member

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

The Board of Governance Handbook has been developed as a resource for CAE Board Members to provide information regarding corporate governance, Board member responsibilities, the legal and regulatory frameworks and CAE operations.

The Board is accountable for the provision of sound governance. As a 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 endorsement of a CAE Board and Delegations Register, the Board restructured its committees to provide expert advice to the Board.

The committees and their members are:

FINANCE AND RESOURCES

Alison Terry (Chair), Frank King, Adrian Smith, Jane Garrett and Denise O'Brien.

AUDIT AND RISK MANAGEMENT

Mark Brogan (Chair), Frank King, Helen Ormond, Sean Hughes and Denise O'Brien.

GOVERNANCE AND REMUNERATION

Fran Thorn (Chair), Frank King, Alison Terry and Denise O'Brien.

CAE Board members undertook risk management training during 2009.

The CAE Board held the following meetings in 2009:

- CAE Board: seven meetings (including the Board Planning Day)
- Finance and Resources Committee: 10 meetings
- Audit and Risk Management Committee: four meetings
- Governance and Remuneration Committee: two meetings

* Term expired during 2009

** Term commenced during 2009

CAE BOARD MEMBERS



FRANK KING

CHAIR

Ministerial appointee

Term commenced 7 September 2009

Term expires 31 December 2011

Board attendance: 6/6

Qualifications

- Bachelor of Commerce

Frank King brings experience in finance, risk management and accounting to the CAE Board. He is Principal of FJ and JM King and Associates, providers of policy and strategic advice to corporate and public entities that do business in the public sector. Frank is the Chairperson of CAE, President of the Emergency Services Superannuation Scheme and a Board member of Victoria Legal Aid and the Growth Areas Authority. He is an independent member of the Audit Committee of the Parliament of Victoria and a Board member and Chair of the Audit and Risk Committee of Social Traders Ltd. He was a recipient of the Centenary Medal for outstanding service to government on policy issues.



DENISE O'BRIEN

CHIEF EXECUTIVE OFFICER

Appointed 4 August 2008

Board attendance: 6/6

Qualifications

- Master of Education
- Bachelor of Education
- Diploma of Teaching
- Graduate Diploma of Special Education
- Graduate Diploma of Education
- Graduate Certificate in Leadership Development
- Diploma of Frontline Management

Denise O'Brien commenced in the position as CEO of CAE in August 2008. Denise has worked in a broad range of teaching, management and leadership positions across many educational sectors, in both regional and metropolitan Victoria. Coming from an Early Childhood and Special Education background, Denise moved from teaching to Head of Department and Manager International at Wodonga TAFE. Denise held her first Executive position at East Gippsland Institute of TAFE as Associate Director Learning and Innovation, then took up the position as General Manager Education at Adult Multicultural Education Services (AMES). In 2005 Denise returned to Wodonga TAFE as the CEO. Denise is acutely aware of the economic and social impact of lifelong learning and the place public providers hold in ensuring the quality of service delivery at all levels. In her current position at CAE Denise plays a key strategic and leadership role relating to the effective and relevant delivery of adult and vocational education and training programs and services to the individuals, businesses and communities of Melbourne and beyond.



FRAN THORN

DIRECTOR

Ministerial appointment

Term commenced 31 January 2005

Term expired 31 January 2008

Re-appointed 22 April 2008

Term expires 15 March 2011

Board attendance: 3/6

Qualifications:

- Bachelor of Arts (Honours)
- Master of Arts
- Master of Business Administration
- Graduate Diploma of Librarianship

Fran Thorn brings leadership, change management, organisational culture, research and development skills to the CAE Board. Fran was appointed Secretary of the Department of Health, which was created in August 2009 to ensure a truly integrated approach to health, mental health and aged care. Between 2007 and 2009, Fran was Secretary of the Department of Human Services, predecessor to the Department of Health. Between 2005 and 2007, Fran was Secretary of the Department of Innovation, Industry and Regional Development. Immediately prior to this role she was with the Department of Sustainability and Environment as Under Secretary, Portfolio Performance. She has also been actively involved in managing an implementation of reforms in government service delivery in education and training at a system-wide level and in the management of human resources at a public sector-wide level.



ALISON TERRY

DIRECTOR

Ministerial appointment

Commenced 1 May 2009

Term expires 31 December 2011

Board attendance: 4/4

Qualifications:

- Bachelor of Economics
- Bachelor of Laws (Honours)
- Graduate Diploma of Business (Accounting)
- Australian Institute of Company Directors – Diploma with Order of Merit, Company Directors' Course

Alison Terry holds the position of Head of Corporate Affairs at Better Place Australia, with responsibility for external relations, public policy and government affairs. Prior to her current role, she worked for GM Holden for 19 years in a number of legal, finance and external relations roles, including General Counsel and Executive Director, Corporate Affairs for Australia and New Zealand. Alison also serves on the Boards of Australian Super and NBN Tasmania and is a member of the Australian National University Finance Committee.



MARK BROGAN

DIRECTOR

Ministerial appointment

Term commenced 3 September 2008

Term expires 15 March 2011

Board attendance: 4/6

Qualifications:

- Bachelor of Law (Honours)
- Masters in Information Technology
- Masters in Accounting
- Certified Information Systems Auditor
- Certified Information Security Manager
- Certified in the Governance of Enterprise Information Technology

Mark Brogan is an Executive Director with Ernst & Young Melbourne, which he joined in 2005. Prior to this he served with PricewaterhouseCoopers in four global regions – Europe, North America, Asia Pacific and Australasia. He is a member of the Information Systems Audit and Control Association in Melbourne. His expertise in financial reporting, internal and external audits, information technology and risk management enables him to provide governance oversight on significant information technology projects in addition to CAE's financial reports. Mark serves as Chair of the CAE Audit and Risk Management Committee.



DR GRAEME COCKS

DIRECTOR

Co-opted 21 June 2004

Ministerial appointment

Term commenced 14 August 2006

Term expired 31 July 2009

Board attendance: 3/3

Qualifications:

- Bachelor of Science
- Masters of Science
- PhD in Science

Dr Graeme Cocks is a widely recognized business and community leader with networks established in Australia and overseas, who is regularly listed in *Who's Who in Business* in Australia and in the World. He is an experienced CEO with strategic leadership skills, extensive knowledge of the education sector and a demonstrated ability to operate at Board level and meet the needs of a diverse range of stakeholders. Dr Cocks also has education experience as Senior Lecturer at the University of Adelaide, Professorial Fellow in Management at the Mt Eliza Business School and Associate Professor at the Melbourne Business School.



JANE GARRETT

DIRECTOR

Ministerial appointment
Commenced 1 May 2009
Term expires 31 December 2011
Board attendance: 4/4

Qualifications

- Bachelor of Arts
- Bachelor of Laws (Honours)
- Admitted to Practice in 2000

Jane Garret is a lawyer who has worked in private practice and as a senior advisor to the then Premier Steve Bracks. She currently works at Slater & Gordon and is the Mayor of the City of Yarra. Jane has two daughters aged six years old and two years old. The daughter of a passionate English teacher, Jane has been given a lifelong appreciation of the importance of access to education and training to transform people's lives.



SEAN HUGHES

DIRECTOR

Ministerial appointment
Commenced 1 May 2009
Term expires 31 December 2011
Board attendance: 3/4

Qualifications:

- Bachelor of Arts
- Bachelor of Laws (Honours)
- Master of Laws
- Graduate Member of the Australian Institute of Company Directors

Sean Hughes is a Senior Executive at the Australian Securities and Investments Commission (ASIC) with particular responsibility for regulation of corporate governance. He previously held senior executive roles at ANZ (in risk management) and NAB (in legal). Sean holds degrees in Arts (History) and Law (Honours) from the University of Canterbury, Christchurch, NZ. He also holds a Master of Law from the University of Cambridge, UK. He is admitted to practise law in Australia, New Zealand, England and Hong Kong and was previously a partner in private practice. Sean holds a Graduate Diploma from the AICD and has a particular interest in enhancing ethics and corporate behaviour.



ADRIAN SMITH

DIRECTOR

Co-opted appointment
Term commenced 7 December 2009
Term expires 6 December 2012
Board attendance: 1/1

Qualifications:

- Bachelor of Business
- Fellow, Certified Practising Accountant
- Certificate IV Assessment & Workplace Training

Adrian Smith has extensive experience in business and organisational development consulting. He has significant financial, management and strategic experience to complement his corporate HR and organisation development experience across banking, professional services and manufacturing environments. Adrian has demonstrated the ability to work at a strategic/organisational level and at an individual level with an emphasis on constructive skills transfer. Adrian has worked effectively at all levels of management including tactical, operational, strategic and executive levels.



HELEN ORMOND

DIRECTOR

Ministerial appointment

Commenced January 2007

Term expired 31 January 2009

Board attendance: 1/1

Qualifications:

- Bachelor of Arts
- Diploma in Education
- Bachelor of Letters (Honours)
- Master of Arts
- Company Directors Diploma

Helen Ormond is an expert in change leadership and organisational alignment, having successfully led major programs in the corporate sector globally as well as in the public sector at a whole of government level. Her vocational education experience includes the implementation of an APEC award-winning program for a public utility and her membership of the Ministerial Advisory Committee in 2002 that established the TAFE Development Centre. Helen is currently a Program Director with Mt Eliza Executive Education at the Melbourne Business School. She has published, presented and been interviewed on a range of topics and her change leadership and research have been featured in the Australian Financial Review on several occasions. She is an accredited executive coach, a Fellow of AICD, Fellow of AIM, and Certified Professional of AHRI.



MICHELLE McCANN

ELECTED STAFF REPRESENTATIVE

Commenced 15 November 2008

Term expires 15 November 2010

Board attendance: 6/6

Qualifications:

- Certificate IV in Disability Work
- Certificate III in Aged Care Work
- Certificate III in Home and Community Care
- Certificate III in Community Services Work
- Certificate IV in Training and Assessment
- Certificate IV Occupational Health & Safety
- Train the Trainer Certificate
- Certificate in Occupational Studies

Michelle McCann brings a staff perspective to the CAE Board. She is a teacher in Community Services and has over 15 years experience in the Health and Community Services sector. In addition to teaching in Community Services she also works as a public safety officer at major events. She is chief fire warden and a health and safety representative.



SHAUN COFFEY

ELECTED LEARNER REPRESENTATIVE

Commenced 30 July 2008

Term expires 6 August 2010

Board attendance: 6/6

Shaun Coffey brings a learner perspective to the CAE Board. Shaun Coffey is currently undertaking an Arts Degree at the Australian Catholic University. He has been a learner at CAE for the past two years. He successfully completed VCE, studying Philosophy, Religion and Society, English Language and Legal Studies at CAE.

CAE EXECUTIVE TEAM



CHIEF EXECUTIVE OFFICER

Denise O'Brien is responsible for the operational execution of the strategic direction of CAE, as delegated by the CAE Board. Denise O'Brien provides guidance, leadership and authoritative advice to the executive team, CAE staff and CAE Board. The Executive Team reports directly to the CEO.



GENERAL MANAGER, BUSINESS DEVELOPMENT & CONSULTING SERVICES

Sue Seawright is responsible for Business Development, Marketing & Communications and the Service Hub. She is also responsible for a suite of fee-for-service education programs for individuals and organisations, including workforce development solutions in the areas of business, health and wellbeing, arts and languages.



GENERAL MANAGER, LEARNER DEVELOPMENT & DELIVERY INNOVATION

Jan Golden is responsible for accredited programs, short courses and a range of education projects across CAE's three program delivery areas: CAE College, Arts & Culture and Employment Skills. Overseeing learner services and innovation in program delivery is key to this portfolio.



EXECUTIVE MANAGER, OET & EDUCATIONAL RESEARCH

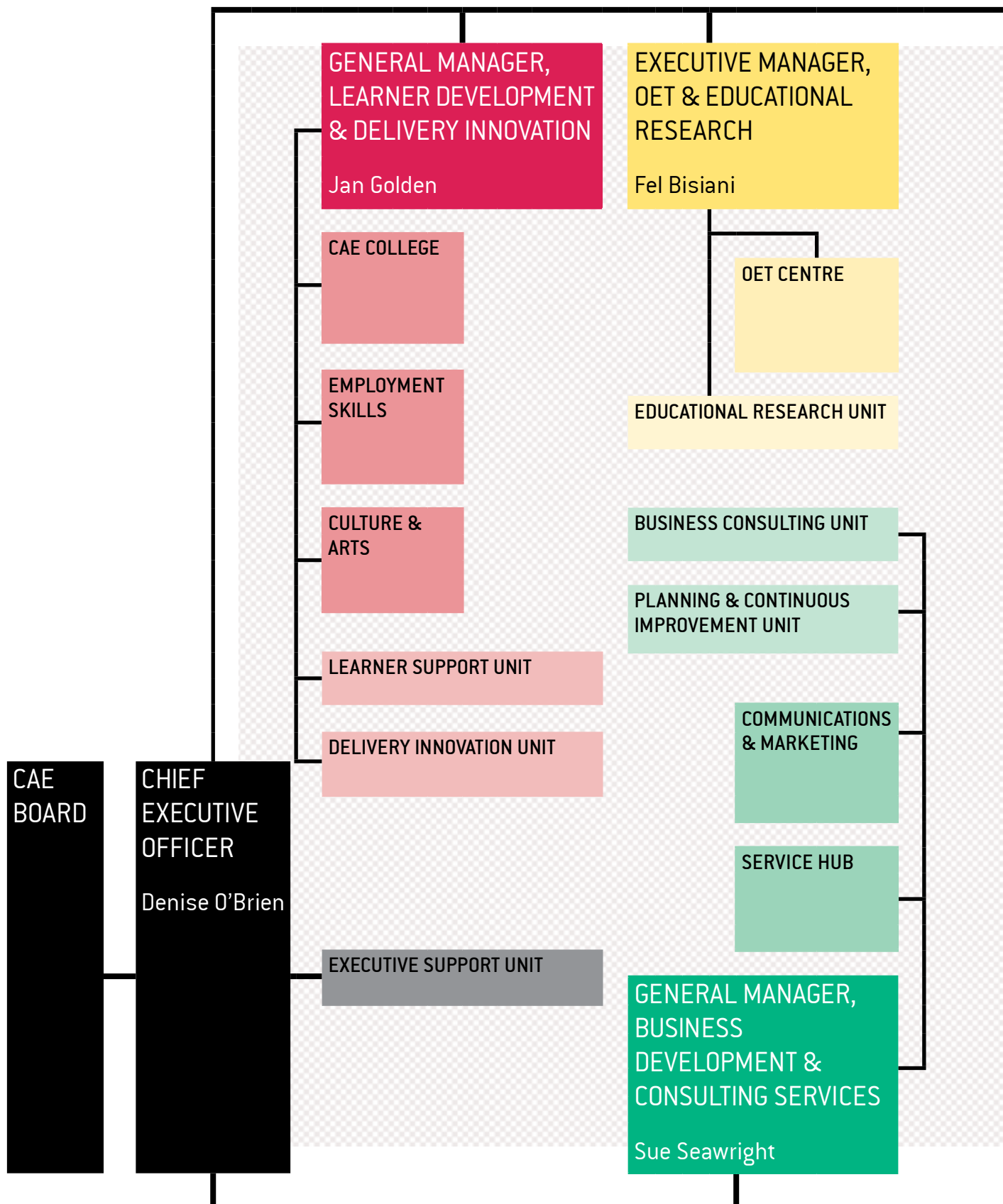
Fel Bisiani is responsible for the strategic direction of the Occupational English Test (OET) Centre. In 2009 the Education Research Unit was developed as part of this portfolio.

