

ADULT, COMMUNITY AND FURTHER EDUCATION BOARD

ANNUAL REPORT 2018–19



Adult, Community and
Further Education



Published by the Adult, Community and Further Education Board
Melbourne October 2019

© State of Victoria 2019

ISSN: 1835-2243

The copyright in this document is owned by the State of Victoria (Adult, Community and Further Education Board) or, in the case of some materials, by third parties (third party materials). No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*, the National Education Access Licence for Schools (NEALS; see below) or with permission.

An educational institution situated in Australia which is not conducted for profit, or a body responsible for administering such an institution, may copy and communicate the materials, other than third party materials, for the educational purposes of the institution.

Also published on www.education.vic.gov.au

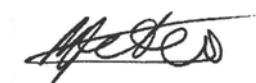
ISSN: 1835-2251

Authorised by the Adult, Community and Further Education Board,
2 Treasury Place, East Melbourne, Victoria, 3002.

The Hon. Gayle Tierney, MP
Minister for Training and Skills
Minister for Higher Education
Level 1, 2 Treasury Place
East Melbourne VIC 3002

Dear Minister,

In accordance with the *Financial Management Act 1994* and the *Education and Training Reform Act 2006*, I am pleased to submit the Adult, Community and Further Education Board's Annual Report for the year ending 30 June 2019.

A handwritten signature in black ink, appearing to read 'Ms Peters', with a horizontal line drawn underneath the signature.

Ms Maria Peters
Chairperson
Adult, Community and Further Education Board

30 August 2019

Contents

Report of operations	4
Year in review	4
Our vision	4
Our mission	4
Our values	4
Chairperson's report	4
Purpose and functions	6
Non-financial performance reporting	9
Performance against output performance measures	9
Participation in Board-funded training	9
Key initiatives and projects	10
Financial performance reporting	19
Summary of financial results	19
Financial performance	19
Revenue	19
Expenses	19
Governance and organisational structure	19
Organisational structure and corporate governance	19
Organisational structure	28
Occupational health and safety, incident management and employment and conduct principles	28
Workforce data	28
Public sector and employment principles, workforce data, workforce inclusion policy and executive officer data	28
Other disclosures	28
Government advertising expenditure	28
Disclosure of major contracts	28
Consultancy expenditure	29
Information and communication technology expenditure	29
Freedom of information	30
Compliance with the <i>Building Act 1993</i>	31
Competitive neutrality policy	31
Compliance with the <i>Protected Disclosure Act 2012</i>	32
Compliance with the <i>Disability Act 2006</i>	33
Additional information available upon request	33
Office-based environmental impacts	34
Attestation for financial management compliance with Standing Direction 5.1.4	34

Financial Statements	35
Declaration in the financial statements	36
VAGO Independent Auditor's report	37
Comprehensive operating statement	39
Balance sheet	40
Statement of changes in equity	41
Cash flow statement	41
Notes to and forming part of the financial statements	42
Note 1 About this report	42
Note 2 Income from transactions	43
Note 3 Grants and transfer payments	44
Note 4 Operating and administrative expenses.....	44
Note 5 Other economic flows included in net result	45
Note 6 Receivables	46
Note 7 Property	47
Note 8 Payables.....	49
Note 9 Contingent assets and contingent liabilities	49
Note 10 Financial instruments.....	49
Note 11 Fair value determinations	51
Note 12 Cash flow information	54
Note 13 Reserves	55
Note 14 Responsible persons	55
Note 15 Remuneration of executives	58
Note 16 Remuneration of auditors	58
Note 17 Subsequent events	58
Note 18 Commitments for expenditure across payment timeframe.....	59
Note 19 Other accounting items	59
Appendices.....	62
Appendix 1 Disclosure index	62
Appendix 2 Grants and transfer payments (other than contributions by owners).....	64

Report of operations

Year in review

Our vision

The vision of the Adult, Community and Further Education Board is that the adult, community and further education sector is recognised as a critical contributor to the prosperity of Victoria through its role in improving transitions of learners to further education and employment.

Our mission

The mission of the Board is to increase the educational participation and attainment of adults, improve social cohesion, and boost the human and social capital of Victoria.

Our values

As per the *Public Administration Act 2004*, the Board upholds the seven core Victorian public sector values:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human rights.

Chairperson's report

I was honoured to be appointed Chairperson of the Adult, Community and Further Education Board in August 2018—a role that continues my career-long commitment to adult learning. My working life has been strongly aligned to the core values and purpose of the Learn Local sector and the difference it makes to so many Victorians every day. My dedication to educationally disadvantaged learners began as an adult language, literacy and numeracy teacher, an experience that shaped my life and passion for education. My commitment, priority and passion remains in the sector and working with our wonderful Learn Local providers and other stakeholders to do the best for our learners.

I'd like to acknowledge the work of all Board members towards the achievements laid out in this report. This year we were joined by new Board members Raoul Wainwright, Helen Kennedy and Margaret Lewis. Sally Brennan and Mike Grogan were re-appointed. Andrea McCall and Fiona Reidy resigned after many years of committed and valued membership.

I would like to especially acknowledge and thank Sue Christophers, Chairperson from 2015 to July last year. Sue was a dedicated Chairperson leading the Board through the development of the Board's strategy for 2016–19. Under Sue's leadership, we implemented many strategic initiatives that helped make the Learn Local sector the strong and vibrant sector it is today.

Building on the previous strategy's achievements, this year we've been developing our new, multiyear strategy with a clear direction and a strong focus on learners. The new strategy focuses on sector strengths and how it's best positioned in the Victorian adult educational landscape. We are designing this new strategy to provide a clear direction with a strong focus on learners. The Board remains committed to leading the sector, recognising its continually evolving and critical role in post-secondary education.

The Learn Local sector plays a vital role in changing the lives of thousands of Victorians each year and proudly supporting learners to achieve their learning goals. It provides opportunities for people to re-engage and participate in a positive learning experience, gaining the confidence and skills they need to take the next steps in their future, whether it's further study, getting a job, upskilling or changing careers.

With Board funding, the Learn Local sector plays a pivotal role in increasing the educational, social and economic participation of Victorian adults. Our Learn Local providers are the lifeblood of their communities, offering all Victorians the opportunity to improve their lives through community education.

The 2018 VET Student Satisfaction survey results highlight the success and value of Board-funded, pre-accredited training as a pathway to further education and training. The survey of learners who undertook pre-accredited training in 2017 indicates pre-accredited training is addressing their needs and has improved employment outcomes.

We'll use these compelling results, along with existing case studies and projects, to assist and inform our forward agenda and promote the sector's impact and value to learners, industry, TAFE institutes and other key stakeholders.

Another highlight for this year was the Board's agreement with the Australian Government Department of Jobs and Small Business to recognise pre-accredited training as an 'Other government program' towards a job seeker's annual activity requirements in the Work for the Dole phase. This means that Job Actives may refer job seekers into suitable, beneficial, pre-accredited training programs. This further solidifies the valuable role of pre-accredited training in meeting the job market's existing and emerging needs.

In late 2018, the Board identified four flagship initiatives for 2019. Still in their early stages, these will require a concerted effort beyond 2019. They are:

- leading literacy, numeracy and employability skills in Victoria
- reviewing pre-accredited training
- strengthening partnerships with TAFE to improve outcomes for learners
- creating a meaningful brand and value proposition to champion the Learn Local sector with industry and learners, and to position it for place-based responses that best meet local needs.

To further deliver on these strategic initiatives our ongoing Board-funded work will aim to foster innovation, ensure better learner outcomes, improve delivery, strengthen our role with partners, such as industry, and build provider capability.

My fellow Board colleagues and I look forward to working with our Minister, our Learn Local providers and other partners, to continue reaching out, engaging and supporting individuals to believe in themselves and helping others understand the difference community education can make to so many lives.

Ms Maria Peters

Chairperson

Purpose and functions

The Adult, Community and Further Education Board was established by Victorian legislation in 1991 as a statutory authority. It now performs important statutory functions under the *Education and Training Reform Act 2006*. Its key role is supporting the development of adult, community and further education in Victoria.

The Board's five broad functions are:

developmental—We inquire into, and report on, the development of adult, community and further education policies, programs, and services.

advisory—We advise the Minister for Training and Skills and, through the Minister, the Government, on adult, community and further education matters.

strategic—We plan and evaluate policies, programs, and services. We consider and prioritise community-learning needs and establish objectives and targets to meet them.

profiling—We promote research and development in the adult community education sector, and general public awareness of adult, community and further education.

operational funding—We provide and fund policies, programs and services for delivering adult, community and further education.

In performing these functions, the Board pays close attention to ensuring equitable access to adult community learning opportunities for adult Victorians who have not previously benefitted from education. The Board monitors education quality and ensures it is relevant to specific community needs.

The Board has over a network of over 270 Victorian Learn Local providers registered to deliver adult community education through pre-accredited programs.

The Board acts as steward on behalf of the Government of Victoria for the adult, community and further education sector in line with Government priorities and the Board's legislated functions. The Board acts as system architect, funder, connector, and influencer to deliver pre-accredited training to socioeconomically disadvantaged adults. The Victorian Government, through the Board, subsidises pre-accredited training programs to help learners:

- return to study
- improve literacy and numeracy skills
- broaden employment options
- learn new skills.

These courses offer initial vocational training and pathways to accredited training, qualifications, and ultimately employment and are a distinguishing feature of the Learn Local network.

Pre-accredited training focuses on learners without Year 12 or an equivalent. It helps adults experiencing barriers to education and finding it difficult to enter accredited programs as their first step back into education and training.

Learn Local providers are community-owned and managed not-for-profits, providing essential learning opportunities not otherwise available. They provide an informal, welcoming, flexible approach to learning and are the best way to access suitable education and training in the community.

The Board contracts two adult education institutions, AMES Australia and the Centre for Adult Education (CAE) to deliver pre-accredited training across Victoria. AMES Australia specialises in settlement services,

training, and employment assistance to refugees and newly arrived migrants. Operating as part of the Box Hill Group, the CAE helps adults complete their secondary education and begin, or advance, their paths to employment.

Meeting expectations

In 2016, the Board established four key strategic priorities as part of the Board's strategy 2016–19 to bring a renewed sense of focus and creativity to our strategic efforts. They are:

- **quality adult, community and further education**—to ensure programs and related services respond to learner needs and aspirations, connecting them to further education and employment pathways; and to design the system settings for responsive and agile program delivery across networks of providers to maximise access for learners
- **accountable adult, community and further education**—to support pathways to further education and employment by building an evidence base for planning and monitoring regional performance in transitioning learners to further education and employment, as well as reviewing and aligning budget and supports towards programs and initiatives with high conversion rates to further education and employment
- **influential adult, community and further education**—to demonstrate socio-economic value by promoting the evidence base and monitoring the impact of pre-accredited training on Victoria's prosperity, while proactively fostering productive relationships across the system with state departments, TAFEs, local government and industry to shape policy settings and collaborate for maximised impact
- **sustainable adult, community and further education**—to manage sustainable funding provision for sector programs and support a network of providers with the right skills, resources and connections to maximise the deployment of resources and harness innovation.

The 2018 Statement of Expectations issued by the Minister for Training and Skills outlined further focus areas for the Board. It concentrated on how the Board could improve outcomes for all adult learners—particularly the disadvantaged—and on lifting the profile of the Board and the community-based adult education sector.

In 2018, the Board improved participation in training among specific priority learner cohorts:

- **early school leavers**—includes working age learners who have attained Year 10 or Year 11 but are not at school
- **low-skilled and vulnerable workers**—includes learners who completed Year 9 or lower and are employed
- **Indigenous Australians**—includes people of Aboriginal or Torres Strait Islander descent, or both
- **unemployed people**—includes unemployed learners looking for work, or unemployed and not in the labour market
- **people with a disability**—includes learners who report one or more specified physical, learning or intellectual disabilities
- **disengaged young people**—includes 15 to 19 year olds who have not completed Year 12, are not attending school and are unemployed

- **people from a culturally and linguistically diverse background**—includes learners who do not speak English at home and were born in a non-English speaking nation.

In October 2018, we developed four flagship initiatives to focus on in 2019:

- **Lead literacy, numeracy and employability skills in Victoria**—This project aims to position the Learn Local sector as the leader in literacy, numeracy and employability training delivery in Victoria. It seeks to strengthen the role of pre-accredited literacy, numeracy and employability training and the position of Learn Local providers in relation to the TAFE system and overall vocational education and training landscape, as well as workforce needs for industry.
- **Brand and value proposition**—This project aims to create a meaningful brand and value proposition to champion and promote the value of the Learn Local sector (including pre-accredited training) to the Victorian community and economy; including learners, industry, TAFE institutes and other relevant partners.
- **Strengthening ACFE-TAFE relationships to deliver positive learner outcomes**—This project will explore and trial opportunities to expand collaboration and connection between the TAFE and adult, community and further education (ACFE) sectors.
- **Pre-accredited training review**—This project will repurpose and reposition pre-accredited training in the vocational education and training sector to support learners to access basic education and skills to prepare for, and engage in, accredited training, get a job and keep it, and pursue career aspirations.

