

AMES Australia ANNUAL REPORT 2022–2023



Jobs, Skills,
Industry
and Regions



On behalf of AMES Australia, we would like to acknowledge the Traditional Owners and custodians of this land on which we work. We pay respects to their Elders past and present and recognise their continuing connection to country, land, waters, sky, and cultures past and present.

This artwork is called "The Journey". Look at it from bottom to the top. Elements start small and then grow, until you reach the top where it represents settlement in a new community. The snake represents the steps taken for settlement into Australia and work.

CONTENTS

PART A: REPORT OF OPERATIONS.....	4
Joint Statement from the Acting Board Chair and CEO of AMES Australia	5
About AMES Australia.....	8
Corporate governance.....	9
Workforce data.....	14
Settlement Support and Community Care.....	15
Education and Participation.....	17
Employment	22
Finance and Corporate Services.....	23
Corporate Support.....	25
People and Development.....	29
Environmental reporting	33
Other legislative compliance	36
Additional information available on request.....	38
Social procurement	38
Emergency procurement.....	39
Consultancies expenditure.....	39
Information and communication technology (ICT) expenditure.....	40
Government advertising expenditure	40
Local Jobs First	40
Key Performance Indicators	41
Five-year financial summary (AMES).....	42
Disclosure index.....	44
PART B: FINANCIAL STATEMENTS	46

PART A: REPORT OF OPERATIONS

Declaration in Report of Operations

In accordance with the *Financial Management Act 1994*, I am pleased to present the AMES Australia Annual Report for the year ending 30 June 2023.



Vedran Drakulic OAM
Acting Board Chair
4 September 2023

Attestation for financial management compliance with Standing Direction 5.1.4

AMES Australia Financial Management Compliance Attestation Statement

I, Vedran Drakulic, on behalf of the Board of AMES Australia (Responsible Body), certify that AMES Australia has no material compliance deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Vedran Drakulic OAM
Acting Board Chair
4 September 2023

Joint Statement from the Acting Board Chair and CEO of AMES Australia



The past twelve months has been a period of continued consolidation and planning for the future of AMES Australia.

After three disruptive and challenging years dominated first by the COVID-19 pandemic, and then by sudden influxes of refugees from Afghanistan and Ukraine, AMES Australia's work supporting newly arrived refugees and migrants has returned to a more familiar footing.

We continue to support Afghan and Ukrainian arrivals who were forced to flee their homes because of conflict or persecution.

AMES Australia has also been supporting newly arrived refugees from a range of other countries - Sudan, Myanmar, Syria, Iraq, Venezuela and elsewhere - as arrivals under the Humanitarian Settlement Program (HSP) increase in line with the opening of national borders and the relaxation of COVID-19 restrictions.

During the past year we have continued to bed down the new Workforce Australia employment service; and launched a First Nations Employment Service based in Western Sydney, which has already achieved very positive outcomes for First Nations jobseekers.

Large numbers of culturally diverse and First Nations jobseekers have been placed into work through the federally-funded Workforce Australia employment program or the Jobs Victoria Employment Service (JVES) program.

In early 2023 AMES Australia's *Settling Into Work* (SIW) social enterprise employment service was launched. The initiative aims to match employers looking for skilled and experienced staff to newly arrived skilled migrants and refugees to overcome the considerable barriers they often face in re-establishing professional careers in Australia.

SIW services support employers to understand, and benefit from, the unique expertise, resilience and value – forged through their refugee and migrant journeys - which new arrivals bring to the workplace.

Further avenues to employment outcomes include AMES Australia in partnership with government agencies, contractors and consortiums placing 50 skilled professional refugees and asylum seekers in jobs in Victoria's major infrastructure projects, including the Metro Tunnel, the Level Crossing Removal Project and the Westgate Tunnel.

Regional and community partnerships have been a deliberate strategy and particular focus over the past year to deepen and strengthen placed-based, community capacity.

AMES Australia currently partners with more than 200 diverse community organisations.

Highlights of this work include supporting a Refugee Communities Association of Australia citizenship ceremony during Refugee Week; presenting an AMES Australia 'welcome pack' to 150 new Australian citizens; and facilitating a 'Multicultural Cup' soccer tournament in Mildura in October.

Other activities include a successful employability fair for culturally diverse jobseekers and employers searching for talent held in Ballarat in May; and the launch of a 'Multicultural Learning Partnership' (MLP) – an initiative aimed at supporting migrants and refugees into employment.

The MLP is succeeding in bringing together key organisations to improve the engagement of multicultural learners in core skills training and strengthening their pathways to employment.

In keeping with our ongoing core mission, we continue to deliver education and training programs, both digitally and back in classrooms, while also developing a whole new suite of digital learning resources designed to give students access, flexibility and convenience in their learning journey. This blended and hybrid approach has produced a social dividend of improving digital literacy among our students, which is a matter of growing importance in navigating an increasingly online oriented society.

Our work to target specific needs with culturally diverse youth; in the Prevention of Violence against Women (PVAW); community development and capacity building programs; and our Skilled Professional Migrant Program (SPMP) continues.

In keeping with our vision of providing an integrated and holistic suite of services, AMES Australia has also expanded provision of both Aged Care and National Disability Insurance Scheme (NDIS) services, which support both successful settlement and strengthen diverse emerging communities. To complement AMES Australia's NDIS services and to extend the range of support to CALD community members, AMES is a 51% shareholder in Kare ONE, a Home and Community Care Service provider.