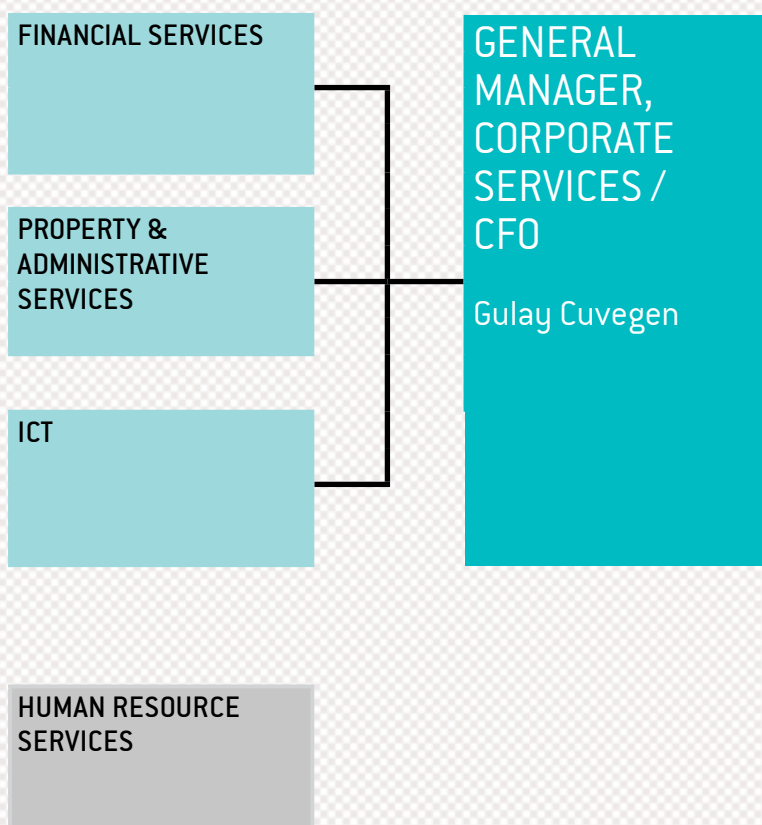


GENERAL MANAGER, CORPORATE SERVICES, CHIEF FINANCIAL OFFICER (CFO)

Gulay Cuvegen is responsible for CAE's Corporate Services including Financial Services, Property & Records Services and Information and Communication Technologies.

ORGANISATIONAL STRUCTURE 2009





SCOPE OF ACTIVITY

In 2009 CAE was registered with the Victorian Registration and Qualifications Authority to deliver 66 courses. This includes 35 training package qualifications and 31 nationally recognised courses.

CAE SUBJECT ENROLMENTS AND STUDENT CONTACT HOURS (SCH)

REPORTED BY SKILLS CATEGORY AND FUNDING CODE FOR THE YEAR ENDED 31 DECEMBER 2009

Level		Students*	Enrolments	Sch
Foundation	Fee-for-service	25	112	8,760
	Government Contract	626	4,859	236,533
Creation	Fee-for-service	875	1,130	32,226
	Government Contract	1,290	4,453	278,389
Building	Fee-for-service	317	5,297	27,236
	Government Contract	753	4,677	179,973
Deepening	Fee-for-service	85	671	12,657
	Government Contract	232	2,329	80,399
Short Course	Fee-for-service	20,322	26,123	302,181
Book Groups	Fee-for-service	10,558	10,621	300,573
Other	Government Contract	60	103	3,525
Total		33,746	60,375	1,462,452

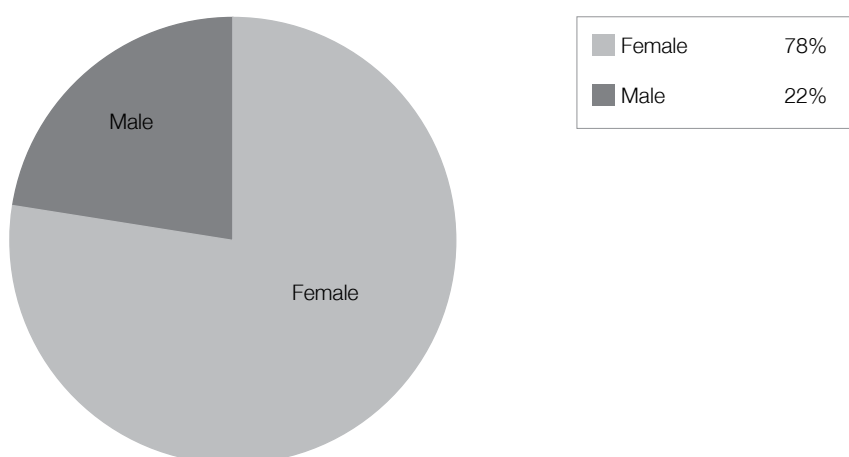
* Total figure for students will not equal the sum of categories as a student can be enrolled under multiple categories but is only included once in the total.

CAE LEARNER PROFILE

PARTICIPATION RATE OF 15-24 YEAR OLDS AND 25-64 YEAR OLDS

Age	Female	Male	Total
<15	5	4	9
15-24	2,234	1,051	3,285
25-64	17,757	5,293	23,050
65+	4,486	576	5,062
Not stated	1,765	575	2,340
Total	26,247	7,499	33,746

GENDER BREAKDOWN



STUDENTS BY AGE GROUP

AGE TAKEN AT 30 JUNE 2008

Age	Total no. students	%
<15	9	0.0
15-24	3,285	9.7
25-34	7,089	21.0
35-44	5,021	14.8
45-54	5,219	15.5
55-64	5,721	17.0
65+	5,062	15.0
Not stated	2,340	7.0
Total	33,746	100

STUDENTS BY AGE GROUP BY FUNDING TYPE

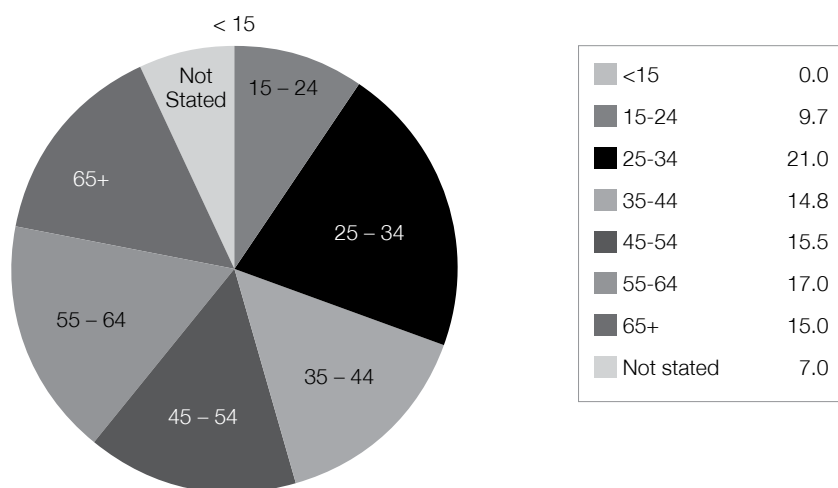
AGE TAKEN AT 30 JUNE 2008

Age	Government	Fee-for-service	Book Groups	Others	Total
<15	0	9	0	0	9
15-24	801	2,516	35	4	3,285
25-34	578	6,355	294	9	7,089
35-44	482	3,817	841	6	5,021
45-54	435	3,102	1,832	7	5,219
55-64	304	2,620	2,969	4	5,721
65+	136	1,067	3,941	1	5,062
Not stated	0	1,665	646	40	2,340
Total	2,736	21,151	10,558	71	33,746

MODULE LOAD COMPLETION RATE

528,282 / 854,235 = 0.62

AGE ANALYSIS



NUMBER OF PROGRAMS

QUALIFICATION IS A PROGRAM, FFS COURSE IS A PROGRAM

	Government-funded	Fee-for-service	Youth Pathways programs	Total
2009	54	1843	3	1881
Total	54	1843	3	1881

CAE PROGRAM SNAPSHOT

LEARNING FOR LEARNING

Supporting people to successfully engage in learning

CAE continued to deliver the ReTale program with industry partners Victoria Police, Salvation Army, City Local Learning and Employment Network and City of Melbourne. This program is designed for at-risk youth who have experienced a disruption to learning.

The ReTale program format includes the full Certificate II in Retail, support from CAE's Youth Pathways Officers and Counsellors and a weekly program with a group of mentors from Victoria Police. Following the completion of the program, many of the learners have pursued their own pathways. These include work placements and continuing education in VCE, VCAL, Retail, Hospitality, Tourism, Childcare, Nursing and Graphic Design.

LEARNING FOR EARNING

Assisting learners to develop, update and enhance skills for employment

As a major component of CAE's Writing & Editing accredited program, learners are equipped with the skills and expertise to pave their own writing careers. In 2009, many learners had their work published, ranging from feature articles, reviews, poems, short stories, play scripts and blogs, to fiction and non-fiction titles. Other learners found success in competitions and awards. Former Writing & Editing learner, Amra Pajalic, won the Melbourne Prize for Literature Civic Choice Award in December 2009 for her young-adult book *The Good Daughter*.

LEARNING FOR BUSINESS

Designing workforce development solutions to improve and sustain business performance

CAE's Customised Enterprise Training program provides training and assessment services to employees from organisations as diverse as local government, engineering, economics, IT and legal firms, football clubs and bus companies. In 2009, the Workplace LLN Unit also assessed the needs of and delivered an accredited teacher-training course to teachers from the Australian Defence Force School of Languages. Employees who have participated in Workplace LLN training have ranged from floor staff through to supervisors and other senior staff. One-to-one specialised tuition is also a growing area of workplace provision.

LEARNING FOR LIVING

Enriching life through access to diverse learning experiences

As part of its Book Groups program, CAE delivers various additional activities such as a number of a café book club courses in the CBD, an emerging writers book club, facilitated book clubs within the CBD and coordinated workplace book clubs. Book Groups continues to build partnerships with Arts and Culture organisations in the CBD, including Melbourne Library Service, Melbourne Writers Festival, Hopscotch Films and Readings. Book Groups had 994 book groups and 10,610 members across Australia in 2009, with 747 book groups in rural and urban Victoria and 247 interstate book groups. In 2009, 17 CAE Book Groups have been operating for 50 years or more, while 239 CAE Book Groups have been operating for five years or less.



OUR PROGRAM DELIVERY AREA REPORTS & HIGHLIGHTS

CAE COLLEGE

CAE College provides a comprehensive and supportive adult learning environment for individuals to achieve their vocational, personal and further study goals. Flexible learning options range from foundation skills to tertiary pathways in a dynamic learning precinct.

CAE College develops independent learning skills through the provision of a range of flexible, adaptive and e-learning alternatives. Learners come from all parts of Melbourne and range in age from 16 years old through to mature age.

The programs delivered in this area in 2009 include:

- Victorian Certificate of Education (VCE)
- Diploma of Liberal Arts (DLA)
- Victorian Certificate of Applied Learning (VCAL)
- ReTale
- General Education
- Languages Other Than English

CAE College successfully delivered a wide range of learner-centred programs and has had a number of significant achievements in 2009. These include the rapidly growing VCAL and Youth Pathways Programs, the diversity of VCE subjects on offer at CAE for both young and mature-age learners, the tertiary pathways program Diploma of Liberal Arts, and the many different learning options provided to our learners in ESL and adult literacy.

HIGHLIGHTS FOR CAE COLLEGE IN 2009

- VCE Year 12 results were strong, with 10% of CAE learners gaining an ENTER score in excess of 90. One learner achieved a perfect score of 50 in National Politics. 15.3% of students achieved A or above. Further, 82 students received first round tertiary offers. Two of our VCE graduates were successful applicants in the Early Achievers Program, offered through the Australian Catholic University. This program recognises the achievements and community contributions made by prospective students, assesses them on their potential for undertaking tertiary study successfully and allows them to gain a place in the undergraduate course of their choice.
- VCAL learners participated in a digital storytelling project See Hear in June 2009. The digital story was a creative expression in response to the subject of conflict resolution and was projected on the wall in the Flinders Lane building ground floor foyer (outside the City Library) for two weeks for the CAE community to enjoy.
- In 2009 104 learners enrolled in the Certificate IV in Liberal Arts, 34 full-time and 70 part-time. In the second year Diploma course 29 learners enrolled: 10 full-time and 19 part-time. At the end of the year, 10 had successfully completed the Certificate and seven had completed the Diploma. Twelve learners overall were granted places at tertiary institutions including the University of Melbourne, Monash University, Victoria University and Australian Catholic University.