Some Board projects underway during 2018–19 have been absorbed into flagship initiatives. The four initiatives will be key platforms for the Board’s 2020–25 strategy which is currently in development.

The strategy will:

- consult with learners and other stakeholders
- scan the current and emerging operating environment
- review literature—relevant research and reports—and the Board’s strategy 2016–19.

It will position the Learn Local sector through strengthened pre-accredited training, as a vital component of the post-secondary education and training sector.

Non-financial performance reporting

Performance against output performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Per cent variation	Result
Number of government-subsidised pre-accredited module enrolments funded through the Adult, Community and Further Education Board	number	45,000	50,926	13.2	✓

This performance measure relates to the 2018 calendar year. It renames the 2017–18 measure 'Number of pre accredited module enrolments government subsidised through the Adult, Community and Further Education (ACFE) Board—adult community education organisations and adult education institutes' for increased clarity, but reports on the same activity as the previous measure.

The 2018–19 actual is higher than the 2018–19 target due to additional one-off government funding being committed after the initial target was set.

Participation in Board-funded training

In 2018, the board funded training to 29,940 Victorians across 263 contracted Learn Local providers, including adult education institutions. Learner survey data for 2018 indicates:

- 80 per cent achieved their main reason for training
- 85 per cent held positive perceptions of teaching
- 91 per cent would recommend their Learn Local provider
- 88 per cent were satisfied with their training.

In 2018, Board funded training continued to provide access to priority cohort learner groups including:

- 7,550 early school leavers
- 810 low-skilled and vulnerable workers
- 580 Indigenous Australians
- 11,040 unemployed learners
- 7,970 people with a disability
- 980 disengaged young learners
- 14,090 culturally and linguistically diverse learners.

Note: Learners can be in more than one priority cohort.

Key initiatives and projects

Key initiatives and projects of the Board can be categorised according to the four main strategic priorities in the Board's strategy 2016–19.

Quality adult, community and education

Ensure that programs and related services respond to learner needs and aspirations, connecting to further education and employment pathways.

Design the system settings for responsive and agile program delivery across networks of providers to maximise access for learners.

Priority learner cohort strategies

In 2018, the Board commissioned specific intervention strategies reports for three priority learner groups to improve the effectiveness of our investment in their pre-accredited learning. The groups are:

- culturally and linguistically diverse learners
- Indigenous Australians
- low-skilled and vulnerable workers.

The reports had many strategies in common, with three system-wide initiatives agreed for immediate advancement:

- compilation of evidenced strategies that work for all vulnerable adult learners, tailored to each demographic-based priority learner cohort for use by Learn Local providers
- Learn Local provider capability building, via implementation of the Board's professional development strategy for the pre-accredited workforce
- development of a single set of key performance measures for all learners undertaking pre-accredited training.

Statewide projects, under the Capacity and Innovation Fund—round 11 category 3, will address these priority learner needs.

Professional development strategy

In 2018, the Board commissioned a professional development strategy focused on developing the skills and potential of Learn Local staff delivering pre-accredited adult, community, and vocational learning programs. The strategy provides a framework for a systemic, cohesive approach to capability building, so staff can perform their vital role of improving opportunities for educationally disadvantaged Victorians to re-engage with education and training and obtain and keep meaningful employment.

The strategy's three professional development streams will build required skills and knowledge in the pre-accredited training workforce and drive change in practice to create quality learning experiences and outcomes for learners in pre-accredited programs.

- Stream 1 includes an adult, community and further education resources web portal with access to Board commissioned reports, resources and case studies. It will be an on-demand self-service professional learning site for Learn Local providers and their staff.
- Stream 2 promotes professional development through a structured professional-development events calendar.

- Stream 3 focuses on capability needs development via collegial approaches at the local level.

The Board will implement the strategy through developed annual operational plans focused on building the three streams. Topics will be determined annually, they will offer place-based opportunities across the state and will reflect Board priorities based on the 2020–25 strategy.

The statewide strategy will be evaluated to enable Board oversight of professional development initiatives—to direct its investments strategically, support Learn Local staff and maximise learner outcomes.

Capacity and Innovation Fund

The Board supports a strong and sustainable Learn Local sector and strives to foster a culture of innovation through the Capacity and Innovation Fund.

In 2018–19, approximately \$2.936 million in grants were allocated to 60 organisations. The grants focused on the sector's capacity to deliver high-quality programs for disadvantaged learners and for projects supporting:

- learner engagement and participation
- quality program delivery
- pathways to further education and employment.

Through these projects, Learn Local providers work collaboratively with others in the sector, or other community organisations, to develop and implement projects that meet learner needs and increase participation and achievement in pre-accredited training programs.

The projects are diverse in scope and focus and aim for lasting benefit to disadvantaged learners through better systems, quality program delivery, and improved capacity in Victoria's Learn Local network.

Examples include programs for:

- improving Indigenous access to education and training
- developing training resources and products in literacy and numeracy
- facilitating improved pathways to employment and industry sectors
- building local partnerships to address local needs and developing innovative ways to increase the engagement of disadvantaged learners.

Senior Victorians flagship project

This project responds to a presentation by Gerald Mansour, Commissioner for Senior Victorians, that focused on his 2016 report *Ageing is Everyone's Business*. The Board is will explore developing pilot initiatives for senior Victorians to participate in pre-accredited programs, through Learn Local providers. So far, these include digital literacy; language, literacy and numeracy; and English as an additional language.

An evaluation found these pre-accredited programs provide lifelong learning opportunities for seniors and address isolation and loneliness; whether senior Victorians do them in a general class with people of different ages, or alongside other seniors.

Certificate of General Education for Adults

The Board's accredited curriculum promotes pathways and options for learners, with a clear focus on learner outcomes. Many qualifications are nationally-recognised, best-practice courses improving adult literacy, basic maths, and general education skills towards further qualifications and training.

There is support for curriculum reaccreditation and professional development, to grow usage and delivery. Victoria University is the Board's appointed curriculum maintenance manager. It advises us on Board-managed, accredited adult education curriculum matters.

The Victorian Registration and Qualifications Authority reaccredited the certificates for 1 July 2018 to 30 June 2023. The curriculum and implementation guide are available at [Department of Education and Training website](#). Professional development sessions providing an overview of the reaccredited Certificates in General Education for Adults, were conducted in July and October 2018.

Accountable adult, community and education

Develop robust baselines and build an evidence base for planning and monitoring regional performance in transitioning learners to further education and employment.

Review and align budget and supports towards programs and initiatives with high conversion rates to further education and employment.

Student Satisfaction survey

For the first year ever, in 2018, pre-accredited learners who participated in pre-accredited training (2017) were included in the annual VET Student Satisfaction survey, which surveys pre-accredited training quality and outcomes.

A high 85 per cent of respondents indicated their training addressed their learning needs.

A strong indicator of the positive impact of pre-accredited training is the impressive 39 per cent of respondents who got jobs following their training, compared with 34 per cent before participation. That is a 5 per cent increase.

Of those specifically undertaking training for a work-related reason, 48 per cent got jobs following training, compared with 37 per cent before participation. That's an 11 per cent increase.

In 2019, pre-accredited learners have again been included in the VET Student Satisfaction survey.

Pre-accredited workplace observation

In 2018, the Board developed a new, revised model of pre-accredited work exposure—pre-accredited workplace observation. It is defined as industry-hosted work observations, supervised by a trainer. Learners get authentic and valid experience in real-world settings, in preparation for future employment, that is safe, covered by insurance and does not expose the host employer to insurance liability and legislative risk.

Under the model, eight new A-frames were developed, with pre-accredited workplace observation accounting for no more than 10 per cent of the course's total pre-accredited delivery hours. The eight A-frames are in specific industry areas with skill shortages—aged care, plumbing and carpentry. All use workplace observation as a key strategy to develop the following employability skills listed in the pre-accredited quality framework:

- communication
- teamwork
- problem solving
- initiative and enterprise
- planning and organising
- self-management
- learning
- technology.

The eight new A-frames with pre-accredited workplace observation are available at the A-frame exchange for all Learn Local providers. This will enable their wide use and serve as exemplars for development of other A-frames.

Family Learning Partnerships program

Following a review in late 2018, the Board transitioned arrangements for Family Learning Partnerships and Family Learning Support programs to a consolidated and enhanced Family Learning Partnerships program; giving providers more flexibility to help vulnerable, local families. The Board will implement the enhanced program in the second half of 2019. A support package will improve vulnerable families' access to adult education via:

- collaborative relationships between Learn Local and other providers like schools, early learning centres, and other community services to address barriers
- establishing communities of practice and bringing together program providers to share knowledge, skills, and experience
- offering flexibility to use program funds to cover childcare costs for participating parents.

Learner Engagement A-frame program

To engage hard-to-reach learners, who may find shorter programs make participation easier, the Board allocated \$450,000 this year for the Learner Engagement A-frame program, helping Learn Local providers deliver programs with at least five, but less than 20, student contact hours. The program's objectives are to:

- give Learn Local providers flexibility to improve participation in pre-accredited training programs for adults facing barriers to training
- provide engagement activities linked to pathways to further training or employment
- strengthen pathway outcomes for learners facing barriers to training by building the skills that they need to participate in further pre-accredited training programs, accredited education, or employment learning.

The program focuses on:

- disadvantaged or hard-to-reach learners
- learners with complex or multiple needs
- learners in thin markets or remote locations
- unemployed and vulnerable workers.

Influential adult, community and education

Proactively foster productive relationships across the system with state departments, TAFEs, local government, and industry to shape policy settings and collaborate to maximise impact.

Promote the evidence base to demonstrate the socioeconomic value and monitor the impact of pre-accredited training on Victoria's prosperity.

Learn Local financial literacy for women affected by family violence

In April 2018, in partnership with Consumer Affairs Victoria and the Women's Information and Referral Exchange, the Board approved funding for the Purse project - a pre-accredited financial literacy course for women affected by family violence. It aims to support vulnerable women to manage their money and build their skills and confidence, making a positive impact to their immediate and long-term wellbeing. It is in response to the Royal Commission into Family Violence Recommendation 121 *Expand financial wellbeing training for victim survivors of family violence*. The Ministers for Education and Training and Consumer Affairs jointly led the response.

Between February and June 2019, 59 staff from 32 Learn Local providers were trained to deliver the course. Delivery began in June 2019 in selected localities across Victoria. Intended participants include disadvantaged women in metropolitan, regional and rural settings:

- who have experienced or are experiencing family violence
- are single mothers or individuals experiencing, or at risk of, homelessness
- are Indigenous
- are from culturally-diverse backgrounds, including recently settled migrants and refugees.

Community Solutions Casey

The Community Solutions Casey project is a three-year initiative funded by the Board to develop collaborative networks between Learn Local providers in the City of Casey and other education providers including TAFE, local government, local community organisations, and industry. The purpose is to establish sustainable collaborative partnerships that reduce barriers and enable learners to access and progress through pre-accredited training, then transition into further education and employment.

The project has significantly improved collaboration and partnership arrangements between Learn Local providers and Neighbourhood House organisations across Casey and grown pre-accredited training delivery within the local government area. The Casey Community Solutions team promoted the project and learning at career expos and job fairs. The Learning Advisory program has delivered one-on-one careers advice and training information to community members through local libraries.

Plans are underway to recruit and train a group of Community Learning Ambassadors to consult with community members about learning needs and connect them to training. The team are also working with Learn Local providers to help promote adult learning in Casey and improve messaging about pre-accredited training.

A Board commissioned evaluation of the project that will consist of three community consultations throughout the life of the project. Evaluation results will be fed back into the project using formative and prospective evaluation. The project's process and impact are also being evaluated.

2018 Learn Local Awards

The Victorian Learn Local Awards promote adult, community and further education by recognising outstanding achievements of learners, practitioners, and Learn Local providers. They reward best practices and innovation and encourage high standards.

Presentations were made to the 2018 award winners at a gala dinner on 30 August 2018 at Pullman Melbourne Albert Park. Prize money totalling \$65,000 was awarded as follows:

- The Ro Allen Award - recognising pre-accredited learner excellence:
David Hayes, Kew Neighbourhood Learning Centre
- Victorian Learn Local Young Pre-accredited Learner Award:
Aymee Schofield, Noweyung Ltd
- Victorian Learn Local Pre-accredited Pathway Program Award:
Prepare for Work - Service Stars, Kensington Neighbourhood House
- Victorian Learn Local Practitioner Award:
Robyn Spandonide, Loddon Campaspe Multicultural Services
- Victorian Learn Local Creating Local Solutions Award:
Kick-Start your Career in Health, Noweyung Ltd
- Victorian Learn Local Collaboration Award:
Manningham Learns-A Strategic Alliance—Pines Learning, Park Orchards Community House and Learning Centre, Living and Learning@Ajani
- Learn Local Legends
 - Barwon South-western Regional Council—Diversitat
 - Eastern Metropolitan Regional Council—Glen Park Community Centre
 - Gippsland Regional Council—Heyfield Community Resource Centre
 - Grampians Regional Council—Nhill Neighbourhood House
 - Hume Regional Council—Tatura Community House
 - Loddon Mallee Regional Council—Bendigo Neighbourhood Hub
 - North-western Metropolitan Regional Council—Preston Reservoir Adult Community Education (PRACE)
 - Southern Metropolitan Regional Council—Springvale Learning and Activities Centre (SLAC).

Victorian Community Training Provider of the Year

For the fourth time, the Board sponsored the Victorian Community Training Provider of the Year Award at the annual Victorian Training Awards. The award was open to Learn Local providers, and awarded to an organisation demonstrating innovation and excellence in local community education, as part of Victoria's training system. The winner was judged on their:

- capacity to design and implement innovative, high-quality training programs valued by the local community and responsive to learner needs
- understanding of the local community and how to attract learners facing barriers to participation and attainment in vocational training
- partnerships and participation in broader service delivery within the local community.

Wyndham Community and Education Centre was announced community training provider of the year, at the 2018 Victorian Training Awards. This not-for-profit organisation offers a broad range of adaptive educational and community programs focused across the western suburbs of Melbourne and at Geelong. It responds to disadvantaged learners, youth and refugees with tailored pre-accredited and accredited programs, providing pathways into further education or employment.

In collaboration with industry, Wyndham Community and Education Centre created successful enterprises in hospitality, horticulture and bookkeeping. For example, their Saffron Kitchen project provides on-the-job learning in hospitality for people facing multiple barriers to employment. Their philosophy is that a young person's life-circumstances shouldn't limit their opportunities.

2018 Learn Local Conference

The Board's biennial Learn Local Conference was held on 30–31 August 2018. It:

- provided a forum to showcase best-practice and lessons learned from successful Capacity and Innovation Fund projects, and other Board-funded projects, among Learn Local providers and other stakeholders involved with adult learners
- communicated relevant outcomes or directions from Board-funded projects to key stakeholders
- enabled networking across Learn Local providers, other training providers, and adult and community education specialists.

Sustainable adult, community and further education

Support a network of providers with the right skills, resources, and connections to maximise deployment of resources and harness innovation.

Ensure and manage sustainable funding provision for sector programs.

2019 Registration of Learn Local providers

In 2017, KPMG reviewed the Board's Learn Local provider registration guidelines. The revised guidelines aim to strengthen registration criteria with a greater emphasis on quality training.

All Learn Local provider registrations expired in December 2018 with re-registration occurring under the new guidelines, where nine criteria must be addressed. Providers are eligible for either a three-year or five-year registrations period depending on their response to the criteria.

The standard of the 271 applications received was very high, with Learn Local providers providing substantial evidence against the criteria. Registered training organisations and Neighbourhood Houses are exempt from providing evidence against some criteria.

Three-year registration was given to 47 providers, and 224 received five-year registration. All new providers were registered for three years.

Strengthening sector governance

The Board contracted the Small Business Mentoring Service to deliver a Learn Local support program in 2018–19, helping the adult, community and further education sector to thrive and improve its reach and responsiveness to community needs. It includes governance and business management, workshops and follow-up one-on-one mentoring.

The governance component was delivered in the second half of 2018 to members of committees of management in 30 Learn Local providers. Participant satisfaction was high. They took on board the advice and guidance and made positive changes to their governance approach or produced action plans for future change. Some did both. Several committees of management chose to retain their assigned mentor and continue building their capability to provide effective direction to their Learn Local.

In early 2019, the business management component was delivered to managers and coordinators from 35 Learn Local providers. It used the Teach-Create-Implement approach and achieved improvements in business, marketing, and commercial skills for financial viability. Social enterprises were developed in conjunction with Learn Local providers.

Financial performance reporting

Summary of financial results

Financial performance

The table below provides summary information from the Board's financial reports for the 2018–19 financial year, with comparative data for the previous four years.

Five-year financial summary

Results	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2015 \$'000
Income from government	41,592	32,095	31,800	31,533	27,759
Total income from transactions	41,592	32,095	31,800	31,533	27,759
Total expenses from transactions	35,411	35,712	33,437	30,364	31,386
Net result from transactions	6,181	(3,617)	(1,637)	1,169	(3,627)
Other economic flows included in net result	6	68	173	158	(595)
Net result for the period	6,187	(3,549)	(1,464)	1,327	(4,222)
Net cash flow from operating activities	0	0	0	0	0
Total assets	51,128	45,423	36,789	39,020	35,597
Total liabilities	1,673	2,155	1,044	1,811	670

Revenue

Total income in 2018–19 increased by \$9.5 million, primarily reflecting one-off grants revenue from the Department of Education and Training to fund the Board's language, literacy and numeracy program, and the training subsidy rate increase for 2019.

Expenses

Expenses in 2018–19 remained comparable with 2017–18, decreasing by \$0.3 million reflective of minor program adjustments to align with the Board's revised strategic objectives.

Governance and organisational structure

Organisational structure and corporate governance

Board membership matters

The Board has 12 members including a Chairperson and a Deputy Chairperson. Members are appointed by the Governor-in-Council on the recommendation of the Minister for Training and Skills.

The Board reflects the breadth and diversity of adult education in the community and its links with government, industry and community sector activity.

Ms Sally Brennan and Mr Michael Grogan were reappointed for three-year terms, on 3 July 2018.

On 4 July 2018, Ms Sue Christophers resigned as Chairperson. Dr Ron Wilson was appointed as acting Chairperson from 27 July to 27 August 2018. Ms Maria Peters was appointed Chairperson on 28 August 2018.

Ms Andrea McCall resigned from the Board on 30 September 2018.

On 21 May 2019, Ms Margaret Lewis and Ms Helen Kennedy were appointed to the Board.

Adult, Community and Further Education Board members 2018–19

Ms Maria Peters was appointed Chairperson on 28 August 2018. Ms Peters has been involved in the adult education sector for more than 30 years and was, most recently, the independent Chairperson of the Future Opportunities for Adult Learners in Victoria reference group. She is a leading figure in the Australian vocational and tertiary sector, having held a wide range of management, leadership and governance roles. Maria joined Chisholm Institute in 1987 as a sessional teacher in the adult community education and foundation field, and has provided 30 years of continuous service to communities the Institute serves, becoming a respected leader in vocational education and training at state, national and international levels. As Chisholm's Chief Executive Officer from 2010–17, she was driven to improve participation and ensure strong student and industry outcomes. As a recipient of the Lynne Kosky Lifetime Achievement Award at the 2017 Victorian Training Awards, Ms Peters was recognised for leading significant educational innovation within the vocational education and training sector, aimed at improving participation and ensuring strong student and industry outcomes. In 2018, for her outstanding leadership and commitment to vocational education, Ms Peters was awarded an Honorary Doctor of Education from Swinburne University.

Dr Ron Wilson, PSM (Deputy Chairperson; acting Chairperson 27 July to 27 August 2018) is an education and training consultant with more than 20 years' experience in the Victorian VET sector; including in senior management, Indigenous education, and corrections education in TAFE. He has worked as a consultant with Learn Local providers and supported their development of sustainable business models and operational systems. Ron was awarded the Public Service Medal in 1996 for introducing vocational training in Victoria's adult and juvenile corrections systems. Ron is a member of the Friends of Eltham Copper Butterfly.

Ms Sally Brennan is an experienced education consultant with a particular emphasis on community development and adult community education. She has extensive experience in the Learn Local sector, including 22 years as Chief Executive Officer of Upper Yarra Community House (now Cire Services), as well as representing peak bodies at state and national level. Sally has worked with all levels of government; creating and maintaining local and regional services, community engagement, and working with industry and education providers to improve learning outcomes for disadvantaged and vulnerable learners. She is currently Principal Advisor in Regional Development at Swinburne University of Technology. Sally has qualifications in adult development including a Master of Education and is a graduate of the Australian Institute of Company Directors. She was reappointed to the Board on 3 July 2018.

Ms Sue Christophers, PSM has more than twenty years' experience at senior executive level in the Department of Education and Training; leading development of state and national policy, managing complex projects, and contributing to major restructures. In 2015, Sue received a Public Service Medal. She has led complex policy and service delivery reform in education and training at state, national, and international levels. She was responsible for the establishment and management of government-to-

government agreements on educational cooperation in the Middle East and Asia, and facilitated opportunities for Victoria to work with other countries to further all systems of education. Sue is a Board Director at the VET Development Centre. She resigned as Chairperson on 4 July 2018.

Ms Helen Coleman, OAM was a councillor and two-time mayor for the Nillumbik Shire Council from 2004–16. With qualifications in community development and a Bachelor of Social Science, Helen has worked in a diverse range of paid and voluntary roles in the legal profession for state Members of Parliament, and consulted in the volunteer and community development sectors. Helen has wide-ranging Board experience with not-for-profit and government boards. She is a board member of Women's Health Victoria, and metro Vice President of the Australian Local Government Women's Association. Helen was awarded a Medal of the Order of Australia in January 2019 for service to the community. She is a Fellow of the Australian Institute of Company Directors and a graduate of the Cranlana Programme.

Mr Michael Grogan is the Victorian-South Australian Director of the Advanced Manufacturing Growth Centre. Previously Chief Executive Officer of Sutton Tools Pty Ltd, Michael sits on the Board of Manufacturing Skills Australia and is a Director of the Defence Materials Technology Centre. He chairs the Ruthven Secondary College School Council and is a Director at Evolve in Focus. Mr Grogan was reappointed to the Board on 3 July 2018.

Ms Helen Kennedy has extensive experience in leadership and community development, specifically relating to Aboriginal wellbeing. She has held senior management roles within the Victorian Aboriginal Community Controlled Health Organisation and was responsible for operational management support of eight health programs. Ms Kennedy has also managed over 45 staff, including those providing allied health services to at-risk members of the Victorian community.

Ms Margaret Lewis has wide-ranging experience on community boards and committees including Goldfields Local Learning Employment Network, Bendigo Trades Hall Council and the Victorian branch of the Australian Education Union's state council. She is currently a board member of Castlemaine Health, Remembrance Parks Central Victoria, Planning for Sustainable Animal Industries Implementation Reference Group, and Joyce's Creek Cemetery Trust, in addition to other non-government bodies and committees. Ms Lewis has extensive experience in education, being a teacher for 25 years and a principal for 18 years.

Mr John Maddock, AM has vast corporate governance, senior executive leadership, and management experience in the tertiary and adult education sectors, including being Chief Executive Officer at both Box Hill Institute Group and Gordon Institute of TAFE. He is an Honorary Senior Fellow of Melbourne University Graduate School of Education's LH Martin Institute and a member of the Victoria Polytechnic Vice Chancellor's Advisory Committee at Victoria University. He also provides consulting services. John is a Fellow of the Australian Institute of Company Directors and previously held non-executive director positions with Innovation Skills Australia, Australian Training Products and eCoach. He was awarded the Australia Sports Medal for volunteer services with the Sydney 2000 Olympics. In 2013, John was made a Member in the General Division of the Order of Australia for significant service to vocational education and training, and to the sport of basketball.

Ms Andrea McCall is a graduate in history and politics from the University of Lyon and has a post-graduate qualification in human resources. She was a Victorian Member of Parliament from 1996 to 2002. Since 2002, she has worked at a number of Victorian universities tutoring and running work experience programs, as well as hosting overseas business delegations and training courses for state government departments. Andrea was Chair of the Women's Correctional Services Advisory Committee and a member of Justice Health. She has chaired committees on disability and small business and has chaired projects for

the Board on youth engagement and positive ageing. Ms McCall is a member of the U3A Frankston Committee of Management. Ms McCall resigned from the Board on 30 September 2018.

Dr Menon Parameswaran, OAM has a background in natural resource management, agriculture, teaching and research, business studies, and community liaison and engagement with culturally and linguistically diverse communities and disadvantaged learners in the VET system. He was awarded a Medal of the Order of Australia in January 2019 for service to primary industry. He is a board director of the Primary Care Connect Community Health Service in Shepparton and has chaired and worked as a member of both industry and government peak committees. Menon is a retired senior lecturer of the University of Melbourne, a former advisor and consultant at the Goulburn Broken Catchment Management Authority, and a former senior lecturer and research manager at the Victorian College of Agriculture and Horticulture. Menon was a member of the Victorian Multicultural Business Advisory Council from 2004 to 2009. He has more than 30 years' experience in education and community forums and has received awards and commendations for work in environmental and community issues.