- During 2009 staff undertook a number of Professional Development workshops, including training on the Australian Core Skills Framework. This comprehensive framework describes levels of performance in learning, reading, writing, oral communication and numeracy and has a range of functions. The ACSF will be used by teachers in 2010.
- An increasing number of learners was referred to CAE from a range of agencies such as Red Cross, Asylum Seekers Resources Centre, New Hope Foundation and the Judy Lazarus Transition Centre.
- In 2009 CAE offered courses in over 20 languages, from beginner to advanced levels, short and accredited. Learners who successfully complete a course of accredited language at CAE may be eligible to receive a Certificate in Applied Languages. The most popular languages are French, Spanish, Italian, Japanese and Mandarin, with an increasing number of learners studying Arabic and Vietnamese.

EMPLOYMENT SKILLS

Employment Skills provides qualifications and courses aimed at supporting learners to develop, upgrade and enhance skills for employment. CAE offers tailored training and skills development in a wide range of accredited training programs that are delivered in both the classroom and the workplace with practical learning opportunities. Our training programs can be attended on a full-time or part-time basis, or undertaken as a short course where the focus is on developing skills in specific, targeted areas identified by the individual learner.

Training programs have been developed in conjunction with industry partners to ensure employer needs and capacity requirements are met.

In 2009 CAE offered accredited qualifications and training in the following areas:

- Writing & Editing
- Community Services
- Business, IT & Retail
- Health & Wellbeing
- Workplace Literacy, Language and Numeracy (LLN)



HIGHLIGHTS FOR EMPLOYMENT SKILLS IN 2009

- Eighteen entries were short-listed in the 2009 Cut Short short story competition, all of which had commendable elements. Many stories focused on relationships, and a wide range of human connections were explored: family, friends, work colleagues, dating, romantic and sexual relationships. A number of stories sensitively dealt with disability and many dramatically and succinctly explored loss and alienation. Judged by Melbourne writer and editor, Paul Mitchell, the first prize was awarded to Gillian Essex for her story Collingwood Forever.
- A large cohort of graduates from the Community Services courses have gained employment in the sector, particularly within the organisations where they undertook industry placement during their course. Some graduates have continued their learning journey in higher education.
- In August 2009, CAE partnered with Small Business Victoria as a host organisation in the annual Small Business festival, Energise Enterprise. Energise Enterprise is a unique festival with an extensive program of business education events aimed at providing inspiration, ideas and information to start or grow a business. In 2009, there was a clear focus on helping SMEs thrive in tough economic times and on following the examples of those businesses making positive gains despite the challenges. CAE conducted a suite of Business, IT & Retail oriented events which catered to a diverse range of small business owners throughout Melbourne.
- CAE offers various short course programs in the areas of fitness and movement and natural therapies. These include courses in yoga, tai chi, massage, meditation and a successful fitness program for the 50+ age group. In 2009 a new partnership was forged with Scuba Culture to deliver a wide range of industry recognised Scuba diving short courses. The accredited program provides an opportunity to prepare for employment in both the fitness industry as personal trainers and in the yoga industry as qualified teachers. CAE established a new partnership with the Academy of Yoga Learning in 2009 to deliver Australia's only nationally recognised course, the Advanced Diploma of Yoga Teaching.
- In 2009 the Workplace LLN Program delivered government funded training under the Workplace English, Language, Literacy & Numeracy (WELL) project to Maribyrnong City Council Home Care Workers (HCWs). This cohort of HCWs is from an English as a second language background and must communicate with their rostering staff by telephone. Speaking and listening, as well as completing paperwork, were the particular areas needing improvement. Feedback from the WELL project final report indicated that the HCWs were more confident with their day-to-day written and oral communication tasks and demonstrated the importance placed on training by the organisation. The project was funded by the Department of Education, Employment and Workplace Relations (DEEWR).

ARTS & CULTURE

Arts & Culture offers courses aimed at enhancing all learners' capacity for creative expression. The cultural sector offers a myriad of employment opportunities in the arts, entertainment, craft, design, hospitality, media and communications industries — as well as providing a source of enjoyment and community engagement for participants and audiences alike. All our courses are delivered by industry practitioners with a wealth of experience and expertise, using practical training.

Learners can develop specific skills through our short and manageable leisure-focused courses and can also map out a training pathway to further accreditation should they wish to develop creativity and technical skills for a vocational outcome. The centre also works with major partners to provide a vibrant and dynamic program that embraces festivals, exhibitions and venues across Melbourne's cultural landscape.

Arts & Culture offered accredited programs and short courses in 2009 across the following areas:

- Creative Arts
- Visual Art
- Living & Lifestyles
- Book Groups

HIGHLIGHTS FOR ARTS & CULTURE IN 2009

- Creative Arts was involved in a number of partnerships which incorporate CAE courses in their program of events. In 2009 some of these included Craft Cubed, Melbourne Spring Fashion Week, Salvadore Dali: Liquid Desire (NGV) and a newly developed partnership with the Academy of Interactive Entertainment (AIE) to deliver digital media and design courses, with great potential to build in 2010.
- The creative summer and winter schools in fashion and jewellery design were a popular format and there were capacity enrolments in many of the courses.
- 2009 marked the third year of our on-site cooking program in Journal Canteen and showed significant expansion in enrolments. 'Cupcakes Galore' continued to be the most popular course for Lifestyles, followed closely by 'Kitchen Boot Camp for Blokes'.
- Many successful partnerships continued throughout 2008 which saw Lifestyles courses delivered at or in conjunction with leading Melbourne organisations, including Alfred Brash Soundhouse, Belgian Beer Café Bluestone, Stella Maris Seafarers Club, PBS FM, Lavazza Coffee, Victorian College of the Arts, The Dance Academy, Royal Park Golf Course, Armadale Cellars and Melbourne Food Tours.
- Accredited Visual Arts graduating learners produced amazing work which they showcased at two highly successful exhibitions, Artful at 45downstairs (paintings, drawings, printmaking and sculpture) and Works on Paper at the City Library. Feedback from the Arts sector for all Visual Art work is extremely positive. A selection of this work has been purchased by CAE to be included in the CAE Art Collection.
- In partnership with Melbourne Library Service, CAE Book Groups offered subsidised CAE Book Groups at East Melbourne, North Melbourne and City Libraries as well as the Hub at Docklands. In this model CAE Book Groups provides the resources and Melbourne Library Service provides the venues.

- In partnership with Melbourne Library Service and the Mitchell Library in Glasgow, Scotland, CAE Book Groups launched the 'Two Books, Two Cities' project in which a CAE Book Group in Melbourne connected with a Mitchell Library Book Group in Glasgow. Both book groups read the same book and discussed it virtually via an online discussion forum.
- Through its partnership with the Melbourne Writers Festival, CAE Book Groups offered a literary dinner with Kerry Greenwood at Journal Canteen. It was a popular event and sold out. Working in another partnership with Hopscotch Films, CAE Book Groups offered a private screening of Whatever Works to CAE Book Group members at the Kino Cinema.

LEARNING FOR BUSINESS

Skills for Growth: the Workforce Development Program is a Victorian Government initiative dedicated to working with small and medium-sized enterprises (SME) to help them plan their business future and explore training and education opportunities to develop the skills of their employees.

The program, supported and delivered by CAE as a selected service provider for the Department of Innovation, Industry and Regional Development (DIIRD), assists SMEs in:

- identifying their business objectives and priorities;
- assessing the skill needs of their business and their employees;
- establishing a customised workforce training and development plan in line with individual SME's strategic business goals; and
- placing staff into accredited training.

CAE's workforce and training specialists assist with identifying and placing staff in relevant training. This is followed-up with a visit to SME businesses to review how business is progressing.

Participation in the program leads to increased productivity, business growth and training solutions that meet business needs, such as having appropriately trained staff to help tackle new challenges and ensuring businesses can adapt in a highly competitive and evolving market. The Skills for Growth program ensures that CAE SME clients have qualified staff with a focus on growing the business.

HIGHLIGHTS FOR LEARNING FOR BUSINESS IN 2009

CAE delivered customised language and cross-cultural communication skills training to a range of corporate and government clients in 2009. Languages delivered included Auslan (Australian Sign Language) and Mandarin. Training was delivered to individuals and to small groups, focusing on business language and business etiquette. CAE continued its ongoing partnership with the Australian Federal Police, designing and delivering private tuition in a range of languages to Australian Government officers in both Brisbane and Melbourne. We also commenced a significant partnership with the Defence Force School of Languages in 2009. CAE successfully delivered 26 language refresher courses in 14 languages, including Farsi, Khmer, Filipino and Portuguese, to Defence Force personnel onsite at Laverton.



WE PROVIDE...

LEARNER SERVICES

Learning is enabled through the provision of services that fulfil learner aspirations and maximise outcomes.

CAE's Learner Services unit was officially established in 2009 to cater for the extra needs that learners in accredited courses might have during their study at CAE. It offers personal counselling, careers counselling and advice, disability support, special assistance for youth and other support as required by learners. To reflect the growing number of young people enrolling at CAE, two new Youth Pathways Officers were appointed to work with learners who are under the school leaving age, ensuring that they are on Individualised Learning Plans and that they make a smooth transition to the adult learning environment.

ENGAGING ENVIRONMENTS

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

CAE's Independent Learning Centre, Learn@CAE, was established in 2009 in preparation for the 2010 rollout of learner management programs that will provide guided out-of-class learning activities. These activities will support the development of enhanced learning-to-learn and independent learning skills, off-site access to Learn@CAE, and flexible options for our learners. In addition to the establishment of Learn@CAE, CAE managed external projects such as the ACFE e-learning grant, AccessACE and EngageMe resulting in professional development opportunities for our staff to participate in e-learning workshops and to work on e-learning projects.

The staff from Delivery Innovation represented CAE at the following recent e-learning forums:

- delivery of an e-learning workshop for the ACFE funded capability project entitled New Learner markets;
- delivery of several presentations at ConVerge09 – the leading Victorian e-learning conference; and
- membership of the reference group for the national Community Housing e-learning project.

In 2009 CAE managed the following ACFE key projects for the ACE sector:

- Support for Quality Pre-accredited Teaching and Learning in ACE: A-frame
- Adult Literacy and Numeracy in ACE Capability Project Stage 2
- Quality Pre-accredited Delivery

These projects bring together expertise from staff in Educational Research, Delivery Innovation, General Education and Workplace LLN.

Another successful project managed by CAE on behalf of the Department of Justice was the Big Deal project. This project was designed to provide information and education about the effects of gambling to young people enrolled in VCAL and CGEA programs across the state and involved input from youth providers in ACE and TAFE settings.

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.

In 2009 CAE further developed relationships with many of Melbourne's major festivals to build mutually beneficial events and increase awareness of CAE in the Melbourne community. These include sponsorships with festivals such as the Melbourne International Arts Festival, Melbourne Writers Festival, Melbourne International Comedy Festival, Melbourne International Animation Festival, Melbourne Food and Wine Festival, and many foreign language film festival events.

Other important partnerships centred on lifelong learning and community engagement included the City of Melbourne, Melbourne Library Service, Melbourne Spring Fashion Week, NGV and a new formed relationship with Federation Square.

CAE's committed 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.

LEADING PRACTICE

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

In 2009 the Educational Research Unit was established with the aim of building and continually enhancing CAE's reputation as a national leader in adult learning. Through the acquisition of research funding, the conduct of research activities and the furthering of relationships with other research communities, the Unit aims to provide and disseminate knowledge and understandings, thus contributing to the continuous improvement of CAE's educational practice. Unit staff work collaboratively across the organisation, providing CAE staff with the opportunity to engage in specialist research and raising CAE's profile as an adult learning provider of choice.

2009 has also been a year of change in the areas of quality and compliance. Under the organisational re-alignment, the Planning and Continuous Improvement unit was formed to oversee the strengthening and ongoing development of the organisational quality framework. Some key achievements are:

- the implementation of a new quality framework, based on the AQTF 2007 excellence criteria;
- the development and revision of a large number of quality documents to assist the CAE in its ongoing journey towards full compliance with key standards and regulations, including the AQTF; and
- the introduction of a committee structure which reflects the commitment of the Executive Team to quality and continuous improvement. The key committees are the CAE Continuous Improvement Group and the Educational Quality Group, both of which include representation from the Executive.

OCCUPATIONAL ENGLISH TEST



The purpose of the Occupational English Test (OET) is to evaluate the English language competence of people who have trained as medical and health practitioners outside Australia and wish to gain provisional registration to practise their profession in an English-speaking context. The OET is administered by the OET Centre. Candidates for the OET are from twelve health and allied health professions: dentistry, dietetics, medicine, nursing, occupational therapy, optometry, pharmacy, physiotherapy, podiatry, radiography, speech pathology, and veterinary science. Nursing, dentistry and medicine currently provide the largest numbers of candidates. All four language skills are tested – listening, speaking, reading and writing – with an emphasis on contextualized communication for professional purposes.

The test is currently used by governing bodies of health professions at state and national level in Australia, New Zealand and Singapore. The Regulatory Authority governing each profession determines both the result required from candidates to meet the standard that will allow them to communicate effectively in the workplace and the period of validity of results. The OET Centre has a Memorandum of Understanding (MOU) with the University of Melbourne for OET research, test materials supply, assessment analysis and technical support.

2009 Performance Results

In 2009 the OET Centre administered the Test globally seven times. 56.42% of candidates sat the OET in Australia. The largest professional group sitting the OET was Nursing (46.60% of the total candidature for 2009), followed by Dentistry, Medicine and Pharmacy. Global test registrations for 2009 increased by over 21% compared with 2008. Demand for the OET continues to be strong in all Australian cities, New Zealand, Egypt, Iran and South America. Sales of practice materials via the OET online bookshop increased by 9.53% in 2009. New editions of Listening and Reading Sub-test Practice Materials have been developed and are scheduled to be sold via the OET website in early 2010.