Dr Fiona Reidy has expertise in community and stakeholder engagement, Learn Local operations and challenges, and public sector governance. She has more than ten years' experience in senior management roles in local government; including liaison with neighbourhood houses and the City of Greater Geelong. Her former roles include Director in Client Outcomes and Service Improvement at the Victorian Department of Health and Human Services and Director of Health and Wellbeing at G21 Geelong Region Alliance. She was a quality assessor and team leader at the Aged Care Standards and Accreditation Agency and a national labour adjustment officer at the Textile Clothing and Footwear Union. She has a PhD in Disability and Local Settings and is a member of the Australian Association of Social Workers. Until recently, she was an Adjunct Professor at La Trobe University. Ms Reidy resigned from the Board on 26 July 2018.

Dr Win Scott is a consultant with extensive experience in the vocational education and training sector. She was Chief Executive Officer, Sunraysia Institute of TAFE until her retirement in June 2016. La Trobe University awarded her an honorary Doctorate of Education in 2016, and she holds a Master of Educational Management. Win is the Chair of the Mallee Regional Partnership and Deputy Chair of the Regional Development Advisory Committee. She is also a member of other regional and local boards. Before joining the TAFE sector, Dr Scott was a restaurateur in Bendigo.

Mr Raoul Wainwright has a background in public policy, industrial relations and community services. He is a legal officer for the Australian Manufacturing Workers' Union. Mr Wainwright holds a Bachelor of Laws/Bachelor of Arts and has held ministerial advisory roles and been a member of local government. Mr Wainwright has longstanding experience in working with government at all levels and is committed to improving access to educational opportunities for all Victorians.

Ms Penny Wilson has extensive government, community, and private sector experience. As a partner at SHK Asia Pacific, she specialises in executive search and business transition in government, not-for-profit, and regulatory settings. Penny has held senior roles in public service and is the former Chief Executive Officer of both the Responsible Gambling Advocacy Centre and the Victorian Council of Social Service. A long-standing volunteer in adult learning programs, Penny was Chair of Learn for Yourself, a Learn Local provider. Penny has qualifications in social sciences, communications and business management, and she is an experienced non-executive board director.

Audit and Risk Committee membership and roles

In accordance with legislative requirements, the Board operates an Audit and Risk Committee to oversee:

- risk management
- financial management, performance and sustainability reporting
- compliance with legislation, regulations and standards
- external audit
- internal audit.

In 2018–19, the independent members of this committee were:

- Lisa Woolmer (Chairperson)
- Michael Grogan (Deputy Chairperson)
- Sue Christophers (to 4 July 2018)
- John Maddock
- Andrea McCall (to 30 September 2018)
- Menon Parameswaran (from 13 December 2018)
- Maria Peters (from 28 August 2018)
- Raoul Wainwright (from 13 December 2018).

Finance Committee membership and roles

The Board also operated a Finance Committee in 2018. The Finance Committee:

- advised the Board regarding funding allocation setting
- monitored financial performance against Board funding allocations
- advised the Board regarding the treatment of unrecoverable debts
- ensured effective oversight of financial resources in alignment with Board objectives
- led improvements to Board financial efficiency and sustainability.

In 2018, the members of this committee were:

- John Maddock (Chairperson)
- Sue Christophers (to 4 July 2018)
- Andrea McCall (to 30 September 2018)
- Michael Grogan
- Maria Peters (from 28 August 2018).

Representation on Board committees, panels, steering groups and working groups

Members of the Board also represent the Board on working groups and committees such as:

- Board external performance review working groups
- Adult, community and further education metrics working group
- Capacity and Innovation Fund application evaluation panels
- Victorian Learn Local Awards judging panels
- flagship initiative steering committees
- Board strategy 2020–25 steering committee
- Casey Community Solutions steering group.

In addition, eight members of the Board took on liaison and communication support roles within Regional Councils as Regional Champions.

Representation on other bodies

Members of the Board also represent the Board on external bodies such as the Koorie Advisory Committee.

Regional councils of adult, community and further education

There are eight regional councils of adult, community and further education established under the *Education and Training Reform Act 2006*.

Regional:

- Barwon South-western
- Gippsland
- Grampians
- Hume
- Loddon Mallee

Metropolitan:

- Eastern Metropolitan
- North-western Metropolitan
- Southern Metropolitan

The work of each regional council is supported by Department of Education and Training staff.

Role of regional councils

The Board and regional councils work together to fulfil the Board's mission.

Regional councils draw together different expertise and aspects of local knowledge about adult education to advise the Board on needs of adult education across their regions. They also contribute to statewide planning and policy development.

Regional councils help the Board meet its objectives by:

- developing processes to enable learners and providers to advise them and the Board of needs in their region
- providing advice and preparing reports for the Board
- providing information and contributing to planning
- advising the Board regarding the effectiveness of activities in their region, including those funded by the Board
- supporting and promoting provision, networks between providers, and diversity and flexibility of provision
- recommending to the Board statewide priorities and policies.

Composition

Each regional council has a minimum of five members appointed by the Minister for Training and Skills, including an elected Chairperson and elected deputy. Regional councils may also co-opt two additional people for up to twelve months. Members are appointed to ensure regional councils reflect:

- community diversity
- regional interests and views of individuals and groups that will benefit from adult education in the region
- regional interests and views of adult education providers
- the importance of community-based adult education.

At least half of the members should have knowledge of, or experience in, providing adult, community and further education.

Membership of regional councils 2018–19

Barwon South-western

- Jan Golden, Chairperson
- Heather Reardon, Deputy Chairperson
- David Cotsell
- Louise Cameron
- Allison Fleming
- Debbie Hope
- Anne Marie Ryan.

Gippsland

- Glenda McPhee, Chairperson
- Desmond Williams, Deputy Chairperson
- Catherine Brigg
- Diane Carson
- Karen Fleischer
- Josie Rose.

Grampians

- Karen Monument, Chairperson
- Tim Shaw, Deputy Chairperson (to 12 December 2018)
- Jannine Bennett
- Bryan Crebbin
- Annette Creek (to 28 February 2019).

Hume

- Andrew Kay, Chairperson
- Bradley Quilliam
- Maurice (Norm) Stone (to 24 June 2019).

Loddon Mallee

- Brian Gould, Chairperson
- Derek Bowman (to 28 February 2019)
- Elaine Bartram (to 31 August 2018)
- Neale Chandler
- Natalie Green
- Craig Leary
- Kerry McGuffie (to 20 April 2019)
- Deborah Quin.

Eastern Metropolitan

- Beverley Knowles, Chairperson
- Joseph Cullen, Deputy Chairperson
- Joanne Butterworth-Gray (to 1 December 2018)
- Yvonne Ho
- Carmen Pace

- Fiona Purcell
- Sharon Rice
- Helen Ruddell
- Jeanette Swain.

North-western Metropolitan

- Elizabeth Joldeski, Chairperson
- Christine McCall, Deputy Chairperson (to 28 February 2019)
- Gregory Ferrington
- Maria Floudiotis
- Peter Russo
- John Sheen
- Joanne Smyth.

Southern Metropolitan

- Louisa Ellum, Chairperson (to 28 February 2019)
- Judith Bissland, Deputy Chairperson
- Martin Corman
- Gillian Latchford
- Catherine McGrath (to 28 February 2019).

Administrative and project support

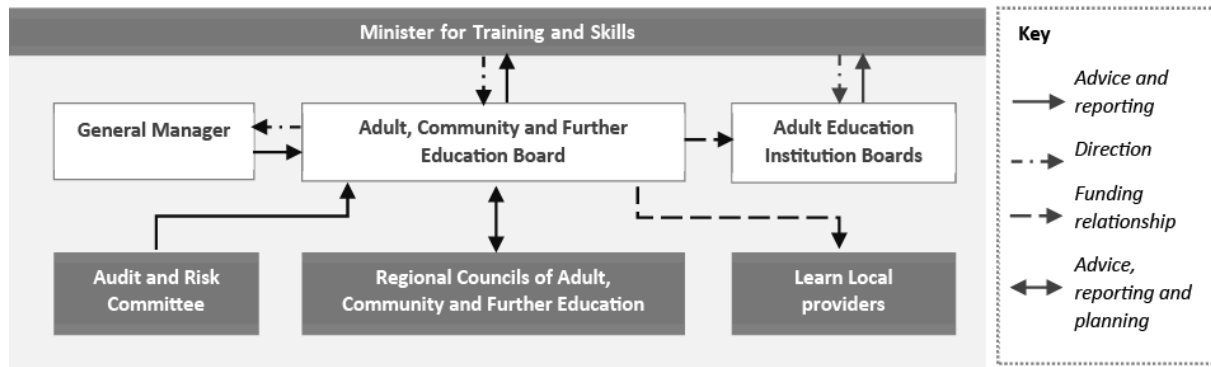
Under the Education and Training Reform Act, a General Manager of the Board is responsible for implementing Board policies and decisions. During 2018–19, this role was filled by Ms Lee-Anne Fisher, Executive Director, Engagement, Participation and Inclusion Division of the Department of Education and Training. More broadly, the planning, policy and resource allocation roles of the Board were supported in the Department of Education and Training by the General Manager and the Participation, Inclusion and Regional Engagement Branch of the Engagement, Participation and Inclusion Division.

The Branch also helped eight Regional Councils of Adult, Community and Further Education, and Learn Local providers meet the government's goals and targets for adult learning and community building. It provides advice about the Learn Local sector, supports the Board to build organisational capacity, and administers Board grant programs.

Organisational structure

Figure 1 describes the legislative relationships and accountabilities of the Board as of 30 June 2019.

Figure 1 Organisational chart



Occupational health and safety, incident management and employment and conduct principles

The Department of Education and Training manages matters relating to staffing, workforce data, the application of merit and equity principles, incident management and occupational health and safety (see the Department's Annual Report 2018–19).

Workforce data

Public sector and employment principles, workforce data, workforce inclusion policy and executive officer data

The Board employs no staff. The Department of Education and Training manages matters relating to staffing, workforce data, the application of merit and equity principles, incident management and occupational health and safety (see the Department's Annual Report 2018–19).

Other disclosures

Government advertising expenditure

Nil reports.

Disclosure of major contracts

Nil reports.

Consultancy expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2018–19, there were seven consultancies with total fees payable of \$10,000 or greater. Total expenditure in relation to these was \$447,000 (excluding GST).

Consultant	Purpose of consultancy	Total approved project fee (ex GST) \$,000	Expenditure 2018–19 (ex GST) \$,000	Future expenditure (ex GST) \$,000
AMES Australia	Priority Learner Cohort Strategy	45	45	-
KPMG Australia	Capacity and Innovation Fund outcomes project	103	92	-
Management Governance Australia	Priority Learner Cohort Strategy	45	45	-
Oakton Services Pty Ltd	ACFE Web portal project	178	178	-
PTR Consulting	Strengthening Pathways for Adult Learners in Gippsland	76	15	-
Think Impact Pty Ltd	Professional development strategy	94	28	-
University of Melbourne	Priority Learner Cohort Strategy	45	44	-

Details of consultancies under \$10,000

In 2018–19, there were no consultancies where the total fees payable to the individual consultant were less than \$10,000.

Information and communication technology expenditure

For 2018–19, the Board had a total information and communication technology expenditure of \$1,095,000 as detailed below.

All operational ICT Expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as Usual (BAU) ICT expenditure \$'000	Non-Business as Usual (Non BAU) ICT Expenditure (Total = operational expenditure and capital expenditure) \$'000	Operational expenditure \$'000	Capital expenditure \$'000
837	258	258	-

Freedom of information

The *Freedom of Information Act 1982* allows the public the right of access to documents held by the Board. This includes documents created during work done for the Board and documents supplied to the Board by an external organisation or individual.

The Act extends the community's right to access information held by government departments, local councils, ministers, and other bodies subject to the Act.

The Act allows the Board refuse access, either fully or partially, to certain documents or information such as:

- Cabinet documents
- some internal working documents
- law enforcement documents
- documents covered by legal professional privilege, such as legal advice
- personal information about other people
- information provided to the Board in-confidence.

From 1 September 2017, the Freedom of Information processing time for requests received was reduced from 45 days to 30. This can sometimes be extended.

Applicants dissatisfied by a Board decision may, under section 49A of the Act, seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

Making a request

Submit freedom of information requests to: [Freedom of Information website](#). Search and access charges may apply.

Access can also be obtained by written request to the Board's Freedom of Information team, as detailed in sub-section 17 of the Freedom of Information Act.