Outsourcing of OET administrations

In May 2009 the OET Centre, in line with the CAE Risk Mitigation Policy, arranged for the global outsourcing of test administrations and negotiated a Services Agreement with Talent2 Optimise, a highly experienced Australian logistics and recruitment company, to conduct their services in all Australian and international test venues. The global outsourcing to one company of OET administrations was deemed to be the optimal means of increasing test security, mitigating risk to intellectual property and ensuring the consistent application of the OET Centre's high test delivery standards.

OET REVIEW

Website

Further development of the OET Centre website was confirmed in December 2009 and will continue to improve administrative processes and further reduce the assessment period. As part of the OET Centre's continual focus on operational efficiency, results for any given administration of the OET are now uploaded, published and available for candidates to view via their online candidate record within 15 business days of the Test. All candidates continue to apply for the OET via the website and online payments have become the preferred method. On average over 250 online enquiries per week are lodged and are answered by Client Services staff within twenty-four business hours.

Presentations

Presentations were given to Assessing Authorities for UK health professions in May 2009 with a view to having the OET recognised by professional bodies there. An application has been lodged with the UK Border Agency to have the OET listed as a test of English language proficiency for immigration purposes. Contact with these authorities is ongoing.

Throughout the year, OET management and staff presented and liaised with a range of regulatory authorities and government departments including the Australian Nursing & Midwifery Council Standards Committee, Nursing & Medical Boards of Qld & WA, Australian & NZ Physiotherapy Standards Committee, SA Health (Nursing & Midwifery), International Medical Graduates' Sub-committee of the Postgraduate Medical Council of Victoria, Engineers Australia, DIAC and DEEWR.

Papers on OET research were presented in June 2009 at the International Conference on Communication, Medicine and Ethics (COMET) in Cardiff, Wales. Presenters discussed the dissemination of ongoing research in discourse/communication studies and practical ethics which engages directly with healthcare practitioners.

In September 2009, the fifth annual OET Forum engaged over 75 attendees who listened to various presentations and participated in discussion with a focus on effective communication in the workplace. Speakers included educators, practitioners, researchers from the University of Melbourne, representatives of Federal and Victorian Government departments and key professional bodies.

Relationships with Stakeholders

The OET Stakeholder Group, which has members from Federal Government departments, professional bodies and the University of Melbourne, met twice in 2009. Changes to Government policy, OET procedures and operations, website functionality, research and planned developments within the professions were discussed. The OET Centre held regular meetings with representatives of the boards and councils that govern the health professions at state and national level and with staff of the Language Testing Research Centre of the University of Melbourne.



MARKETING & COMMUNICATIONS

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

Four Course Guides were produced in January, April, June and September to promote CAE courses and events. They were distributed through the metropolitan run of the Saturday edition of *The Age*, CAE's student and business databases, City Library and CAE's CBD campuses. These Course Guides were supported with e-broadcasts sent out via CAE's electronic database.

In addition, an Urban Summer program was released in November to promote summer programming at CAE. A substantial supportive campaign was coordinated to garner greater awareness of, and interest in, CAE's courses.

CAE partnered with Melbourne festivals to develop and support mutually beneficial events for stakeholders as well as increase awareness of CAE in the Melbourne community.

Sponsorships: Melbourne International Comedy Festival, Melbourne International Animation Festival, Melbourne International Arts Festival and the Melbourne Writers' Festival.

Partnerships: Melbourne Food & Wine Festival, Melbourne Library Service, Melbourne Spring Fashion Week, NGV, Craft Victoria, Federation Square, Palace Films, Italian Film Festival, Spanish Film Festival, Chinese Film Festival, Melbourne Latin American Film Festival, Hopscotch Films, Icon Films, State Library of Victoria Summer Read and Energise Enterprise.

Herald Sun Melbourne Career Expo: Keen to showcase the breadth of CAE's offerings to a wide range of potential learners, CAE participated in its first Career Expo from Friday 24 July until Sunday 26 July at the Melbourne Convention and Exhibition Centre. Staff from all program delivery areas assisted with the 'tell and sell' of our range of accredited and short courses.

PEOPLE & CULTURE

CAE's People & Culture Unit provided support and advice through a period of change. The new organisation structure was implemented in 2009 and this resulted in some new opportunities for existing staff as well as welcoming new people to the CAE team. In addition to a successful planning day, CAE convened a Staff Conference in 2009. 94% of staff agreed the conference was a valuable experience, offering the opportunity to learn and network.

In 2009 People & Culture reviewed its systems, processes, policies and procedures. A review of the Human Resource Information System was undertaken and work commenced to ensure meaningful reports were produced to meet the needs of CAE staff.

Planning commenced for the implementation of an e-recruitment system which will improve security around data collection and provide statistical information about CAE recruitment. In addition planning commenced for a new on-line induction program. The new program will mean that every new employee to CAE will be inducted on their first day. The on-line induction will be supplemented with quarterly face-to-face induction programs.

Under the Australian Quality Training Framework, a review of human resource policies and procedures has also commenced.

CAE ORGANISATIONAL BEHAVIOURS

CAE has adopted the public sector values to underpin the way staff behave and interact with their colleagues, CAE leadership and learners. In addition CAE has developed its own Code of Behaviours to further define CAE expectations of its staff.

OCCUPATIONAL HEALTH AND SAFETY

CAE continues to be committed to ensuring a safe and healthy workplace for our staff and our learners. In 2009 CAE in conjunction with Worksafe, offered free health checks to its employees. Employees were able to learn about their cholesterol, blood sugar levels and general fitness.



WORKPLACE RELATIONS

The CAE Certified Agreement Number 1 (2006) was ratified in 2009. A provision of this Agreement was the development of a new classification system comprising Classification Descriptors, Classification (Salary) Structure and a Classification Process. A joint working party has been established and Terms of Reference have been drafted.

FREEDOM OF INFORMATION ACT

CAE complies with government regulations about freedom of information, as outlined under the Freedom of Information Act 1982 including 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 1 January to 31 December 2009, there was one request made for documents under the Freedom of Information Act 1982. Documents were provided consistent with the legislation.

WHISTLEBLOWERS PROTECTION ACT 2001

CAE endeavours to comply with the provisions in the Whistleblowers Protection Act 2001 incorporating amendments of 1 July 2007 and to ensure 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 staff can make disclosures without fear of retribution. For the year ended 31 December 2009 there were no instances raised with CAE in regards to the Whistleblowers Protection Act 2001.

WORKFORCE DATA

The workforce data table shows the equivalent full-time (EFT) staff numbers for 2008 and 2009.

	EFT 2008	Head Count 2008	EFT 2009	Head Count 2009
Teaching staff – ongoing	35.70	54	27.76	48
Teaching staff – fixed term	8.55	10	6.05	9
Teaching staff – sessional	172.60	523	112.69	713
Teaching staff sub-total	216.85	587	146.50	770
Executive officers	2.20	5	4	4
Administrative staff – ongoing	83.50	92	81	88
Administrative staff – fixed term	16.00	20	14.9	16
Casual	3.95	22	11.65	27
Non-teaching sub-total	105.65	144	111.55	135
EFT total for CAE	322.50	731	258.05	905

ENVIRONMENTAL PERFORMANCE

The Green Committee is guided and supported by an Environmental Management Plan (EMP), which formalises CAE's commitment to environmental good practice and continuous improvement. The plan is continually developed, monitored and reviewed by the Green Committee and endorsed by the Executive Team. Green Committee meetings are monthly and are open to all CAE employees, with current representation from teaching and learning areas and corporate services.

The primary objectives of the committee are to:

- formalise CAE's commitment to sustainability and the environment in line with organisational policies and procedures;
- inform, educate and encourage staff and learners about sustainability and environmental issues;
- initiate and implement more sustainable workplace practices and behaviours throughout the organisation;
- coordinate green activities and events throughout CAE; and
- provide all staff with an open forum to submit ideas and feedback on current or future practices at CAE.

The CAE Strategic Framework 2009-2013 outlines a commitment to sustainable practice and CAE's Green Committee actively commits to developing mechanisms for CAE to demonstrate leadership in sustainable environmental practices and the promotion of health and safety of the CAE community.

CAE is proudly a 'car less' organisation and in 2009 actively supported the establishment of an ongoing 'Commuter Club' for staff, using the yearly Metcard or V/Line ticket. By participating in the scheme, CAE staff can obtain these tickets at a discounted price and have payment deducted fortnightly through payroll.

As a further sustainability incentive for staff, CAE's Green Committee endorsed the purchase of KeepCups, reusable coffee cups, and distributed them to all staff in December 2009 as an end-of-year gift. This 'gift' assists in significantly reducing office waste.

ADDITIONAL MATERIAL

BUILDING SERVICES

CAE has established policies and mechanisms to ensure that works to existing buildings conform with building standards and with statutory obligations arising from the Building Act 1993 which relate to health and safety measures.

CAE places a strong emphasis on the provision and maintenance of high quality buildings that meet regulatory requirements of OH&S standards. All CAE building works also conform to building regulations.

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.

CAE has a clearly established policy on Competitive Neutrality that helps to ensure compliance with the National Competition Policy and the Victorian Government's competitive neutrality principles. CAE has implemented measures to ensure that the policy is applicable to commercial activity and to the pricing of bids for government funded education and training that is advertised by competitive tender.

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; and/or
- major committees sponsored by CAE.

Enquiries regarding this information should be directed to:

Executive Assistant, CEO & Board
Centre for Adult Education
253 Flinders Lane
Melbourne VIC 3000
Phone: +613 9652 0611
Fax: +613 9652 0744
Email: enquiries@cae.edu.au





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

**CENTRE FOR ADULT EDUCATION
ATTESTATION OF COMPLIANCE FOR 2009**

I, Frank King, 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.

A handwritten signature in black ink, appearing to read 'Frank King', written over a horizontal line.

Frank King
Chair, CAE Board



**ANNUAL DECLARATION BY THE CHIEF FINANCIAL OFFICER AND GENERAL
MANAGER CORPORATE SERVICES FOR THE YEAR ENDED 31 DECEMBER 2009**

This is to formally state that the CAE 2009 financial reports present fairly in all material respects, of the financial condition and operational results in accordance with the requirements of the Financial Management Act 1994, including the Directions:

- The financial report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by CAE; and
- CAE risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

A handwritten signature in black ink, appearing to read 'Denise O'Brien', written over a horizontal line.

Denise O'Brien
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Gulay Cuvegen', written over a horizontal line.

Gulay Cuvegen
Chief Financial Officer
General Manager Corporate Services

SUMMARY OF FINANCIAL RESULTS

For the year ended 31 December with previous four-year comparatives.

	2009 \$000	2008 \$000	2007 \$000	2006 \$000	2005 \$000
Revenue	27,871	24,175	22,664	21,519	21,918
Expenses	25,560	22,690	21,598	21,036	21,238
Net Result	2,311	1,485	1,066	483	680
Total assets	17,879	16,725	15,766	12,896	12,020
Total liabilities	6,331	7,488	8,014	7,391	6,998
Net Assets	11,548	9,237	7,752	5,505	5,022
Net increase / (decrease) in cash and cash equivalents	(2,280)	1,320	2,423	2,335	1,229

SUMMARY OF SIGNIFICANT CHANGES

There have been no significant changes in CAE as at 31 December 2009.

SUBSEQUENT EVENTS

There were no events subsequent to balance date which may have a significant effect on the operations of the CAE in future years.

CONSULTANCIES

During the year ended 31 December 2009, CAE did not engage any individual consultants with fees in excess of \$100,000 (excluding GST).

However, CAE did engage eight consultants each costing less than \$100,000 at a total expenditure of \$170,928 (excluding GST).

ACTIVITY TABLE

Operating Statement – operating expenses.

	Note	2009	2008
Delivery and Support Activity	A2	14,786	12,410
Admin and General Service	A3	4,865	4,766
Property, Plant and Equipment Services	A4	4,987	4,451
Student and Other Services	A5	1,191	1,063
Total Operating Expenses		25,829	22,690

Note A2 – OPERATING STATEMENT

Delivery Provision and Support Activity	2009	2008
Salary, wages, overtime & allowance	9,629	8,820
Superannuation	742	674
Payroll tax	464	426
Other salary related costs	71	67
Consumables	1,008	807
Communication Expenses	274	283
Contract & other services	820	273
Other direct delivery expenses	1,778	1,060
	14,786	12,410

Note A3 – OPERATING STATEMENT

Administration and General Services Activity	2009	2008
Salary, wages, overtime & allowance	2,349	2,353
Superannuation	226	186
Payroll tax	110	117
Other salary related costs	47	31
Consumables	67	96
Communication Expenses	31	47
Contract & other services	277	202
Fees	375	389
Other expenses	1,385	1,345
	4,866	4,766

ACTIVITY TABLE (CONT.)

Operating Statement – operating expenses.

	Note	2009	2008
Note A4 – OPERATING STATEMENT			
Property, Plant and Equipment Services Activity		2009	2008
Salary, wages, overtime & allowance		341	247
Superannuation		25	19
Payroll tax		12	13
Other salary related costs		04	3
Consumables		38	37
Communication Expenses		34	77
Contract & other services		860	712
Depreciation		599	503
Utilities		152	156
Rent/Leasing charges		2,117	2,177
Repairs and maintenance		112	252
Written down value		186	75
Other expenses		506	180
		4,987	4,451
Note A5 – OPERATING STATEMENT			
Student and Other Services Activity		2009	2008
Salary, wages, overtime & allowance		395	325
Superannuation		36	27
Payroll tax		21	19
Other salary related costs		04	3
Consumables		21	12
Other direct delivery expenses		714	677
		1,191	1,063

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES FOR THE YEAR ENDED 31 DECEMBER 2009

VICTORIAN AUDITOR GENERAL'S REPORT

DECLARATION BY CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

NOTES TO THE ACCOUNTS

Note	Contents of the notes to the financial statements
1	Statement of significant accounting policies
2	Government financial assistance
3	Fee for service
4	Investment income
5	Other income
6	Employee benefits
7	Repairs and maintenance
8	Finance expense
9	Impairment expense
10	Other expenses
11	Depreciation
12	Gain/(loss) on disposal of non-current physical assets
13	Government contributions expense
14	Cash and cash equivalents
15	Receivables
16	Prepayments
17	Non-current physical assets
18	Trade and other payables
19	Provisions – employee benefits
20	Other liabilities
21	Cash flow information
22	Commitments
23	CAE as lessor
24	Contingencies
25	Economic dependency
26	Subsequent events
27	Remuneration of auditors
28	Superannuation
29	Key management personnel disclosures
30	Related parties
31	CAE entity details
32	Financial instruments
33	Ex-Gratia payments

INDEPENDENT AUDITOR'S REPORT

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Centre for Adult Education

The Financial Report

The accompanying financial report for the year ended 31 December 2009 of the Centre for Adult Education which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the declaration by chairman of the board, chief executive officer and chief finance officer has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Centre for Adult Education are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 judgment, 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.

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

INDEPENDENT AUDITOR'S REPORT (CONT.)

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)*Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Centre for Adult Education for the year ended 31 December 2009. The Board Members of the Centre for Adult Education are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Centre for Adult Education web site.

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.

Auditor's 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 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
15 March 2010


Dr Peter Frost
Acting Auditor-General

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

Auditing in the Public Interest

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009



FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

DECLARATION BY CHAIR OF THE BOARD, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We certify that the attached financial report 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, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2009 and financial position of the Centre for Adult Education as at 31 December 2009.

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 became due and payable.

The Chairperson and the Chief Executive Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of the CAE.

A handwritten signature in dark ink, appearing to read 'Frank King', written over a horizontal line.

Frank King
Chair, CAE Board
DATE: 2/3/2010

A handwritten signature in dark ink, appearing to read 'Denise O'Brien', written over a horizontal line.

Denise O'Brien
Chief Executive Officer
DATE: 2/3/2010

A handwritten signature in dark ink, appearing to read 'Gulay Cuvegen', written over a horizontal line.

Gulay Cuvegen
Chief Financial Officer
General Manager Corporate Services
DATE: 2/3/2010

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 \$'000	2008 \$'000
CONTINUING OPERATIONS			
Income from transactions			
Government contributions – operating	2	9,226	9,204
Government contributions – capital	2	1,507	80
Student fees and charges		781	783
Fee for service	3	13,502	12,438
Investment income	4	440	620
Other income	5	2,415	1,050
Total income from transactions		27,871	24,175
Expenses from transactions			
Employee benefits	6	13,928	13,119
Repairs and maintenance	7	115	258
Finance expense	8	278	221
Impairment expense	9	–	75
Other expenses	10	10,170	8,272
Depreciation	11	599	503
Government contributions expense	13	6	31
Total expenses from transactions		25,096	22,479
NET RESULT FROM TRANSACTIONS		2,775	1,696
Other economic flows included in net result			
Gain/(loss) on non-financial assets	12a	83	–
Movement in employee benefits provision	12b	(547)	(211)
Total other economic flows in net result		(464)	(211)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,311	1,485

The above statement of comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Note	2009 \$000	2008 \$000
ASSETS			
Financial Assets			
Cash and cash equivalents	14a, 33	5,875	8,155
Other current financial assets	14b,33	1,500	500
Receivables	15, 33	563	855
Total Financial Assets		7,938	9,510
Non Financial Assets			
Prepayments	16	214	260
Non-current physical assets	17	9,727	6,955
Total Non-Financial Assets		9,941	7,215
Total Assets		17,879	16,725
LIABILITIES			
Financial Liabilities			
Trade and other payables	18	2,709	3,756
Total Financial Liabilities		2,709	3,756
Non Financial Liabilities			
Provisions – employee benefits	19	1,369	1,381
Other liabilities current	20,33	2,253	2,351
Total Non-Financial Liabilities		3,622	3,732
Total liabilities		6,331	7,488
Net Assets		11,548	9,237
EQUITY			
Accumulated surplus / (deficit)		1,875	(436)
Asset revaluation surplus		2,055	2,055
Contributed capital		7,618	7,618
TOTAL EQUITY		11,548	9,237

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Note	Equity at 1 January 2009 \$000	Total comprehensive income \$000	Equity at 31 December 2009 \$000
2009				
Accumulated surplus / (deficit)		(436)	2,311	1,875
Contributions by owners		7,618	–	7,618
Asset revaluation surplus		2,055	–	2,055
		9,237	2,311	11,548

	Note	Equity at 1 January 2008 \$000	Total comprehensive income \$000	Equity at 31 December 2008 \$000
2008				
Accumulated surplus / (deficit)		(1,921)	1,485	(436)
Contributions by owners		7,618	–	7,618
Asset revaluation surplus		2,055	–	2,055
		7,752	1,485	9,237

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2009

Cash Flows from Operating Activities		Notes	
Receipts			
Government contributions – operating		9,284	9,336
Government contributions – capital	2	1,507	80
User fees and charges		13,486	12,356
Interest received		468	625
Goods and Services Tax recovered from ATO		1,260	965
Other receipts		1,856	1,655
Total receipts		27,861	25,017
Payments			
Payments to employees		(14,597)	(13,719)
Payments to suppliers		(8,523)	(6,604)
Finance		(278)	(223)
Goods and Services Tax paid to ATO		(2,357)	(2,000)
Total payments		(25,755)	(22,546)
Net cash provided by operating activities	22	2,106	2,471
Cash Flows from Investing Activities			
Payments for non-current physical assets	17	(3,557)	(500)
Investment in other current financial assets	14b	(1,000)	(500)
Proceeds from sale of non-current physical assets	12, 17	269	2
Net cash provided by / (used) in investing activities		(4,288)	(998)
Cash Flows from Financing Activities			
Repayments of lease liability		(98)	(153)
Net cash provided by / (used) in financing activities		(98)	(153)
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		8,155	6,835
Cash and cash equivalents at the end of the financial year	14a	5,875	8,155

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of the Centre for Adult Education (CAE).

STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards (AASs) and Interpretations. AASs include Australian equivalents to International Financial Reporting Standards (IFRSs).

In complying with AASs, the CAE has, where relevant, applied those paragraphs applicable to not-for-profit entities.

1.01 BASIS OF PREPARATION

The financial statements have been prepared on a historical costs basis, except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Compliance with IFRSs

The financial statements and notes of the CAE comply with AASs, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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.

1.02 PRINCIPAL OF CONSOLIDATION

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

1.03 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The CAE evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the CAE.

Estimates

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

Judgments

The CAE is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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.

1.04 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

As at the 31 December 2009, the CAE did not have any bank overdraft.

1.05 RECEIVABLES

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST recoverable. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective rate of interest method, less any accumulated impairment. A provision for doubtful debts is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified. CAE credit terms are 30 days.

1.06 FINANCIAL INSTRUMENTS

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the CAE becomes a party to the contractual provisions of the instrument. Trade date accounting (the date on which the CAE commits to purchase or sell the asset) is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to financial instruments classified as at fair value through profit or loss are expensed immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another entity whereby the CAE no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another entity and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in statement of comprehensive income.

Financial instruments are classified and measured as set out below.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through the profit and loss when they are held for trading purposes, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in statement of comprehensive income in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

(iii) Impairment of financial instruments

At reporting date, the CAE assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in statement of comprehensive income. If, in a subsequent period the amount of the impairment loss decreases and the decrease can be related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through statement of comprehensive income to the extent that the carrying amount of the investment at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.07 NON-CURRENT PHYSICAL ASSETS

Each class of non-current physical asset is carried at cost and subsequently measured at fair value less accumulated depreciation and amortisation.

1.07.01 Land and buildings

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation.

The 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 this asset means that there are certain limitations and restrictions imposed on use and/or disposal.

1.07.02 Plant and equipment

Plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairments.

1.07.03 Leasehold improvements

Leasehold improvements are capitalised fair value and amortised over the remaining term of the lease or estimated useful life of the improvements, whichever is the shorter.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the CAE and the cost of the item can be measured reliably.

1.07.04 Work in progress

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

1.07.05 Works of Arts

The CAE's works of art are measured at valuation.

1.08 REVALUATIONS OF NON-CURRENT PHYSICAL ASSETS

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Direction (FRD) 103D. This revaluation process normally occurs every five years based on the assets Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in values. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the total comprehensive income, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of assets, they are reversed out of the asset revaluation surplus.

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. When revalued assets are sold, it is the CAE policy to transfer the amounts included in other reserves in respect of these assets to accumulated surplus/(deficit).

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.

In accordance with FRD 103D the CAE property asset was subject to an independent valuation as at 31 December 2007.

Plant and equipment, leasehold improvements and work in progress

In accordance with FRD 103D the CAE has undertaken a management assessment of the fair value of plant and equipment, leasehold improvements and work in progress on hand as at 31 December 2009. The assessment indicates that a majority of material plant and equipment and leasehold improvement assets at carrying value have a purchase date within the last 2 years and / or that fair value approximates depreciated replacement cost and therefore a revaluation was not required. The CAE does not consider that a reliable fair value 'market' exists for the non-material plant and equipment assets and that the management assessment indicates a fair value is not materially different from the carrying value.

1.09 IMPAIRMENT OF NON-CURRENT PHYSICAL ASSETS

All non-current physical assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is taken to statement of comprehensive income, except to the extent that the amount can reverse a revaluation increment previously recognised in the asset revaluation surplus applicable to that class of asset.

The recoverable amount 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.

1.10 PAYABLES

Payables consist predominantly of creditors and other sundry liabilities.

Payables are initially recognised at fair value, and then subsequently carried at amortised cost and represent liabilities for goods and services provided to the CAE at reporting date that are unpaid, and arise when the CAE becomes obliged to make future payments in respect of the purchase of these goods and services. CAE payments are based on suppliers' terms.

1.11 FINANCE EXPENSES

Finance expenses are recognised in the period in which they are incurred. The CAE's finance expense relates to the interest charges in connection with the property owner's contribution (lease incentive).

1.12 PROVISIONS

Provisions are recognised when the 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

Employee benefits expense includes all expenses related to employment, including wages and salaries, leave entitlements, payroll tax, workers compensation, employer superannuation contributions and termination payments. These expenses are recognised when incurred, except for employer superannuation contributions in respect of defined benefits plans. The calculation of employee benefits includes all relevant on-costs and is calculated as follows at reporting date:

1.12.1 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 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.

1.12.2 Long Service Leave

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

Current Liability – unconditional LSL representing 7 years service 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 years 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. The non-current LSL liability is measured at present value.

1.12.3 Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, employer superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised and included with LSL employee benefits.

1.12.4 Termination benefits

Termination benefits and all related expenses are recognised when incurred.

1.12.5 Performance benefits

Performance benefits are recognised when incurred.

1.12.6 Superannuation

Defined contribution plans

Employer contributions to defined contribution plans are recognised when incurred.

Defined benefit plans

The amount charged to the profit and loss in respect of employer superannuation represents the contributions made by the CAE to the superannuation plan in respect of current services of CAE staff. Employer superannuation contributions are made to the plans based on the relevant rules of each plan.

The CAE does not recognise any deferred liability in respect of the plans because the CAE has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay employer 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.

1.13 LEASES

All CAE leases are classified as operating leases.

1.13.1 CAE as lessor

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

1.13.2 CAE as lessee

Operating lease payments including any contingent rentals are recognised as an expense in the statement of comprehensive income 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.

1.13.3 Lease Incentives

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

In December 2002, the CAE entered into an agreement with the property owner of

253 Flinders Lane whereby the owner undertook to fund significant capital improvements to the property, including the installation of an additional lift in return for an increased rental payment over the remaining period of the lease. The lease incentive is repayable over the term of the building lease (20 years).

1.14 DEPRECIATION

Depreciation is provided on plant and equipment, buildings but excluding land and works of arts. Depreciation is 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 annually.

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

	Method	Rate(s)
Building	straight line	2.5%
Leasehold improvement	straight line	4% – 20%
Plant & equipment	straight line	10% – 30%

There has been no change in the methodology and rates for 2009.

1.15 GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the taxation authority, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of 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 statement of financial position.

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

1.16 REVENUE RECOGNITION

1.16.1 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.

1.16.2 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.

1.16.3 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.

1.16.4 Investment Income

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

1.16.5 Gain/loss on disposal of non-current physical assets

Any gain or loss on disposal 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.

1.16.6 Rental income

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

1.17 CONTRIBUTED CAPITAL

Funding that are 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 contributions are not affected and are treated as income.

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 ROUNDING OF AMOUNTS

All amounts shown in the financial report have been rounded to the nearest thousand dollars.

1.20 COMPARATIVE INFORMATION

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

1.21 COMMITMENTS

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

1.22 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the statement of financial position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.23 CHANGE IN ACCOUNTING POLICY

There has been no change in the accounting policy during the year ended 31 December 2009.

1.24 SUBSEQUENT EVENTS

Events occurring after balance date that would have a material effect on the accuracy of the financial accounts are taken up in the results and are stated in Note 27.

1.25 BORROWING COSTS

Borrowings are initially recognised at fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless CAE has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

1.26 OTHER ECONOMIC FLOWS

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

1.27 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2009. The following Australian Accounting Standards issued or amended which are applicable to the CAE and/or are not yet effective have not been adopted in preparation of the financial statements at reporting date.