All freedom of information requests, should be in writing and clearly identify the types of materials sought.

Address:

Freedom of Information Manager

Adult, Community and Further Education Board
Department of Education and Training
GPO Box 4367
Melbourne VIC 3001

Freedom of information statistics

For the 12 months ending 30 June 2019, the Board received no new applications.

Further information

Further information regarding Freedom of Information can be found in the Act, regulations made under the Act, or on online at [Freedom of Information website](#)

Compliance with the *Building Act 1993*

Mechanisms to ensure that buildings conform to the building standards

The Department of Education and Training manages nine state-owned buildings on behalf of the Board. The Department advises they all comply with the *Building Act 1993* and other statutory obligations. A building rectification program ensures state-owned buildings comply with relevant legislative requirements.

Major works projects (greater than \$50,000)

During 2018–19, major works (greater than \$50,000) were undertaken at:

- 602 Urquhart St, Ballarat
- 30 Templeton Street, Castlemaine
- 17 Chisholm Street, Wangaratta
- 71 Hyland Street, Warrnambool.

Mechanisms for inspection, reporting, scheduling and carrying out of maintenance works on state-owned existing buildings

The Department has engaged compliance program managers, on behalf of the Board, to organise inspections, reporting, scheduling, and rectification works to ensure existing buildings comply with building regulations. This covers asbestos removal and essential safety measures. The Department responds, on behalf of the Board, to unforeseen issues that pose an immediate and serious health and safety risk at state-owned buildings.

Other requirements

No building permits, occupancy permits, certificates of final inspection, emergency orders or building orders were issued for state-owned properties.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Board does not operate as a business where services compete, or potentially compete with the private sector, so the National Competition Policy is not applicable to the Board.

Compliance with the *Protected Disclosure Act 2012*

The Protected Disclosure Act encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act protects people who make disclosures in accordance with the Act, and it establishes a system for the matters that have been disclosed to be investigated and for rectifying action to be taken.

The Board does not tolerate improper conduct, nor reprisals against, those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health, safety, or the environment.

The Board will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford justice to the person who is the subject of the disclosure to the extent that it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Board, or any of its officers, may be addressed to:

Protected Disclosure Coordinator

Adult, Community and Further Education Board
Department of Education and Training
GPO Box 4367
Melbourne VIC 3001

Alternatively, disclosures of improper conduct or detrimental action by the Board or its officers may also be made directly to the:

Independent Broad-based Anti-corruption Commission

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135

Internet: [Independent Broad-based Anti-corruption Commission website](#)

Email: See the website above for a secure email disclosure process that also provides anonymity.

Further information

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action, are available from the Protected Disclosure Officer.

Disclosures under the Protected Disclosure Act	2018–19	2017–18
Number of disclosures made by an individual to the Board and notified to the Independent Broad-based Anti-corruption Commission	0	0
Assessable disclosures	0	0

Compliance with the *Disability Act 2006*

The Disability Act reaffirms and strengthens the rights and responsibilities of persons with a disability and is based on the recognition that this requires support across the government sector and within the community. The Department of Education and Training manages the implementation of a disability plan relating to the employment of staff (see the Department's Annual Report 2018–19).

The Victorian Government, through the Board, provides funding to Learn Local providers for the provision of pre-accredited training to people whose current or past life circumstances present barriers to educational achievement. The Board specifically targets funding to reach seven priority learner groups, including people with a disability.

Additional information available upon request

Consistent with the requirements of the *Financial Management Act 1994*, the Board has prepared material on the topics listed below. Details of this material are held by the Executive Director of the Engagement, Inclusion and Participation Division and are available to the public on request, subject to the Freedom of Information Act.

Information retained by the Board includes details (where applicable) of any:

- statement that declarations of pecuniary interests have been duly completed by all relevant officers
- shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- publications produced by the entity about itself, and details about how these can be obtained
- changes in prices, fees, charges, rates, and levies charged by the entity
- major external reviews carried out on the entity
- major research and development activities undertaken by the entity
- overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- major promotional, public relations, and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- assessments and measures undertaken to improve the occupational health and safety of employees
- general statement about industrial relations within the entity and details of time lost through industrial accidents and disputes
- list of major committees sponsored by the entity, the purposes of each committee, and the extent to which the purposes have been achieved
- consultancies and contractors including—
 - consultants/contractors engaged
 - services provided
 - expenditure committed for each engagement.

Enquiries regarding details of this information should be made to:

Executive Director, Engagement, Participation and Inclusion Division

Higher Education and Skills Group

Department of Education and Training

GPO Box 4367

Melbourne VIC 3001

Telephone: 03 7022 1526

Office-based environmental impacts

The Department of Education and Training manages office-based environmental performance improvement initiatives and requirements of the Board (see the Department's Annual Report 2018–19).

Attestation for financial management compliance with Standing Direction 5.1.4

I, Ms Maria Peters, on behalf of the Responsible Body, certify that the Adult, Community and Further Education Board has complied with the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions.

Financial Statements

Declaration in the financial statements	36
VAGO Independent Auditor's report	37
Comprehensive operating statement	39
Balance sheet	40
Statement of changes in equity	41
Cash flow statement	41
Notes to and forming part of the financial statements	42

Declaration in the financial statements



Declaration in the financial statements

The attached financial statements for the Adult, Community and Further Education Board have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our joint opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Board at 30 June 2019.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 30 August 2019.



Ms Lee-Anne Fisher
Accountable Officer
Adult, Community and Further Education
Board

30 August 2019



Ms Cynthia Lahiff
Chief Finance Officer
Adult, Community and Further Education
Board

30 August 2019



Ms Maria Peters
Chairperson
Adult, Community and Further Education Board

30 August 2019

VAGO Independent Auditor's report



Independent Auditor's Report

To the Board of the Adult, Community and Further Education Board

Opinion	<p>I have audited the financial report of the Adult, Community and Further Education Board (the board) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2019• comprehensive operating statement for the financial year then ended• statement of changes in equity for the financial year then ended• cash flow statement for the financial year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the board as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
4 September 2019


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2019

	Notes	30 June 2019 \$'000	30 June 2018 \$'000
Income from transactions			
Grants	2	37,540	28,275
Services received free of charge	2	4,052	3,820
Total income from transactions		41,592	32,095
Expenses from transactions			
Depreciation	7, 11	(596)	(511)
Grants and transfer payments	3	(28,095)	(28,658)
Operating expenses	4	(2,668)	(2,723)
Services provided free of charge	4	(4,052)	(3,820)
Total expenses from transactions		(35,411)	(35,712)
Net result from transactions (net operating balance)		6,181	(3,617)
Other economic flows included in net result			
Net gain/(loss) on financial instruments	5	6	68
Total other economic flows included in net result		6	68
Net result		6,187	(3,549)
Other economic flows—other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	7, 13	-	11,072
Total other economic flows—other comprehensive income		-	11,072
Comprehensive result		6,187	7,523

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet

As at 30 June 2019

	Notes	30 June 2019 \$'000	30 June 2018 \$'000
Assets			
Financial assets			
Receivables	6, 11	17,974	11,636
Total financial assets		17,974	11,636
Non-financial assets			
Prepayment		347	384
Property ⁽ⁱ⁾	7, 11	32,807	33,403
Total non-financial assets		33,154	33,787
Total assets		51,128	45,423
Liabilities			
Payables	8, 11	1,673	2,155
Total liabilities		1,673	2,155
Net assets		49,455	43,268
Equity			
Contributed capital		1,701	1,701
Physical assets revaluation surplus ⁽ⁱ⁾	13	32,039	32,039
Accumulated surplus/(deficit)		15,715	9,528
Net worth		49,455	43,268

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

Note:

- (i) The Office of the Valuer-General Victoria revalued land and buildings as at 30 June 2018, in accordance with the assets government purpose classification under FRD 103H *Non-financial physical assets*.

Statement of changes in equity

For the financial year ended 30 June 2019

	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
Balance at 30 June 2017	20,967	13,077	1,701	35,745
Net result for the year	-	(3,549)	-	(3,549)
Other comprehensive income	11,072	-	-	11,072
Balance at 30 June 2018	32,039	9,528	1,701	43,268
Net result for the year	-	6,187	-	6,187
Other comprehensive income	-	-	-	-
Balance at 30 June 2019	32,039	15,715	1,701	49,455

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

Cash flow statement

For the financial year ended 30 June 2019

	Notes	30 June 2019 \$'000	30 June 2018 \$'000
Cash flows from operating activities			
Receipts			
Receipts from Government		30,268	29,285
GST recovered from ATO		3,869	3,885
Total receipts		34,137	33,170
Payments			
Payments of grants and other expenses		(34,137)	(33,170)
Total payments		(34,137)	(33,170)
Net cash flows from/(used in) operating activities	12	-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year		-	-

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

Notes to and forming part of the financial statements

Note 1 About this report

The financial statements cover the Adult, Community and Further Education Board as an individual reporting entity under the *Education and Training Reform Act 2006*. The Board is a statutory authority under the *Education and Training Reform Act 2006*. The Board reports separately to Parliament through the Minister for Higher Education and Minister for Training and Skills.

Its principal address is:

Adult, Community and Further Education Board

Level 3
2 Treasury Place
East Melbourne,
VICTORIA 3002

A description of the nature of the Board's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding

The Board's overall objective is to support the expansion of adult community education across all learner groups, across all qualification levels and industry sectors, and develop a strong Learn Local organisation base which is responsive to industry and community needs. The Board is predominantly funded by accrual-based parliamentary appropriations.

Basis of preparation

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention except for non-financial physical assets which are disclosed in the associated note.

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

Amounts in the financial statements have been rounded to the nearest 1,000 dollars unless otherwise stated. Figures in the financial statements may not equate due to rounding.

Compliance information

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

Where appropriate, those paragraphs of the AASs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Note 2 Income from transactions

Income from transactions	30 June 2019 \$'000	30 June 2018 \$'000
Grants from the Department of Education and Training	37,540	28,275
Administrative and salaries revenue received free of charge	4,052	3,820
Total income from transactions	41,592	32,095

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured.

Grants

State Government grants, over which the Board gains control during a reporting period, are recognised as income of that reporting period consistent with Australian Accounting Standard AASB 1004 *Contributions*. 'Control' arises on the earlier event of receipt or notification of eligibility for grants by relevant authorities.

Services received free of charge

Contributions of resources received free of charge are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not received as a donation.

The Department of Education and Training provides the services of Departmental employees to assist the Board with operational activities. The Board recognises the value of employee expenses incurred by the Department in undertaking Board activities, together with administrative overheads, as services received free of charge in the comprehensive operating statement.

Note 3 Grants and transfer payments

Grants and transfer payments	30 June 2019 \$'000	30 June 2018 \$'000
Payments to adult community education organisations	25,000	25,301
Payments to adult education institutions	1,943	2,200
Payments to other education organisations	1,152	1,157
Total grants and transfer payments	28,095	28,658

Grants and transfer payments

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to educational providers.

Note 4 Operating and administrative expenses

Operating and administrative expenses	30 June 2019 \$'000	30 June 2018 \$'000
Operational expenditure		
Operating expenses	2,668	2,723
Services provided free of charge		
Administrative and salary expenses provided free of charge	4,052	3,820
Total operating and administrative expenses	6,720	6,543

Operating expenses

Operating expenses generally represent the day to day running costs incurred in normal operations of the Board. These items are recognised as an expense in the reporting period in which they are incurred.

Services provided free of charge

Contributions of resources provided free of charge are recognised at their fair value once control is obtained over them, irrespective of whether restrictions or conditions are imposed over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased, if not donated.

The Board recognises the following expenses incurred in administering Board activities as services provided free of charge in the comprehensive operating statement. Employee expenses (including on-costs) for Department of Education and Training employees administering the Board's operations and administrative overheads calculated on the number of Departmental employees engaged in Board activities.

Note 5 Other economic flows included in net result

Net gain/(loss) on financial instruments	30 June 2019 \$'000	30 June 2018 \$'000
Movement in contractual receivables (impairment)	6	68
Total net gain/(loss) on financial instruments	6	68

'Other economic flows included in net result' are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, and impairments of non-financial physical and intangible assets
- fair value changes of financial instruments
- gains and losses on remeasuring available-for-sale financial assets.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value
- impairment and reversal of impairment for financial instruments at amortised cost
- disposals of financial assets and de-recognition of financial liabilities.

Revaluations of financial instruments at fair value

At the end of each reporting period, the Board assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor identified and recorded in the Board's provider risk register and default payments. All financial assets, except for those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for impairment and bad debts on a regular basis. Those bad debts considered as written off through mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the impairment of receivables are classified as other economic flows in net result.