Amending pronouncements and errata	Standards affected	Outline of amendment	Application Date and Impact on CAE's Financial Statements
<p>2009-4</p> <p>AASB 2009-4</p> <p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project.</p>	<p>AASB 2 Share-based Payment.</p> <p>AASB 138 Intangible Assets.</p>	<p>Scope of AASB 2 and revised AASB 3.</p> <p>Additional consequential amendments arising from revised AASB 3.</p> <p>Measuring the fair value of an intangible asset.</p>	<p>1 January 2010</p> <p>Not applicable.</p>
<p>2009-5</p> <p>Further amendments to Australian Accounting Standards arising from the Annual Improvements Project.</p>	<p>AASB 5 Non-current Assets held for Sale and Discontinued Operations.</p> <p>AASB 8 Operating Segments.</p> <p>AASB 101 Presentation of Financial Statements.</p> <p>AASB 107 Statement of Cash Flows.</p> <p>AASB 117 Leases.</p> <p>AASB 118 Revenue.</p> <p>AASB 136 Impairment of Assets.</p> <p>AASB 139 Financial Instruments: Recognition and Measurement.</p>	<p>Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations.</p> <p>Disclosure of information about segment assets.</p> <p>Current / non-current classification of convertible instruments.</p> <p>Classification of expenditures on unrecognised assets.</p> <p>Classification of leases of land and buildings.</p> <p>Determining whether an entity is acting as a principal or as an agent.</p> <p>Unit of accounting for goodwill impairment test.</p> <p>Treating loan prepayment penalties as closely related embedded derivatives;</p> <p>Scope of exemption for business combination contracts; and cash flow hedge accounting.</p>	<p>1 January 2010</p> <p>Impact expected to be insignificant.</p>

Amending pronouncements and errata	Standards affected	Outline of amendment	Application Date and Impact on CAE's Financial Statements
2009-7 Amendments to Australian Accounting Standards.	AASB 5 Non-current Assets Held for Sale and Discontinued Operations. AASB 7 Financial Instruments: Disclosures. AASB 107 Statement of Cash Flows. AASB 112 Income Taxes. AASB 136 Impairment of Assets. AASB 139 Financial Instruments: Recognition and Measurement.	Amending errors that occurred in AASB 2008-12 and AASB 2008-13. Amending errors that occurred in AASB 2008-12 and AASB 2008-13. Amendments reflect changes made by the IASB to its pronouncements. Amendments reflect changes made by the IASB to its pronouncements. Amendments reflect changes made by the IASB to its pronouncements. Amending errors that occurred in AASB 2008-12 and AASB 2008-13.	1 January 2010 Impact expected to be insignificant.
2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based payment transactions.	AASB 2 Share-based payment.	The amendments clarify the scope of AASB 2 by requiring an entity that receives goods and services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.	1 January 2010 Not applicable.
2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First Time Adopters.	AASB 1 First-time Adoption of Australian Accounting Standards.	The amendments address the retrospective application of Australian Accounting Standards to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process in particular situations.	1 January 2010 Not applicable.
2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues.	AASB 132 Financial Instruments: Presentation	The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its own non-derivative equity instruments.	1 January 2010 Not applicable.

NOTE 2 – GOVERNMENT FINANCIAL ASSISTANCE

	Note	2009 \$000	2008 \$000
Government contributions – operating			
State funded programs		9,226	9,204
Total government contributions – operating		9,226	9,204
Government contributions – capital			
State funded		7	80
Federal funded		1,500	–
Total government contributions – capital		1,507	80
Total government financial assistance		10,733	9,284

NOTE 3 – FEE FOR SERVICE

	Note	2009 \$000	2008 \$000
Fee for service – government		781	188
Fee for service – course fees		7,485	7,781
Fee for service – test application		4,973	4,092
Fee for service – other		263	377
Total fee for service		13,502	12,438

NOTE 4 – INVESTMENT INCOME

	Note	2009 \$000	2008 \$000
Interest on bank deposits		440	620
Total investment income		440	620

NOTE 5 – OTHER INCOME

	Note	2009 \$000	2008 \$000
Rent		797	728
Other revenue		1,618	322
Total other income		2,415	1,050

NOTE 6 – EMPLOYEE BENEFITS

	Note	2009 \$000	2008 \$000
Salaries, wages, overtime and allowances		12,166	11,534
Superannuation	28	1,028	906
Payroll tax		607	575
Other employee benefits		127	104
Total employee benefits		13,928	13,119

NOTE 7 – REPAIRS AND MAINTENANCE

	Note	2009 \$000	2008 \$000
Repairs and maintenance		115	258
Total repairs and maintenance		115	258

NOTE 8 – FINANCE EXPENSE

	Note	2009 \$000	2008 \$000
Finance expense		278	221
Total finance expense		278	221

NOTE 9 – IMPAIRMENT EXPENSE

	Note	2009 \$000	2008 \$000
Leasehold improvement		–	75
Total impairment expense		0	75

NOTE 10 – OTHER EXPENSES

	Note	2009 \$000	2008 \$000
Auditors' remuneration	28	120	154
Bad and doubtful debts		2	1
Communication		342	409
Consumables		1,003	941
Contract and other services		1,982	1,197
Non capitalised furniture and equipment		221	248
Fees and charges		1,801	986
Promotional		777	717
Rent/leasing		3,071	2,955
Staff development		272	201
Travel and motor vehicle		69	41
Utilities		157	156
Other		353	266
Total other expenses		10,170	8,272

NOTE 11 – DEPRECIATION

	Note	2009 \$000	2008 \$000
Depreciation			
Building		4	4
Plant and equipment		217	192
Leasehold improvement		378	307
Total depreciation		599	503

NOTE 12A – GAIN (LOSS) ON DISPOSAL OF NON-CURRENT PHYSICAL ASSETS

	Note	2009 \$000	2008 \$000
Proceeds on sale of non-current physical assets		269	2
Written down value	17	(186)	(2)
Gain / (loss) on disposal of non-current physical assets		83	0

NOTE 12B – MOVEMENTS IN EMPLOYEE BENEFITS PROVISION

	Note	2009 \$000	2008 \$000
Net gain/(loss) arising from changes in			
– Long service leave provision		(301)	(94)
– Annual leave provision		(246)	(117)
Gain/(loss) on movements in employee benefits provision		(547)	(211)

NOTE 13 – GOVERNMENT CONTRIBUTIONS EXPENSE

	Note	2009 \$000	2008 \$000
Non capitalised plant and equipment		6	31
Total government contributions expense		6	31

NOTE 14A – CASH AND CASH EQUIVALENTS

	Note	2009 \$000	2008 \$000
Current	33		
Cash at bank and on hand		514	233
Deposits at call		5,361	7,922
Total cash and cash equivalents		5,875	8,155

Cash at the bank represents interest bearing deposits and cash on hand represents non interest bearing deposits.

The effective interest rate on deposits at call was 2.9% to 5.0%

(2008: 4.15% to 7.95%). These deposits have an average maturity of 30 to 120 days.

NOTE 14B – OTHER CURRENT FINANCIAL ASSETS

	Note	2009 \$000	2008 \$000
Current	33		
Term Deposits		1,500	500
Total other current financial assets		1,500	500

NOTE 15 – RECEIVABLES

	Note	2009 \$000	2008 \$000
Current	33		
Trade receivables		347	143
Allowance for doubtful debts		(3)	(1)
Revenue receivable		23	695
GST receivable		196	18
Total receivables		563	855

The average credit period on sales of goods is 30 days. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. \$1,000 reduction was recognised in the operating result for the current financial year.

	Note	2009 \$000	2008 \$000
Movement in the provision for doubtful receivables			
Balance at beginning of the year		1	5
Increase in provision recognised in the net result		2	–
Reversal of provision for receivables written off during the year as uncollectible		–	(4)
Balance at end of the year		3	1

Ageing analysis of receivables

Current	95	116
30 days	76	16
60 days	114	1
90 days and over	62	10
Total	347	143

The outstanding debtors listing has been reviewed and all debts are considered provided in the doubtful debts provision.

NOTE 16 – PREPAYMENTS

	Note	2009 \$000	2008 \$000
Current			
Prepayments		214	260
Total prepayments		214	260

NOTE 17 – NON-CURRENT PHYSICAL ASSETS

Reconciliations of the carrying amounts of property, leasehold improvements, works in progress, plant and equipment and works of art at the beginning and end of the reporting period are set out below.

	2009 \$000	2008 \$000
Freehold land		
At independent valuation 2007	1,900	1,900
Total land	1,900	1,900
Buildings		
At independent valuation 2007	160	160
Accumulated depreciation	(8)	(4)
Total buildings	152	156
Leasehold improvements		
At fair value	8,589	6,365
Accumulated depreciation	(2,481)	(2,145)
Total leasehold improvements	6,108	4,220
Plant and equipment		
At fair value 2009	1,998	–
At cost	–	1,053
Accumulated depreciation	(985)	(792)
Total plant and equipment	1,013	261
Work in progress	202	66
Total work in progress	202	66
Works of art at valuation	352	352
Total works of art	352	352
Total non-current physical assets	9,727	6,955

Property, plant and equipment are classified primarily by the purpose for which the assets are used, according to one of six Purpose Groups based upon the Government Purpose Classifications. The CAE's non-current physical assets are classified under Group 2, Education. All assets within a Purpose Group are further sub-categorized according to the asset's nature (freehold land, buildings, plant and equipment) with each sub-category being classified as a separate class of asset for financial reporting purposes.

The CAE performed a management review of land and building values as at 31 December 2009 using Valuer General Victoria indices. The movement in land and building values since the last independent revaluation undertaken by DTZ Australia (Victoria) Pty. Ltd. (as at 31 December 2007) was immaterial; subsequently land and buildings were not revalued as at 31 December 2009.

NOTE 17 – NON-CURRENT PHYSICAL ASSETS (CONT.)

RECONCILIATIONS

Reconciliations of the carrying amounts of property, leasehold improvements, work in progress, plant and equipment and works of art at the beginning and end of the reporting period are set out below:

	Land \$000	Buildings \$000	Lease-hold \$000	WIP \$000	Plant & equipt \$000	Works of arts \$000	Total \$000
2009							
Carrying amount at start of year	1,900	156	4,220	66	261	352	6,955
Additions			2,375	202	980		3,557
Disposals			(175)		(11)		(186)
Transfers			66	(66)			0
Depreciation		(4)	(378)		(217)		(599)
Carrying amount at end of year	1,900	152	6,108	202	1,013	352	9,727
2008							
Carrying amount at start of year	1,900	160	4,236		387	352	7,035
Additions			366	66	68		500
Disposals					(2)		(2)
Impairment			(75)				(75)
Depreciation		(4)	(307)		(192)		(503)
Carrying amount at end of year	1,900	156	4,220	66	261	352	6,955

NOTE 18 – TRADE AND OTHER PAYABLES

	Note	2009 \$000	2008 \$000
Current	33		
Payables and accruals		1,159	1,041
Revenue in advance		1,550	2,715
Total trade and other payables		2,709	3,756

NOTE 19 – PROVISIONS – EMPLOYEE BENEFITS

	Note	2009 \$000	2008 \$000
Current provisions expected to be settled within 12 months			
Employee benefits			
Long service leave		57	58
Annual leave		179	83
		236	141
Current provisions expected to be settled after 12 months			
Employee benefits			
Long service leave		752	729
Annual leave		201	328
		953	1,057
Total current provision		1,189	1,198
Non current			
Employee benefits			
Long service leave		180	183
Total non-current provision		180	183
Total provisions		1,369	1,381
Long service leave			
	Carrying amount at start of year	970	1074
	Additional provisions recognised	100	0
	Amounts used	(81)	(58)
	Unused amounts reversed	0	(46)
	Carrying amount at end of year	989	970
Annual Leave			
	Carrying amount at start of year	411	485
	Additional provisions recognised	572	424
	Amounts used	(603)	(498)
	Carrying amount at end of year	380	411

NOTE 20 – OTHER LIABILITIES

	Note	2009 \$000	2008 \$000
Current	33		
Lease incentive		106	94
		106	94
Non current			
Lease incentive		2,147	2,257
		2,147	2,257
Total other liabilities		2,253	2,351

NOTE 21 – EQUITY

	Note	2009 \$000	2008 \$000
(a) Contributed Capital			
Balance at 1 January		7,618	7,618
Balance at 31 December		7,618	7,618
(b) Reserves			
Composition of Reserves			
Asset revaluation surplus:			
Land		1,900	1,900
Buildings		14	14
Works of Arts		141	141
		2,055	2,055
Movements in carrying amounts			
Asset Revaluation Surplus			
Land			
Balance at 1 January		1,900	1,900
Revaluation increment on non-current physical assets			
Balance at 31 December		1,900	1,900
Buildings			
Balance at 1 January		14	14
Revaluation decrement on non-current physical assets		–	–
Balance at 31 December		14	14
Works of Arts			
Balance at 1 January		141	141
Revaluation increment on non-current physical assets		–	–
Balance at 31 December		141	141
(c) Accumulated Surplus / (Deficit)			
Balance at 1 January		(436)	(1,921)
Net operating result for the year		2,311	1,485
Balance at 31 December		1,875	(436)
Total Equity		11,548	9,237

NOTE 22 – CASH FLOW INFORMATION

Reconciliation of operating result to net cash flows from operating activities

	Note	2009 \$000	2008 \$000
Net operating result for the year		2,311	1,485
Net cash flows in operating result			
Impairment	9	–	75
Depreciation	11	599	503
Doubtful debts		2	(4)
(Gain) / loss on disposal of non-current physical assets	12	(83)	–
Change in operating assets and liabilities			
Decrease / (Increase) in receivables	15	290	842
Decrease / (Increase) in prepayments	16	46	(57)
(Decrease) / Increase in payables	18	(1,047)	(195)
(Decrease) / Increase in employee benefits	19	(12)	(178)
Net cash flows provided from operating activities		2,106	2,471

NOTE 23 – COMMITMENTS

	Note	2009 \$000	2008 \$000
Capital commitments payable			
Commitments for the acquisition of plant and equipment payable at reporting date:			
Within one year		75	69
Total capital commitments payable		75	69
Non-cancellable operating leases payable			
Commitments for non-cancellable operating leases payable at reporting date:			
Within one year		3,312	2,557
Later than one year and not later than five years		14,033	13,049
Later than five years		24,939	15,969
Total operating leases payable		42,284	31,575
Operating leases payable relate to tenancies at:			
– 253 Flinders Lane, Melbourne		30,004	29,343
– 278 Flinders Lane, Melbourne		11,971	–
– 3/303 Collins Street, Melbourne		–	1,618
– 3/7 Bowen Crescent, Melbourne		–	226
Operating lease payable for photo-copier:		309	388
Total operating leases payable		42,284	31,575
During the year the CAE entered into a new property lease which included an 'initial rent free period which was negotiated as an offset against the cost of relocation.			
All amounts above are measured at nominal value inclusive of GST.			