Note 6 Receivables

Receivables	30 June 2019 \$'000	30 June 2018 \$'000
Contractual receivables		
Trade and other receivables	530	369
Expected credit loss	(212)	(218)
Total contractual receivables	318	151
Statutory receivables		
Receivable from Victorian Government	17,524	11,317
GST input tax credit recoverable	132	168
Total statutory receivables	17,656	11,485
Total receivables	17,974	11,636

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and loans to third parties
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST).

Contractual receivables are classified as financial instruments. Statutory receivables are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less expected credit losses. Expected credit loss is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Details about the Board's impairment policies, exposure to credit risk, and the calculation of the loss allowance are set out in Note 10 Financial instruments.

Movement in the provision for expected credit loss	30 June 2019 \$'000	30 June 2018 \$'000
Balance at beginning of the year	(218)	(286)
Adjustment on adoption of AASB 9 <i>Financial Instruments</i>	171	-
Opening loss allowance	(47)	(286)
(Increase)/decrease in allowance recognised in surplus or deficit	(165)	68
Balance at end of the year	(212)	(218)

Note 7 Property

Property	30 June 2019 \$'000	30 June 2018 \$'000
Land		
Land at fair value ⁽ⁱ⁾	15,964	15,964
	15,964	15,964
Buildings		
Buildings at fair value ⁽ⁱ⁾	17,439	17,439
Less: Accumulated depreciation	(596)	-
	16,843	17,439
Net carrying value of property	32,807	33,403

(i) The Office of the Valuer-General Victoria revalued land and buildings as at 30 June 2018 in accordance with the assets government purpose classification under FRD 103H *Non-financial physical assets*.

Recognition of property

All non-financial physical assets except land are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Land is measured initially at cost and subsequently revalued at fair value. Land fair value is the property's highest and best use.

Depreciation

Buildings that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated life.

The estimated average useful lives are as follows:

Asset class	Average useful life	
	2019	2018
Buildings	40–70 years	40–70 years

The Board undertakes management reviews on the residual value and useful life of buildings at the end of each annual reporting period.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because their service potential has not, in any material sense, been consumed during the reporting period.

Subsequent measurement

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H *Non-financial physical assets* issued by the Assistant Treasurer. A full revaluation normally occurs every five years, based on the assets government purpose classification. Independent valuers conduct the scheduled revaluations with any interim revaluations determined in accordance with the requirements of FRD 103H *Non-financial physical assets*.

The Board conducts fair value assessments on land and buildings annually based upon the cumulative indices supplied by the Office of the Valuer-General Victoria since the last formal revaluation. Where fair value assessments indicate that the changes in valuations are greater than 10 per cent, a management valuation would be undertaken and these indices applied.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows—other movements in equity' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease shall be recognised in 'other economic flows—other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in 'other economic flows—other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property are offset against one another in that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

Reconciliation of movements in carrying value

30 June 2019	Land \$'000	Buildings \$'000	Total \$'000
Carrying amount at start of year	15,964	17,439	33,403
Depreciation	-	(596)	(596)
Carrying amount at end of financial year	15,964	16,843	32,807

30 June 2018	Land \$'000	Buildings \$'000	Total \$'000
Carrying amount at start of year	9,855	12,987	22,842
Revaluation increments	6,109	4,963	11,072
Depreciation	-	(511)	(511)
Carrying amount at end of financial year	15,964	17,439	33,403

Note 8 Payables

	30 June 2019 \$'000	30 June 2018 \$'000
Contractual payables		
Trade and other payables	1,673	2,155
Total contractual payables	1,673	2,155
Total payables	1,673	2,155

Payables consist of:

- contractual payables, such as accounts payable and expenditure accruals. Contractual payables represent liabilities for goods and services provided to the Board before the end of the financial year that are unpaid and arise when the Board becomes obliged to make future payments in respect of the purchase of those goods and services.
- statutory payables, such as goods and services tax.

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

Note 9 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. As at 30 June 2019, the Board had no knowledge of any contingent assets or contingent liabilities (2018 - Nil).

Note 10 Financial instruments

Financial risk management objectives and policies

The Board's principal financial instruments comprise of:

- receivables (excluding statutory receivables)
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each financial asset, financial liability and equity instrument above are disclosed in Note 11 Fair value determinations.

The main purpose in holding financial instruments is to prudentially manage the Board's financial risks within the Government policy parameters.

The Board's main financial risks include credit risk and liquidity risk. The Board has overall responsibility for the establishment and oversight of its risk management framework.

Credit risk

Credit risk arises from the contractual financial assets of the Board, which comprises of contractual receivables. The Board's exposure to credit risk arises from potential default of a counterparty on their contractual obligations, resulting in financial loss to the Board.

Credit risk associated with the Board's contractual receivables is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Board's policy to only deal with organisations that meet the standard financial viability requirements set.

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

Contractual financial assets

The Board applies AASB 9 *Financial Instruments* simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Board has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

2019 contractual receivables	Current ⁽ⁱ⁾ \$'000	Less than 1 month \$'000	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Total \$'000
Expected loss rate	100%	0%	0%	49%	17%	
Gross carrying amount	13	-	-	342	175	530
Less loss allowance	(13)	-	-	(169)	(30)	(212)
Net carrying value	-	-	-	173	145	318

2018 contractual receivables	Current ⁽ⁱ⁾ \$'000	Less than 1 month \$'000	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Total \$'000
Expected loss rate	100%	0%	0%	0%	6%	
Gross carrying amount	31	-	-	64	274	369
Less loss allowance	(31)	-	-	-	(16)	(47)
Net carrying value	-	-	-	64	258	322

- (i) The current receivables expected credit loss reflects organisations that are deemed to be in financial difficulty or entering administration / liquidation at 30 June, reflecting new disclosure requirements in AASB 9 *Financial Instruments*.

Liquidity risk

Liquidity risk is the risk that the Board would be unable to meet its financial obligations as and when they fall due. The Board's exposure to liquidity risks is deemed as insignificant as no obligation to allocate funding is entered into without securing appropriate sources to meet the commitments.

Ageing analysis of contractual financial liabilities

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000
2019 liabilities						
Contractual payables	1,673	1,673	643	1,030	-	-
Total	1,673	1,673	643	1,030	-	-

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000
2018 liabilities						
Contractual payables	2,155	2,155	522	1,633	-	-
Total	2,155	2,155	522	1,633	-	-

Note 11 Fair value determinations

Consistent with AASB 13 *Fair Value Measurement*, the Board determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, and financial instruments, in accordance with the requirements of AASB 13, relevant Financial Reporting Directions and the *Financial Management Act 1994*.

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

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

For the purpose of fair value disclosures, the Board has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Property–fair value reconciliation

2019 land at fair value	Carrying amount \$'000	Fair value measurement ⁽ⁱ⁾		
		Level 1	Level 2	Level 3
Opening balance	15,964	-	11,240	4,724
Gains or losses recognised in other economic flows– other comprehensive income				
Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing balance	15,964	-	11,240	4,724
Unrealised gains/(losses) on non-financial assets	-	-	-	-

2018 land at fair value	Carrying amount \$'000	Fair value measurement ⁽ⁱ⁾		
		Level 1	Level 2	Level 3
Opening balance	9,855	-	5,845	4,010
Gains or losses recognised in other economic flows– other comprehensive income				
Revaluation	6,109	-	5,395	714
Subtotal	6,109	-	5,395	714
Closing balance	15,964	-	11,240	4,724
Unrealised gains/(losses) on non-financial assets	-	-	-	-

2019 buildings at fair value	Carrying amount \$'000	Fair value measurement ⁽ⁱ⁾		
		Level 1	Level 2	Level 3
Opening balance	17,439		6,148	11,291
Gains or losses recognised in net result				
Depreciation	(596)	-	(119)	(477)
Subtotal	16,843	-	6,029	10,814
Gains or losses recognised in other economic flows– other comprehensive income				
Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing balance	16,843	-	6,029	10,814
Unrealised gains/(losses) on non-financial assets	-	-	-	-

2018 buildings at fair value	Carrying amount \$'000	Fair value measurement ⁽ⁱ⁾		
		Level 1	Level 2	Level 3
Opening balance	12,987	-	4,077	8,910
Gains or losses recognised in net result				
Depreciation	(511)	-	(161)	(350)
Subtotal	12,476	-	3,916	8,560
Gains or losses recognised in other economic flows—other comprehensive income				
Revaluation	4,963	-	2,232	2,731
Subtotal	4,963	-	2,232	2,731
Closing balance	17,439	-	6,148	11,291
Unrealised gains/(losses) on non-financial assets	-	-	-	-

(i) Note: There have been no transfers between levels during the period.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/(losses) of non-financial physical assets.

Description of significant unobservable inputs to Level 3 valuations

Asset	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
		Useful life of specialised buildings

Specialised land and specialised buildings

The market value approach is used for specialised land, adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. Under this valuation method, land values are determined by reference to recent sales for comparable assets which are considered to have nominal or no added improvement value (less CSO adjustment).

CSO is an adjustment for the difference in value between unrestricted assets (such as freehold land) and assets held by the public sector, taking into account any legal, financial or physical restrictions imposed on the use or sale of the assets. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

The depreciated replacement cost method is used for the Board's specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 assets.

Fair value—financial assets and financial liabilities

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- The fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial instrument assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Measurement basis and accounting policy

Financial instrument classification	Accounting policy
Financial assets	
Contractual receivables	Receivables are recognised at fair value, being the amount receivable, which is reduced for any impairment. Outstanding debts are reviewed at regular intervals to assess their collectability.
Financial liabilities	
Contractual payables	Liabilities are recognised for amounts to be paid in future for services provided by organisations contracted with the Board which, as at balance sheet date, remain unsettled.

The Board considers the carrying amount of financial instruments assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 12 Cash flow information

Reconciliation of net result for the period to net cash flow from operating activities	30 June 2019 \$'000	30 June 2018 \$'000
Net result for the period	6,187	(3,549)
Depreciation	596	511
Other non-cash items affecting results		
(Increase)/decrease in receivables	(6,338)	1,941
(Increase)/decrease in prepayments	37	(14)
Increase/(decrease) in payables	(482)	1,111
Net cash flows from/(used in) operating activities	-	-

Note 13 Reserves

Reserves	30 June 2019 \$'000	30 June 2018 \$'000
Physical asset revaluation surplus		
Balance at beginning of financial year	32,039	20,967
Revaluation increments	-	11,072
Balance at end of financial year	32,039	32,039

Note 14 Responsible persons

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

The persons who held the positions of Minister and Accountable officer on the Board are as follows:

Responsible Minister

- Hon Gayle Tierney MP (1 July 2018–30 June 2019)

Accountable Officer

- Ms Lee-Anne Fisher (1 July 2018–30 June 2019)

The following officers acted in the absence of Ms Lee-Anne Fisher during the year:

- Mr Warren Hill (11–22 February 2019)

Significant transactions with government related entities

During the year, the Board had the following significant government-related entity transactions:

- receipt of grant funding from the Department of Education and Training (\$37.5 million), together with resources received free of charge (\$4.1 million), to undertake legislative responsibilities
- payments to the Department of Health and Human Services (\$0.1 million) for the support of a grants management system
- payments to the Centre for Adult Education (\$0.7 million) and AMES Australia (\$1.3 million) for the delivery of educational services
- payments to Chisholm Institute (\$0.5 million) for leading a collaborative program designed to increase participation and improve outcomes for disadvantaged learners in pre-accredited training.

Key management personnel and related parties

Related parties of the Board include all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they may have significant influence over). Other related parties include Victorian Cabinet Ministers (including their close family members) and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Key management personnel of the Board include:

- Board members
- Minister for Higher Education and Minister for Training and Skills in the Parliament of Victoria
- Accountable Officer.

Entity	Key management personnel	Position title	Period
Parliament of Victoria	Hon Gayle Tierney MP	Minister for Higher Education and Minister for Training and Skills	1 July 2018–30 June 2019
Board	Ms Lee-Anne Fisher	Accountable Officer	1 July 2018–30 June 2019
Board	Mr Warren Hill	Acting Accountable Officer	11–22 February 2019
Board	Ms Sue Christophers	Chairperson	1–4 July 2018
Board	Dr Ronald Wilson	Chairperson ⁽ⁱ⁾	27 July–27 August 2018
Board	Ms Maria Peters	Chairperson	28 August 2018–30 June 2019
Board	Dr Ronald Wilson	Deputy Chairperson	1–26 July 2018 28 August 2018–30 June 2019
Board	Ms Sally Brennan	Board member	3 July 2018–30 June 2019
Board	Ms Helen Coleman	Board member	1 July 2018–30 June 2019
Board	Mr Michael Grogan	Board member	3 July 2018–30 June 2019
Board	Ms Helen Kennedy	Board member	13 May–30 June 2019
Board	Ms Margaret Lewis	Board member	13 May–30 June 2019
Board	Mr John Maddock	Board member	1 July 2018–30 June 2019
Board	Ms Andrea McCall	Board member	1 July–30 September 2018
Board	Dr Menon Parameswaran	Board member	1 July 2018–30 June 2019
Board	Dr Fiona Reidy	Board member	1–26 July 2018
Board	Ms Winifred Scott	Board member	1 July 2018–30 June 2019
Board	Ms Penny Wilson	Board member	1 July 2018–30 June 2019
Board	Mr Raoul Wainwright	Board member	28 August 2018–30 June 2019

(i) Note: There was no Ministerial appointed Chairperson during the period 5–26 July 2018.