NOTE 24 – CAE AS LESSOR

	Note	2009 \$000	2008 \$000
CAE was a lessor of the following properties at reporting date:			
– 253 Flinders Lane – City Library		7,884	7,729
– 253 Flinders Lane – Shop Front (Café)		1,273	48
– 253 Flinders Lane – Mezzanine (Restaurant)		–	501
– 278 Flinders Lane – KBT TAFE		2,402	–
Total operating leases receivable		11,559	8,278
Operating leases at reporting date but not recognised as receivables:			
Not later than one year		894	616
Later than one year and not later than five years		3,840	3,303
Later than five years		6,825	4,359
Total operating leases receivable		11,559	8,278
All amounts above are measured at nominal value inclusive of GST.			

NOTE 25 – CONTINGENCIES

	Note	2009 \$000	2008 \$000
Details of contingencies with the entity from whom the asset or liability could arise:			
Contingent assets			
Bank guarantee held at reporting date:			
– 278 Flinders Lane		59	–
Total contingent assets		59	0
Contingent liabilities			
Bank guarantees issued at reporting date:			
– Impressive Enterprises Pty. Ltd.		57	57
– 271 Collins Street Pty. Ltd.		937	–
– Trust Co Ltd		193	193
Total contingent liabilities		1,305	250

NOTE 26 – ECONOMIC DEPENDENCY

As an adult education institution, the CAE provides training on behalf of the Adult, Community and Further Education (ACFE) Board. The CAE is dependent on the ACFE Board for a significant volume of revenue and financial support. The contribution from ACFE Board represents 33% (2008: 38%) of the CAE's total revenue.

NOTE 27 – 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 CAE, the results of those operations, or the state of CAE in the future years.

NOTE 28 – REMUNERATION OF AUDITORS

	Note	2009 \$000	2008 \$000
Victorian Auditor-General's Office		36	32
Internal Audit		75	92
Total remuneration of auditors		111	124

NOTE 29 – SUPERANNUATION

The CAE contributes to both defined benefit and defined contribution plans. Employer statutory superannuation contributions are included as part of employee benefits in the statement of comprehensive income. The name and details of the major superannuation funds and contribution payments made by the CAE are as follows:

As at the reporting date, outstanding employer statutory superannuation contributions were payable to the above funds.

	Note	2009 \$000	2008 \$000
Emergency Services & State Superannuation			
Revised Scheme (15.5%)		25	40
New Scheme (9% to 10%)		91	101
Other superannuation schemes			
VicSuper Scheme (9%)		635	553
Other (9%)		277	212
Total superannuation	6	1,028	906

NOTE 30 – KEY MANAGEMENT PERSONNEL DISCLOSURES

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding Responsible Persons and Executive Officers during the reporting period.

(I) MINISTER

The Responsible Minister is The Hon. Jacinta Allan MP, Minister for Skills and Workforce Participation. Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. The Premier announced new portfolio responsibilities taking effect from 20 January 2010, changing the relevant minister to The Hon. Bronwyn Pike MP. Other relevant interests are declared in the Register of Members interests which are completed by each member of the Parliament.

(II) RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

Responsible persons

Ministerial appointed board members:

	Period of tenure:
Mr Frank King* – Chair	07/09/2009 – 31/12/2011
Mr Graeme Cocks	14/08/2006 – 31/07/2009
Ms Fran Thorn	22/04/2008 – 15/03/2011
Mr Mark Brogan*	03/09/2008 – 15/03/2011
Ms Jane Garrett	01/05/2009 – 31/12/2011
Mr Sean Hughes*	01/05/2009 – 31/12/2011
Ms Alison Terry	01/05/2009 – 31/12/2011
Mr Adrian Smith	07/12/2009 – 06/12/2012
Ms Beverley Honig (retired)	21/06/2004 – 31/01/2009
Ms Helen Ormond (retired)	22/01/2007 – 31/01/2009

Student elected board member:

Mr Shaun Coffey	30/07/2008 – 06/08/2010
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Staff elected board member:

Ms Michelle McCann	15/11/2008 – 15/11/2010
Mr David Tout (retired)	30/07/2008 – 30/07/2009

Accountable Officer

Ms Denise O'Brien* – Chief Executive Officer

At reporting date, these responsible persons (*) were also members of the Audit and Risk Management Committee (ARMC). Mr Mark Brogan is the Chairman of the ARMC.

NOTE 30 – KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT.)

REMUNERATION OF RESPONSIBLE PERSONS

The number of responsible persons is shown below in their relevant income bands:

Income band	2009 No.	2008 No.
\$0 – \$10,000	12	9
\$40,001 – \$50,000	–	3
\$60,001 – \$70,000	1	1
\$70,001 – \$80,000	–	1
\$180,001 – \$190,000	1	–

Total remuneration of Responsible Persons other than the Responsible Minister:

	2009 \$000	2008 \$000
Remuneration	262	276

RETIREMENT BENEFITS OF RESPONSIBLE PERSONS

There were no retirement benefits paid by the CAE in connection with the retirement of responsible persons during the reporting period.

EXECUTIVE OFFICERS

The following Executive Officers held key management positions during the reporting period:

- Ms Jan Golden
- Ms Gulay Cuvegen
- Ms Fel Bisiani
- Ms Sue Seawright (resigned 4/12/2009)

REMUNERATION OF EXECUTIVE OFFICERS

The number of Executive Officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands of \$10,000 above \$100,000:

Income band	Total remuneration		Base remuneration	
	2009 No.	2008 No.	2009 No.	2008 No.
\$100,001 – \$110,000	–	–	–	–
\$110,001 – \$120,000	1	–	2	–
\$120,001 – \$130,000	2	–	2	–
\$130,001 – \$140,000	1	–	–	–
	\$000	\$000	\$000	\$000
Remuneration	501	–	424	–

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans in existence at reporting date that have been made, guaranteed or secured by the CAE or any related party to responsible persons of the CAE or responsible persons or related party of those responsible persons.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions between the CAE and Executive Officers and their related parties during the reporting period.

NOTE 31 – RELATED PARTIES

Except, that a member of Board is the President of the Emergency Services and State Superannuation scheme. CAE makes regular statutory superannuation contributions to this organisation: at reporting date there were no other related party transactions between the CAE and responsible persons or key management personnel.

NOTE 32 – CAE ENTITY DETAILS

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

NOTE 33 – FINANCIAL INSTRUMENTS

Terms, Conditions and Accounting Policies

The CAE's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
Financial Assets			
Cash and cash equivalents – cash at bank and on hand	14	Cash at bank is carried at the nominal amount.	Cash is invested as funds permit at varying interest rates.
Cash and cash equivalents – deposits at call	14	Deposits at call are carried at their nominal amounts. Interest revenue is recognised in the statement of comprehensive income when it is earned.	Deposits at call have an average maturity of 30 to 120 days and effective interest rates of 4.15% to 7.95% (2008 – 4.15% to 7.95%)
Receivables	15	Trade debtors are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
Receivables – other debtors	15	Other debtors are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit is allowed for a 30 day term except for when there is an agreement to have the debt paid by installments.
Financial Liabilities			
Trade and other payables – creditors and accruals	18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the CAE.	Trade liabilities are settled as required.
Other Liabilities – lease liabilities	20	Lease liabilities are carried at their principal amounts.	Lease liability is repayable over a 20 year term. The applicable rate of interest is 11.99% for the second five years. This rate is reassessed every 5 years.

FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

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 statement of financial position.

Financial Instruments 2009	Weighted average effective rate %	Floating interest rate \$000	Fixed Interest maturing in:				Total Carrying Amount per Statement of Financial Position \$000
			Within 1 year \$000	1-5 years \$000	More than 5 years \$000	Non Interest Bearing \$000	

Financial Assets

Cash and cash equivalents							
– Cash at bank	3.25	514					514
– Deposits at call	4.07	5,361					5,361
Other current financial assets	4.43			1,500			1,500
Receivables							
– Debtors						344	344
– Other debtors						23	23
Total financial assets		5,875	–	1,500	–	367	7,742

Financial liabilities

Trade and other payables						1,159	1,159
Lease liability			106	579	1,568		2,253
Total financial liabilities	–	–	106	579	1,568	1,159	3,412

Financial Instruments 2008	Weighted average effective rate %	Floating interest rate \$000	Fixed Interest maturing in:				Total Carrying Amount per Statement of Financial Position \$000
			Within 1 year \$000	1-5 years \$000	More than 5 years \$000	Non Interest Bearing \$000	

Financial assets

Cash and cash equivalents							
– Cash at bank	6.64	233					233
– Deposits at call	7.12	7,922					7,922
Other current financial assets	7.81			500			500
Receivables							
– Debtors						142	142
– Other debtors						695	695
Total financial assets		8,155	–	500	–	837	9,492

Financial liabilities

Trade and other payables						1,041	1,041
Lease liability			94	513	1,744		2,351
Total financial liabilities	–	–	94	513	1,744	1,041	3,392

NOTE 33 – FINANCIAL INSTRUMENTS (CONT.)

SENSITIVITY ANALYSIS

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

31 December 2009	Carrying amount \$000	Interest rate risk				Other price risk			
		-1%		+2%		-1%		+1%	
		Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000
Financial assets									
Cash and cash equivalents	5,875	(59)	(59)	118	118				
Other current financial assets	1,500	(15)	(15)	30	30				
Receivables	367								
Financial liabilities									
Payables	1,159								
Lease liability	2,253								
Total increase/ (decrease)	4,330	(74)	(74)	148	148	-	-	-	-

31 December 2008	Carrying amount \$000	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000
Financial assets									
Cash and cash equivalents	8,155	(82)	(82)	82	82				
Other current financial assets	500	(5)	(5)	5	5				
Receivables	837								
Other financial assets									
[Specify]									
Financial liabilities									
Payables	1,041								
Lease liability	2,351								
Total increase/ (decrease)	6,100	(87)	(87)	87	87				

NOTE 33 – FINANCIAL INSTRUMENTS (CONT.)

FAIR VALUE ESTIMATION

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

The fair value of financial instruments traded in active markets is based on quoted market prices at reporting date. The quoted market price used for financial assets held by the CAE is the current bid price.

The carrying value less impairment provision of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of 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 the CAE for similar financial instruments.

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

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

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

	Carrying amount		Net fair value	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Financial Assets				
Cash and cash equivalents				
– cash at bank	514	233	514	233
– deposits at call	5,361	7,922	5,361	7,922
Other current financial assets	1,500	500	1,500	500
Receivables				
– debtors	344	142	344	142
– other debtors	23	695	23	695
Total Financial Assets	7,742	9,492	7,742	9,492
Financial Liabilities				
Payables – creditors & accruals	1,159	1,041	1,159	1,041
Other liabilities– lease liability	2,253	2,351	2,253	2,351
Total Financial Liabilities	3,412	3,392	3,412	3,392

Fair value measurements recognised in the statement of financial position are categorised into level 1, financial assets and financial liabilities not based on observable market data.

NOTE 33 – FINANCIAL INSTRUMENTS (CONT.)

	Level 1	
	2009 \$000	2008 \$000
Financial Assets		
Cash and cash equivalents		
– cash at bank	514	233
– deposits at call	5,361	7,922
Other current financial assets	1,500	500
Receivables		
– debtors	344	142
– other debtors	23	695
Total Financial Assets	7,742	9,492
Financial Liabilities		
Payables – creditors & accruals	1,159	1,041
Other liabilities – lease liability	2,253	2,351
Total Financial Liabilities	3,412	3,392

FINANCIAL RISK MANAGEMENT

(i) Financial risk management objectives

The CAE's activities are exposed to a variety of financial risks, including market risk (including fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk. The CAE's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance by adhering to principles on interest rate risk, credit risk, and the investments of excess liquidity. Compliance with policies and exposure limits is reviewed by the CAE management on a continuous basis.

The CAE does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The CAE uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

The CAE's treasury function co-ordinates access to domestic financial markets monitors and manages the financial risks relating to its operations through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market (including currency risk and fair value interest rate risk), credit risk and liquidity risk.

NOTE 33 – FINANCIAL INSTRUMENTS (CONT.)

(ii) Financial risk exposures and management

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

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

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 net worth of the CAE.

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

There has been no significant change in the 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.

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 interest 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.

Interest rate movements have not been significant during the year to have an impact on the CAE's operating result.

The CAE exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at reporting date are set out in the financial instrument composition and maturity analysis table

Price Risk

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

There has been no significant change in the 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.

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 the CAE's exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

Concentrations of Credit Risk

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

NOTE 33 – FINANCIAL INSTRUMENTS (CONT.)

2009	No later than 1 month \$000	> 1 to 3 months \$000	> 3 to 6 months \$000	> 6 months to 1 year \$000	> 1-5 years \$000
Financial Assets					
Cash and cash equivalents					
– cash at bank	514				
– deposits at call	3,355	2,006			
Other current financial assets					1,500
Receivable					
– debtors	96	189	29	28	2
– other debtors	23				
Total Financial Assets	3,988	2,195	29	28	1,502

2008	No later than 1 month \$000	> 1 to 3 months \$000	> 3 to 6 months \$000	> 6 months to 1 year \$000	> 1-5 years \$000
Financial Assets					
Cash and cash equivalents					
– cash at bank	233				
– deposits at call	2,933	4,989			
Other current financial assets					500
Receivable					
– debtors	115	18	9	–	–
– other debtors	–	67	58	570	–
Total Financial Assets	3,281	5,074	67	570	500

There are no material amounts of collateral held as security at 31 December 2009.

There are no financial assets that are neither past due nor impaired. The CAE provides for trade debtors allowance for doubtful debts.

NOTE 33 – FINANCIAL INSTRUMENTS (CONT.)

The Audit and Risk Committee monitors the CAE's credit risk by actively assessing the rating quality and liquidity of counter parties:

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

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

The receivables balance at reporting date does not include any counter parties with external credit ratings.

The CAE minimises credit risk in relation to student loans receivable in using the credited detailed above.