The compensation detailed below excludes the salaries and benefits the portfolio Minister received. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Remuneration of key management personnel

The number of key management personnel, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

- **short-term employee benefits** including amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services
- **post-employment benefits** including pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased
- **other long-term benefits** including long service leave, other long service benefits or deferred compensation
- **termination benefits** including termination of employment payments, such as severance packages.

Remuneration of key management personnel (excluding responsible ministers)	30 June 2019 \$	30 June 2018 \$
Short-term benefits	122,238	87,641
Post-employment benefits	4,283	3,704
Other long-term benefits	1,087	1,063
Termination benefits	N/A	N/A
Share-based payments	N/A	N/A
Total remuneration (a)(b)	127,606	92,408
Total number of key management personnel	16	12
Total annualised employee equivalents ⁽ⁱ⁾	N/A	N/A

(i) Board members do not fall within employee definitions.

Remuneration of accountable officer

The accountable officer is an executive officer employed by the Department of Education and Training with information on remuneration disclosed in the Department's financial statements. The Board recognises the indirect cost associated with the accountable officer's time within the resources free of charge recognised in the operating statement.

Retirement benefits of responsible persons

There were no retirement benefits made in connection with retirement of responsible persons of the reporting entity.

Transactions and balances with key management personnel and other related parties

During the reporting period, no responsible person received or was entitled to receive any benefit (other than remuneration disclosed in the financial report) from a contract between the Board and that responsible person or a firm or company of which that responsible person is a member or has a substantial interest.

During the reporting period, Adult Learning Australia undertook maintenance of Learn Local digital assets, under the terms of a contract amended during the 2017–18 financial year. While Ms Sally Brennan was a Board member of both the Adult, Community and Further Education Board and Adult Learning Australia, there was no consultation with, or involvement from, Board members in the contract amendment.

Outside of normal citizen type transactions, there were no other related party transactions that involved key management personal, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. Other related transactions and loans requiring disclosure under the Directions of the Assistant Treasurer have been considered and there are no matters to report.

Note 15 Remuneration of executives

There is no remuneration of executive officers (other than the Accountable Officer) to be reported for the accounting period as it was paid by the Department of Education and Training.

Note 16 Remuneration of auditors

Victorian Auditor-General's Office	30 June 2019 \$'000	30 June 2018 \$'000
Audit of the financial statements	34	34

Note 17 Subsequent events

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Board and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for the events which occur after the reporting date and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period.

The Board is not aware of any event subsequent to reporting date that will have a material effect on its operations over subsequent years.

Note 18 Commitments for expenditure across payment timeframe

Operating commitments 30 June 2019	Payment timeframe			
	Total \$'000	1 year \$'000	1–5 years \$'000	5 years or more \$'000
Pre-accredited training delivery	8,411	8,411	-	-
Other program delivery	2,435	2,267	168	-
Total expenditure commitments	10,846	10,678	168	-

Operating commitments 30 June 2018	Payment timeframe			
	Total \$'000	1 year \$'000	1–5 years \$'000	5 years or more \$'000
Pre-accredited training delivery	5,465	5,465	-	-
Other program delivery	4,083	2,802	1,281	-
Total expenditure commitments	9,548	8,267	1,281	-

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are not recognised in the balance sheet but are disclosed at their nominal value and inclusive of GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Note 19 Other accounting items

Cash and deposits

The Board does not hold a bank account with any financial institution. Total approved appropriations for the relevant period, are transferred by the Department of Education and Training to the Board in a phased manner throughout the financial year via inter entity transactions.

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have been designated as contributions by owners.

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

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows—other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

The 'net result from transactions' or 'net operating balance' is a key fiscal aggregate and is derived by income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers.

Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Balance sheet

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

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also separately shows changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'other economic flows—other movements in equity' related to 'transactions with owner in its capacity as owner'.

Cash flow statement

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

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

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

Australian Accounting Standards (AASs) issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period. The Board assesses the impact of these new standards to determine their applicability and early adoption where applicable.

As at 30 June 2019, the following standards and interpretations that are applicable to the Board had been issued but were not made mandatory for the financial year ending 30 June 2019. The Board has not and does not intend to adopt these standards early.

Topic	Key requirements	Effective date
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This standard will replace AASB 1004 <i>Contributions</i> and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value, to enable not-for-profit entities to further their objectives. An initial assessment has been completed and there will be no material impact on the Board.	1 January 2019
AASB 2016-8 <i>Amendments to Australian Accounting Standards—Australian Implementation Guidance for Not-for-Profit Entities</i>	This standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 January 2019
AASB 2018-8 <i>Amendments to Australian Accounting Standards—Right of use asset</i>	This standard amends various AASB standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions, principally to enable the entity to further its objectives. This standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	1 January 2019
AASB 2018-7 <i>Amendments to Australian Accounting Standards—Definition of Material</i>	This standard amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine the definition of material in AASB 10 <i>Events after the Reporting Period</i> , include some supporting requirements in AASB 101 in the definition to give it more prominence, and clarify the explanation accompanying the definition of material. The amendments also clarify the definition of material and its application, by improving the wording and aligning the definition across AASB standards and other publications.	1 January 2020

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018 to 2019 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting:

AASB 2018-1 *Amendments to Australian Accounting Standards—Annual Improvements 2015–2017 Cycle*
AASB 2018-3 *Amendments to Australian Accounting Standards—Reduced Disclosure Requirements*.

Appendices

Appendix 1 Disclosure index

The Annual Report of the Board is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of our compliance with statutory disclosure requirements.

Legislation	Requirement	Page
Standing Directions and Financial Reporting Directions (FRDs)		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	6
FRD 22H	Purpose, functions, powers and duties	6-8
FRD 22H	Initiatives and key achievements	9
FRD 22H	Nature and range of services provided	6-18
Management and structure		
FRD 22H	Organisational structure	28
Financial and other information		
FRD 8D	Performance against output performance measures	9-18
FRD 10A	Disclosure index	62-63
FRD 12B	Disclosure of major contracts	28
FRD 15D	Executive officer disclosures	28
FRD 22H	Employment and conduct principles	28
FRD 22H	Occupational health and safety policy	28
FRD 22H	Summary of financial results for the year	19
FRD 22H	Significant changes in financial position during the year	19
FRD 22H	Major changes or factors affecting performance	19
FRD 22H	Subsequent events	58
FRD 22H	Application and operation of the <i>Freedom of Information Act 1982</i>	30
FRD 22H	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	31
FRD 22H	Statement on National Competition policy	31
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	32
FRD 22H	Details of consultancies over \$10,000	29
FRD 22H	Details of consultancies under \$10,000	29
FRD 22H	Disclosure of government advertising expenditure	28
FRD 22H	Disclosure of ICT expenditure	29
FRD 22H	Statement of availability of other information	33
FRD 24C	Reporting on office-based environmental impacts	34
FRD 29C	Workforce data disclosures	28
SD 5.2	Specific requirements under Standing Direction 5.2	1, 36
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	34
SD 5.2.3	Declaration in report of operations	1

Legislation	Requirement	Page
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	36
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	43
SD 5.2.1(a)	Compliance with Ministerial Directions	36
SD 5.2.1(b)	Compliance with Model financial report	35-61
Other disclosures as required by FRDs in notes to the financial statements*		
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the Financial report	55-58
FRD 103G	Non-financial physical assets	47
FRD 110A	Cash flow statements	41, 54
<i>*Note: References to FRDs have been removed from the disclosure index if the specific FRDs do not contain requirements that are of the nature of the disclosure.</i>		
Legislation		
<i>Freedom of Information Act 1982</i>		30
<i>Building Act 1993</i>		31
<i>Financial Management Act 1994</i>		43
<i>Disability Act 2006</i>		33
<i>Protected Disclosure Act 2012</i>		32

Appendix 2 Grants and transfer payments (other than contributions by owners)

Grants payments were made to certain companies and organisations during 2018–19. A list of these payments are as follows:

External company or organisation	Broad grant category \$'000 (ex GST)		
Name of organisation	Pre-accredited and associated grants	Sector support grants	Total
Access Australia Group Limited	77	33	110
Adult and Community Education (Victoria) Inc.	-	17	17
Adult Learning Australia Ltd	-	88	88
Alamein Neighbourhood & Learning Centre Inc.	86	47	133
Albury Wodonga Community College Limited	33	-	33
Albury-Wodonga Volunteer Resource Bureau Inc.	22	11	33
AMES Australia	1198	70	1268
Anglesea Community House Inc.	13	-	13
Angliss Neighbourhood House Inc.	72	11	83
Ararat Neighbourhood House Inc.	5	-	5
Arrabri Community House Inc.	90	-	90
Art Resource Collective Inc.	10	-	10
Australian - Multicultural Community Services Inc.	81	35	116
Australian Croatian Community Services Inc.	34	-	34
Australian Romanian Community Welfare, Health and Services Association of Victoria Inc.	15	-	15
Australian Vietnamese Women's Association Inc.	125	33	158
Avenue Neighbourhood House at Eley Inc.	76	63	139
Bacchus Marsh Community College Inc.	55	41	96
Ballan & District Community House & Adult Education Centre Inc.	8	-	8
Ballarat Neighbourhood Centre Inc.	156	56	212
Banksia Gardens Association Incorporated	512	19	531
Bass Coast Adult Learning Inc.	87	39	126
Beaufort Community House and Learning Centre Inc.	12	-	12
Belgium Avenue Neighbourhood House Inc.	34	-	34
Bellarine Living and Learning Centre Inc.	23	-	23
Bellarine Training and Community Hub Inc.	14	33	47
Belvedere Community Centre Inc.	42	24	66
Bendigo Neighbourhood Hub Inc.	80	-	80
Berry Street Victoria Incorporated	55	33	88
Beulah Historical, Learning and Progress Association Inc.	18	-	18
Birallee Park Neighbourhood House Inc.	36	-	36

External company or organisation	Broad grant category \$'000 (ex GST)		
Bnym Aboriginal Corporation	59	11	70
BRACE Education Training & Employment Limited	29	-	29
Brotherhood of St Laurence	81	-	81
Brunswick Neighbourhood House Co-operative Limited	165	50	215
Buchan District Outreach Inc.	14	62	76
Carlton Neighbourhood Learning Centre Inc.	122	15	137
Carringbush Adult Education Inc.	189	50	239
Castlemaine Community House Inc.	179	14	193
CentaVic ESL Educational Services Inc.	3	-	3
Central Highlands Group Training Inc.	22	-	22
Central Ringwood Community Centre Inc.	53	-	53
Centre for Adult Education	654	55	709
Centre for Participation Inc.	156	53	209
CERES Inc.	45	41	86
Cheltenham Community Centre Inc.	151	43	194
Child and Family Care Network Inc.	212	80	292
Chisholm Institute	-	330	330
Churchill Neighbourhood Centre Inc.	23	44	67
Cire Services Incorporated	247	114	361
Clota Cottage Neighbourhood House Inc.	19	-	19
Cloverdale Community Centre Inc.	228	61	289
Cobram Community House Inc.	19	-	19
Comm Unity Plus Services Ltd	415	55	470
Community College Gippsland Limited	297	139	436
Community Hub Inc.	25	-	25
Concern Australia Welfare Inc.	81	-	81
Continuing Education and Arts Centre of Alexandra Inc.	80	22	102
Coonara Community House Inc.	152	127	279
Corinella & District Community Centre Inc.	-	-	0
Corryong Neighbourhood House Inc.	12	33	45
Craigieburn Education and Community Centre Inc.	67	-	67
Cranbourne Community House Inc.	92	-	92
Dallas Neighbourhood House Inc.	148	44	192
Dandenong Neighbourhood Community and Learning Centre Incorporated	365	36	401
Daylesford Neighbourhood Centre Inc.	27	10	37
Diamond Valley Learning Centre Inc.	161	-	161
Dingley Village Neighbourhood Centre Inc.	80	-	80
Djerriwarrh Employment & Education Services Inc.	293	95	388
Donald Learning Group Inc.	7	-	7
Doveton Neighbourhood Learning Centre Inc.	102	52	154