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

The CAE invested its funds with major Australian Banks and does not believe that it is unduly exposed to any financial or credit risks. The CAE manages its risks by reviewing the investments on a regular basis.

LIQUIDITY RISK

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

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

Contractual Maturity Analysis 2009	No later than 1 month \$000	> 1 to 3 months \$000	> 3 to 6 months \$000	> 6 months to 1 year \$000	> 1-5 years \$000
Financial Liabilities					
Payables – creditors & accruals	1,159	–	–	–	–
Other liabilities – lease liability	8	17	26	55	2,147
Total Financial Liabilities	1,167	17	26	55	2,147

Contractual Maturity Analysis 2008	No later than 1 month \$000	> 1 to 3 months \$000	> 3 to 6 months \$000	> 6 months to 1 year \$000	> 1-5 years \$000
Financial Liabilities					
Payables – creditors & accruals	1,041	–	–	–	–
Other liabilities – lease liability	7	23	23	41	2,257
Total Financial Liabilities	1,048	23	23	41	2,257

NOTE 34 EX-GRATIA PAYMENTS

CAE made no ex-gratia payments in 2009.

NOTE 35 PRIOR PERIOD ADJUSTMENT

A review of the CAE's asset revaluation surplus balance during 2009 identified misstatement of the previously reported balance for asset revaluation surplus and accumulated deficit. The misstatement related to the retention in the asset revaluation surplus of the revaluation amounts relating to the disposal of land and buildings in 2001 and 2002.

The financial effect of correcting this misstatement resulted in a reduction in accumulated deficit of \$1.140 million and a reduction in asset revaluation surplus of \$1.140 million. The adjustment to the asset revaluation surplus reflects the CAE's policy to transfer the amounts to retained earnings when revalued assets are sold.

	2009 \$000	2008 \$000	2007 \$000
Assets			
Financial Assets			
Cash and cash equivalents	5,875	8,155	6,835
Other current financial assets	1,500	500	–
Receivables	563	855	1,123
Total Financial Assets	7,938	9,510	7,958
Non Financial Assets			
Prepayments	214	260	203
Receivables	–	–	570
Non-current physical assets	9,727	6,955	7,035
Total Non-Financial Assets	9,941	7,215	7,808
Total Assets	17,879	16,725	15,766
Liabilities			
Financial Liabilities			
Trade and other payables	2,709	3,756	3,951
Total Financial Liabilities	2,709	3,756	3,951
Non Financial Liabilities			
Provisions – employee benefits	1,369	1,381	1,559
Other liabilities current	2,253	2,351	2,504
Total Non-Financial Liabilities	3,622	3,732	4,063
Total liabilities	6,331	7,488	8,014
Net Assets	11,548	9,237	7,752
Equity			
Accumulated surplus / (deficit)	1,875	(436)	(3,061)
Prior period adjustment	–	–	1,140
Adjusted accumulated surplus / (deficit)	1,875	(436)	(1,921)
Asset revaluation surplus	2,055	2,055	3,195
Prior period adjustment	–	–	(1,140)
Adjusted asset revaluation surplus	2,055	2,055	2,055
Contributed capital	7,618	7,618	7,618
Total Equity	11,548	9,237	7,752

INDEPENDENT AUDITOR'S REPORT – STATEMENT OF PERFORMANCE



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Centre for Adult Education*The Statement of Performance*

The accompanying statement of performance for the year ended 31 December 2009 of the Centre for Adult Education comprises the statement, the related notes and the statement of performance management certificate.

The Board Members' Responsibility for the Statement of Performance

The Board Members of the 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*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation 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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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.

Matters Relating to the Electronic Presentation of the Audited Statement of Performance

This auditor's report relates to the statement of performance published in both the annual report and on the website of the Centre for Adult Education for the year ended 31 December 2009. The Board Members are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statement named above. An opinion is not provided on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited statement of performance to confirm the information included in the audited statement of performance presented on the Centre for Adult Education website.

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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INDEPENDENT AUDITOR'S REPORT – STATEMENT OF PERFORMANCE (CONT.)

VAGO

Victorian Auditor-General's Office

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.

Auditor's Opinion

In my opinion, the statement of performance of the Centre for Adult Education in respect of the 31 December 2009 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

MELBOURNE
15 March 2010


Dr Peter Frost
Acting Auditor-General

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Auditing in the Public Interest

INDEPENDENT AUDITOR'S REPORT – STATEMENT OF PERFORMANCE (CONT.)



STATEMENT OF PERFORMANCE MANAGEMENT CERTIFICATE

CENTRE FOR ADULT EDUCATION PERFORMANCE STATEMENT FOR 2009

In our opinion, the accompanying Statement of Performance of CAE in respect of the 2009 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.

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.

A handwritten signature in dark ink, appearing to read 'Denise O'Brien', written over a horizontal line.

Denise O'Brien
Chief Executive Officer
DATE: 2/3/2010

A handwritten signature in dark ink, appearing to read 'Gulay Cuvegen', written over a horizontal line.

Gulay Cuvegen
Chief Financial Officer
General Manager Corporate Services
DATE: 2/3/2010

KEY PERFORMANCE INDICATORS 2009

KPI	Definition	Result	Target
Participation of 15-24 year olds.	Number of students within the age group.	3,285	3,400
Participation of 25-64 year olds.	Number of students within the age group.	23,050	25,000
Module Load Completion Rate.	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.	62%	60%
Student Satisfaction.	As per survey	89%	80%
Total Cost per Student Contact Hour (SCH).	Total funded expenditure (excluding depreciation) / total SCH	\$17.12	\$15.38
Working Capital Ratio (adjusted).	Current assets/ current liabilities (adjusted for non current long service leave).	2.04	1.6
Net Operating Margin.	Funded operating surplus / total revenue (excluding capital).	5.3%	0.5%
Fee-for-Service Revenue.	Revenue received from fee for service customers.	\$13,502,000	\$16,008,000
Revenue per EFT Staff	Total revenue (excluding capital) / average EFT staff.	\$102,488	\$76,405
Student Contact Hours (SCH).	Total SCH reported (including training activity from all funding sources and fee for service full fee paying students).	1,462,452	1,500,000
Energy Consumption	Percentage reduction in energy consumption for electricity, gas, fuel and heating oil using 2007 as a base year.	0.16%+	1.00%-

DISCLOSURE INDEX

Source reference		Reporting Requirement	Page number
(A) Report Of Operations			
[1]	SD 4.2(g) FRD 22B	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: <ul style="list-style-type: none"> • the AEI and its activities; • operational highlights for the reporting period; • future initiatives; and • other relevant information not included in the financial statements. 	3-36
[2]	SD 4.2(h) FRD 22B	The Report of Operations must be prepared in accordance with the requirements of the Financial Reporting Directions.	3-36
[3]	SD 4.5.5	Attestation of compliance with the Australian/New Zealand Risk Management Standard.	32
[4]	SD 4.2(j) FRD 22B	The Report of Operations must be signed and dated by the Accountable Officer, or in the case of any other Public Sector Body, a member of the responsible Body.	9
[5]	FRD 22B	Manner of Establishment, including the relevant Minister.	3
[6]	FRD 22B	The objectives, functions, powers and duties, linked to a summary of its activities, programs and achievements for the reporting period.	3-5
[7]	FRD 22B	Nature and range of service provision, including the communities served.	21-27
[8]	FRD 22B	Organisational chart(s) detailing members of the governing board and the CEO, and organisational chart(s) detailing occupants of senior offices and their responsibilities.	10, 16-17
Governance			
[9]		Outline of the structure of the board including: <ul style="list-style-type: none"> • committees of the board; • descriptions of their functions; and • the names of the members of each committee. 	10-14
[10]		Outline of the structure of an institute board, including: <ul style="list-style-type: none"> • 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. 	10-14
[11]		Summary of training undertaken by board members throughout the year, including the number and type of programs.	10
[12]		A summary of performance and activities of a board including a brief description of the values of the board and whether there is a code of conduct used to guide board decisions.	10-14
[13]	FRD 22B	Statement on the AEIs workforce data for the current and previous reporting period.	29
[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 performance against such indicators and details of assessments and measures taken to improve the occupational health and safety of employees.	28
[16]	FRD 22B	A general statement on industrial relations and details of time lost through industrial accidents and disputes.	28
Disclosure Index			
[17]	FRD 10	The Disclosure Index is to contain a list identifying the relevant clauses of Victorian legislation with statutory disclosure requirements.	83-87
[18]	FRD 10	A short description of the relevant requirement.	83-87
[19]	FRD 10	The page in an annual report where the disclosure in satisfaction of the relevant requirement is made.	83-87
Disclosures			
[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.	77
[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.	68
[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.	69
[23]	FRD 21A (1) (c)	An analysis of remuneration of responsible persons: <ul style="list-style-type: none"> • in bands of \$10,000; and • listing the number of responsible persons whose actual remuneration for the period falls within each band. 	69
[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.	69
[25]	FRD 21(2) (a)	Total remuneration of all executive officers received or receivable in connection to their employment: <ul style="list-style-type: none"> • 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. 	69
[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.	69
[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.	69
Financial Information			
[28]	FRD 22B	Summary of financial results with comparative information for preceding four years.	34
[29]	FRD 22B	Summary of significant changes in financial position.	34
[30]	FRD 22B	Summary of operational and budgetary objectives, including performance against objectives and significant achievements.	35-36

[31]	FRD 22B	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.	82
[32]	FRD 22B	For each consultancy valued in excess of \$100,000, set out: <ul style="list-style-type: none"> • a schedule listing the consultants engaged; • a summary of the project involved; • total project fees approved (excluding GST); • expenditure for the reporting period (excluding GST); and • future commitments relating to consultant. 	34
[33]	FRD 22B	Total number of consultancies individually valued at less than \$100,000 (excluding GST).	34
[34]	FRD 22B	Total expenditure (excluding GST) of these consultancy engagements.	34
[35]	FRD 22B	Financial information in the report of Operations must be consistent with that included in the financial statements.	3-36
[36]	FRD 22B	The Report of Operations should be presented in a format that complements the financial report as a whole: <ul style="list-style-type: none"> • containing any additional information the accountable officer or the governing board considers appropriate; or • any information which has been mandated by other authoritative pronouncements. <p>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.</p>	3-36
[37]	FRD 27	The Report of Operations must include in its report of operations an audited statement of performance including: <ul style="list-style-type: none"> • the relevant performance targets and indicators as determined by the responsible Minister; • the actual results achieved for that financial year against pre-determined performance targets and indicators; and • an explanation of any significant variance between the actual results and performance targets indicators. 	3-36
Other Relevant Information			
[38]	FRD 22B	Summary of Application of the Freedom of Information Act 1982 (including amendments of 3 August 2007).	29
[39]	FRD 22B	Statement on compliance with building and maintenance provisions of the Building Act 1993 (including amendments of 1 July 2007).	30
[40]	FRD 22B	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 22B	Statement on implementation and compliance with National Competition Policy, including statement on compliance with policy statements, especially: <ul style="list-style-type: none"> • "Competitive Neutrality: A Statement of Victorian Government Policy"; • "Victorian Government Timetable for the Review of Legislative Restrictions on Competition"; and • any subsequent reforms. 	30
[42]	FRD 22B	Summary of environmental performance.	30

[43]	FRD 22B	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).	30
[44]	FRD 22B	Statement that declarations of pecuniary interests have been duly completed by all relevant officers.	30
[45]	FRD 22B	Details of shares held by senior officers (as nominees or held beneficially in a statutory authority or subsidiary).	30
[46]	FRD 22B	Details of publications produced by the entity about itself and how they can be obtained.	30
[47]	FRD 22B	Details of major promotional, public relations and marketing activities undertaken to develop community awareness of the AEI and its services.	28
[48]	FRD 22B	Details of changes in prices, fees, charges, rates and levies charged by the AEI.	30
[49]	FRD 22B	Details of any major external reviews carried out on the AEI.	30
[50]	FRD 22B	Details of major research and development activities undertaken by the AEI.	30
[51]	FRD 22B	Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.	30
[52]	FRD 22B	List of major committees sponsored by the AEI, the purposes of each committee and the extent to which the purposes have been achieved.	30
Overseas Operations			
[53]		Financial and other information on initiatives taken or strategies relating to international operations including. <ul style="list-style-type: none">• 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.	N/A
[54]	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. <ol style="list-style-type: none">1. Participation of 15-24 year olds.2. Participation of 25-64 year olds.3. Module Load Completion Rate.4. Student satisfaction.5. Total Cost per Student Contact Hour (SCH).6. Working Capital Ratio.7. Net Operating Margin.8. Fee for Service Revenue.9. Revenue per EFT Staff.10. Student Contact Hours (SCH).11. Energy Consumption.	82

(B) FINANCIAL STATEMENTS Part 7 of the Financial Management Act 1994 (FMA)			
[55]	FMA 49 (a)	Must contain such information as required by the Minister.	37-82
[56]	FMA 49 (b)	Must be prepared in a manner and form approved by the Minister.	37-82
[57]	FMA 49 (c)	Must present fairly the financial transactions of an institute during the financial year to which they relate.	37-82
[58]	FMA 49 (d)	Must present fairly the financial position of an institute as at the end of the year.	37-82
[59]	FMA 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister.	37-82
The Financial Statements must be prepared in accordance with:			
[60]	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).	45
[61]	SD 4.2 (a)	Financial Report Directions.	45-52
[62]	SDA 4.2 (a)	Business rules.	45-52
The Financial Statements are to comprise the following:			
[63]	SD 4.2 (b)	An operating statement.	35-36
[64]	SD 4.2 (b)	A balance sheet.	42
[65]	SD 4.2 (b)	A statement of recognised income and expenses.	41
[66]	SD 4.2 (b)	A cash flow statement.	44
[67]	SD 4.2 (b)	Notes to the financial statements.	45-78
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:			
[68]	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.	40
[69]	SD 4.2 (c)	The Financial Statements are prepared in accordance with this direction and applicable Financial Reporting Directions.	40
[70]	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).	40



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