External company or organisation	Broad grant category \$'000 (ex GST)		
Duke Street Community House Association Inc.	160	21	181
East End Community House Inc.	140	-	140
Echuca Community Education Group Inc.	49	-	49
Echuca Neighbourhood House Inc.	39	11	50
Elwood-St Kilda Neighbourhood Learning Centre Inc.	106	-	106
Emerald Community House Inc.	73	-	73
Encompass Community Services Inc.	35	-	35
Endeavour Hills Neighbourhood Centre Inc.	78	-	78
Farnham Street Neighbourhood Learning Centre Inc.	267	32	299
Fitzroy Learning Network Inc.	41	44	85
Footscray Community Arts Centre Ltd.	44	-	44
Foundation 61 Inc.	40	-	40
Frankston City Council	35	-	35
Gateway Social Support Options Inc.	27	-	27
Geelong Ethnic Communities Council Inc.	365	77	442
Gippsland East Local Learning and Employment Network Inc.	-	109	109
Gippsland Employment Skills Training Inc.	235	72	307
Glen Eira Adult Learning Centre Inc.	193	-	193
Glen Park Community Centre Inc.	183	70	253
Glenroy Neighbourhood Learning Centre Inc.	141	-	141
Godfrey Street Community House Association Inc.	17	-	17
Goldfields Employment and Learning Centre Inc.	47	-	47
Grampians Community Health	10	-	10
Haddon Community Learning Centre Inc.	23	-	23
Hallam Community Learning Centre Inc.	123	-	123
Hampton Community Centre Inc.	1	-	1
Hampton Park Care Group Inc.	42	-	42
Healesville Living & Learning Centre Inc.	91	19	110
Heidelberg Training and Resource Centre Inc.	40	-	40
Heyfield Community Resource Centre Inc.	44	-	44
Holden Street Neighbourhood House Inc.	42	-	42
Horsham Community House Inc.	10	-	10
Hume City Council	109	-	109
Inclusion Melbourne Inc.	75	-	75
Inner Melbourne VET Cluster Inc.	123	71	194
Japara Neighbourhood House Inc.	13	-	13
Jesuit Social Services Ltd.	307	63	370
Jewish Care (Victoria) Inc.	15	-	15
Jika Jika Community Centre Inc.	16	10	26
JobCo Employment Services Association Inc.	18	-	18

External company or organisation	Broad grant category \$'000 (ex GST)		
K.Y.M. (Victoria) Inc.	257	-	257
Kangaroo Flat Community Group Inc.	1	-	1
Karingal Neighbourhood House Inc.	14	-	14
Karingal St Laurence Ltd.	141	33	174
Kensington Neighbourhood House Inc.	107	29	136
Kerrie Neighbourhood House Inc.	26	-	26
Kew Neighbourhood Learning Centre Inc.	126	55	181
King Valley Learning Exchange Inc.	13	-	13
Kinglake Ranges Neighbourhood House Inc.	32	11	43
Kyabram Community and Learning Centre Inc.	31	-	31
Kyneton Community & Learning Centre Inc.	55	38	93
Lalor Living and Learning Centre Inc.	79	-	79
Langwarrin Community Centre Inc.	61	-	61
Lara Community Centre Inc.	34	-	34
Laverton Community Integrated Services Inc.	153	56	209
Link Health and Community Limited	17	-	17
LINK Neighbourhood House Inc.	11	-	11
Living and Learning at Ajani Inc.	23	15	38
Living Learning Pakenham Inc.	209	11	220
Loddon Campaspe Multicultural Services Inc.	72	-	72
Loddon Mallee Housing Services Ltd.	20	-	20
Longbeach Place Inc.	77	-	77
Lyrebird Community Centre Inc.	87	7	94
MACE Inc.	35	-	35
Macedon Ranges Further Education Centre Inc.	141	-	141
MADEC Australia	38	-	38
Maldon Neighbourhood Centre Inc.	26	-	26
Mallacoota District Health & Support Service Inc.	13	-	13
Manna Gum Community House Inc.	21	-	21
Meadow Heights Learning Shop Inc.	205	33	238
Melbourne City Mission	39	-	39
Melton South Community Centre Inc.	79	2	81
Meredith Community Centre Inc.	1	-	1
Merinda Park Learning and Community Centre Inc.	142	184	326
Micare Ltd.	127	-	127
Migrant Resource Centre, North West Region Inc.	44	-	44
MiLife-Victoria Inc.	176	-	176
Mill Park Community Services Group Inc.	215	7	222
Milpara Community House Inc.	70	38	108
Mirrimbeena Aboriginal Education Group Inc.	29	-	29
Mitcham Community House Inc.	48	3	51

External company or organisation	Broad grant category \$'000 (ex GST)		
Moe Life-Skills Community Centre Inc.	46	-	46
Moe Neighbourhood House Inc.	32	-	32
Moongala Women's Collective Inc.	27	-	27
Mordialloc Neighbourhood House Inc.	32	-	32
Mount Beauty Neighbourhood Centre Inc.	40	11	51
Mountain District Women's Co-Operative Ltd.	181	76	257
Murray Adult Community Education - Swan Hill Inc.	50	77	127
Murray Human Services Inc.	34	33	67
Myrtleford Neighbourhood Centre Inc.	35	10	45
Narre Community Learning Centre Inc.	336	33	369
Neighbourhood Houses Victoria Inc.	-	17	17
Ngwala Willumbong Ltd.	85	-	85
Nhill Neighbourhood House Learning Centre Inc.	172	52	224
Nillumbik Shire Council	31	40	71
Noble Park Community Centre Inc.	11	-	11
North Carlton Railway Station Neighbourhood House Inc.	15	-	15
North Melbourne Language and Learning Inc.	151	44	195
North Ringwood Community House Inc.	51	41	92
North Shepparton Community & Learning Centre Inc.	22	-	22
Northern Mallee Local Learning and Employment Network Inc.	-	28	28
Noweyung Ltd.	88	47	135
Numurkah Community Learning Centre Inc.	20	40	60
Olympic Adult Education Inc.	255	42	297
Open Door Neighbourhood House Inc.	77	21	98
Orana Neighbourhood House Inc.	103	-	103
Orbost Education Centre Inc.	65	-	65
Otway Health	20	-	20
Outlets Co-operative Neighbourhood House Ltd.	16	-	16
Outlook (Vic.) Inc.	162	-	162
Pangerang Community House Inc.	22	-	22
Park Orchards Community House & Learning Centre Inc.	32	44	76
Paynesville Neighbourhood Centre Inc.	118	98	216
Peninsula Adult Education and Literacy Inc.	80	-	80
Peninsula Training and Employment Program Inc.	180	50	230
Phillip Island Community and Learning Centre Inc.	18	49	67
Pines Learning Inc.	121	33	154
Port Fairy Community Group Inc.	5	-	5
Port Phillip Community Group Ltd.	117	77	194
Portland Workskills Inc.	101	67	168
Prahran Community Learning Centre Inc.	201	54	255

External company or organisation	Broad grant category \$'000 (ex GST)		
Preston Neighbourhood House Inc.	202	70	272
Preston Reservoir Adult Community Education Inc.	278	44	322
Quantin Binnah Community Centre Inc.	10	-	10
Quantum Support Services Inc.	17	-	17
Red Cliffs Community Resource Centre Inc.	24	-	24
Rejoice Chinese Christian Communication Centre Inc.	23	-	23
Resurrection Catholic Church Keysborough	234	98	332
Reynard Street Neighbourhood House Inc.	49	3	52
Richmond Community Learning Centre Inc.	24	-	24
Robinvale Network House Inc.	18	-	18
Rosewall Neighbourhood Centre Inc.	49	11	60
Rowville Neighbourhood Learning Centre Inc.	111	11	122
Rural Industries Skill Training Centre Inc.	36	88	124
Rushworth Community House Inc.	19	-	19
Sale Neighbourhood House Inc.	17	-	17
Sandybeach Community Co-operative Society Ltd.	249	114	363
SCAA Shearer Woolhandler Training Inc.	9	-	9
Selby Community House Inc.	30	1	31
Seymour & District Community House Inc.	2	-	2
Shepparton Access	85	-	85
Shepparton Adult and Community Education College Inc.	99	22	121
SkillsPlus Ltd.	99	33	132
Small Business Mentoring Service Inc.	-	121	121
Sorrento Community Centre Inc.	25	-	25
South Shepparton Community Centre Inc.	11	-	11
Southern Grampians Adult Education Inc.	91	489	580
Southern Migrant and Refugee Centre Inc.	27	-	27
Southport Community Centre Incorporated	97	44	141
SPAN Community House Inc.	23	-	23
Springdale Neighbourhood Centre Inc.	132	-	132
Springvale Indo-Chinese Mutual Assistance Association Inc.	68	-	68
Springvale Learning and Activities Centre Inc.	211	77	288
Springvale Neighbourhood House Inc.	226	-	226
St. Arnaud Neighbourhood House Inc.	12	-	12
Stawell Neighbourhood House Inc.	24	-	24
Sunraysia Mallee Ethnic Communities Council Inc.	64	-	64
Sussex Neighbourhood House Inc.	95	11	106
Task Force Community Agency Inc.	141	58	199
Tatura Community House Inc.	15	11	26
The Basin Community House Inc.	264	22	286
The Centre for Continuing Education Inc.	350	126	476

External company or organisation	Broad grant category \$'000 (ex GST)		
The Centre: Connecting Community in North & West Melbourne Inc.	48	-	48
The Kevin Heinze Garden Centre Inc.	10	-	10
The Old Courthouse Committee of Management Inc.	24	44	68
The Onemda Association Inc.	97	-	97
The Social Studio Inc.	36	-	36
The South Kingsville Community Centre Inc.	51	-	51
The U3A Network - Victoria Inc.	-	171	171
Traralgon Neighbourhood Learning House Inc.	46	11	57
Trudewind Road Neighbourhood House Inc.	3	-	3
United-Spanish Latin American Welfare Centre Inc.	4	-	4
Uniting (Victoria and Tasmania) Ltd.	51	-	51
Upper Beaconsfield Community Centre Inc.	46	-	46
Vermont South Community House Inc.	130	-	130
VICSEG New Futures	62	48	110
Victoria University	-	58	58
Victorian Aboriginal Community Services Association Limited	-	39	39
Victorian Adult Literacy and Basic Education Council Inc.	-	44	44
Victorian Deaf Society	28	-	28
Victorian Vocational Rehabilitation Association	74	75	149
Waminda Inc.	14	-	14
Warracknabeal Neighbourhood House and Learning Centre Inc.	25	-	25
Warragul Community House Inc.	49	344	393
Warrandyte Neighbourhood House Inc.	7	-	7
Waverley Adult Literacy Program Inc.	20	-	20
Waverley Community Learning Centre Inc.	77	7	84
Wavlink Inc.	21	-	21
Wedderburn Community House Inc.	16	-	16
Wellsprings for Women Inc.	155	55	210
Wendouree Neighbourhood Centre Inc.	180	101	281
Westgate Community Initiatives Group Inc.	398	33	431
Whittlesea Community House Inc.	8	-	8
Williamstown Community and Education Centre Inc.	264	28	292
Winchelsea Community House Inc.	11	-	11
Wingate Avenue Community Centre Inc.	150	19	169
Women's Information and Referral Exchange Inc.	-	143	143
Workforce Plus Inc.	75	-	75
Wycheproof Community Resource Centre Inc.	12	-	12
Wyndham Community and Education Centre Inc.	385	140	525
Yarraville Community Centre Inc.	248	107	355

External company or organisation	Broad grant category \$'000 (ex GST)		
Yarrawonga Neighbourhood House Inc.	36	33	69
Yarrunga Community Centre Inc.	90	44	134
Yooralla	21	22	43
Youth Projects Ltd.	18	27	45
YouthNow Inc.	272	13	285
Zoe Support Australia	42	20	62
Grand total	24,671	7,574	32,245

This page has been intentionally left blank

Contact

Central office

GPO Box 4367, Melbourne, 3001

Ph: 03 8688 7736

Email: acfe@edumail.vic.gov.au

North-eastern Victoria region

Level 2, 295 Springvale Road, Glen Waverley, 3150

Ph: 03 7022 1802

Email: training.participation@edumail.vic.gov.au

North-western Victoria region

7–15 McLaren Street, Bendigo, 3550

Ph: 03 4433 7582

Email: training.participation@edumail.vic.gov.au

South-eastern Victoria region

6th Floor, 165–169 Thomas Street, Dandenong, 3175

Ph: 03 8904 2580

Email: training.participation@edumail.vic.gov.au

South-western Victoria region

75 High Street, Belmont, 3216

Phone: 03 5215 5204

Email: training.participation@edumail.vic.gov.au