AMES Australia continues to influence outcomes that are important to our communities by responding to government discussion papers, and policy reviews; presenting at inquiries; and meeting with government, opposition and departmental representatives.

With international borders open, migrants and refugees arriving steadily in Australia, we at AMES Australia are ready to continue to support what has historically been a successful settlement program for emerging communities.

In the face of global economic headwinds, a well-resourced and managed immigration program will be critical to Australia's prosperity into the future. With the Federal Government's commitment to increase the annual refugee intake to 27,000 over coming years, AMES Australia's work in supporting and facilitating successful settlement will remain vital in harnessing the skills and experience migrants and refugees bring with them, while preserving and enhancing the high levels of social cohesion and inclusion we enjoy.

We have been building our capacity and staff numbers and improving our systems to be able to play a significant role in Australia's future immigration and humanitarian settlement programs.

The past year saw the retirement of AMES Australia's Board Chair Stuart Crosby, who served in the role for six and a half years. After nine years of their contribution Stuart Alford's and Michelle Foster's Board appointments have also concluded.

Each of these long-term Board members are recognised for their enormous contribution to the organisation. Their experience and acumen were critical in AMES Australia weathering what was a difficult and uncertain period during the pandemic.

We would like to acknowledge the resilience, hard work and agility shown by employees across the organisation in delivering critical services to our clients.

Also, we would like to acknowledge and thank AMES Australia's volunteers for their selfless and vital contribution, along with our colleagues on the Executive and members of the Board of AMES Australia.

It is clear we will continue to face a difficult operating environment in an increasingly uncertain world, but we believe AMES Australia is well positioned to respond to any challenges that arise while also seizing any opportunities that come along.

From the difficulties of the past few years AMES Australia has emerged a more resilient, agile and innovative organisation while retaining the capacity and expertise to continue to support migrants, refugees and diverse communities as they strive to find their place in Australian society.

Vedran Drakulic OAM

Acting Board Chair

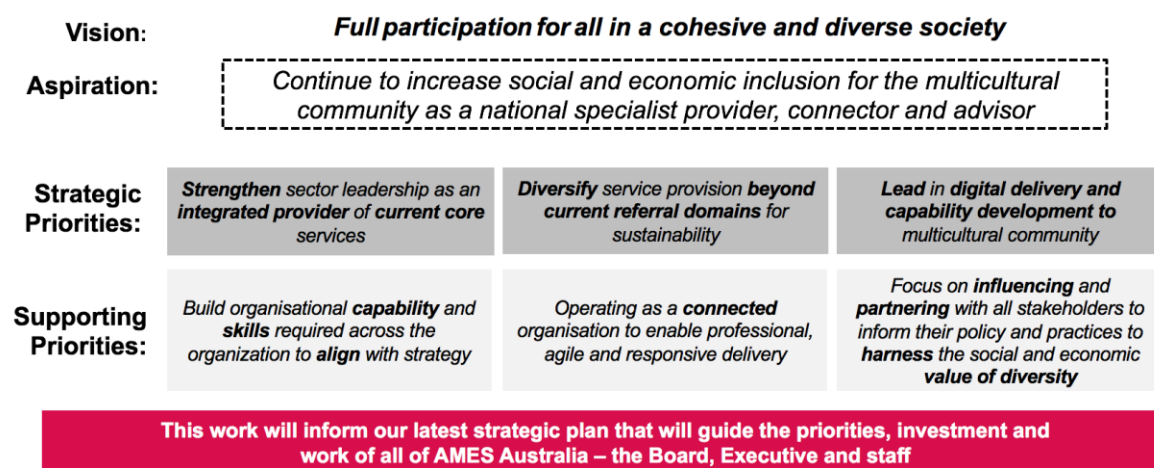
Catherine Scarth

Chief Executive Officer

About AMES Australia

AMES Australia is a Victorian statutory authority established and informed by the Education and Training Reform Act 2006. AMES Australia demonstrates its public value through its seamless end-to-end settlement services; and shares expertise with all layers of government, multicultural communities, and other organisations – locally, nationally and internationally – to develop policies and practices that will lead to effective resettlement programs locally and nationally.

AMES Australia’s vision and aspiration reflect the focus on settlement outcomes of newly arrived individuals and communities, building from their strengths and aspirations. Programs and services delivered over the past year, underpinned by a strengths-based philosophy, provide the platform for settlement success.



In 2022–23, AMES Australia provided a comprehensive range of settlement support, English language and literacy tuition, vocational training, employment services, National Disability Insurance Services (NDIS) and community care services in Victoria, South Australia, Tasmania and New South Wales, to refugees and asylum seekers; skilled and recently arrived migrants; job seekers; youth; and people living with a disability.

Services delivered in 2022–2023 through Commonwealth and Victorian Government contracts saw AMES Australia work with approximately 45,000 clients across the services that it operates, both alone and in conjunction with subcontractors. These contracts included the Humanitarian Settlement Program, Status Resolution Support Services, Adult Migrant English Program, Skills First, Skills for Education and Employment Program, Pre-accredited Language Program, and Workforce Australia.

AMES Australia recognises the benefits of working in partnership with government, employers, community groups, settlement agencies, educational institutions and specialist organisations to provide effective services. AMES Australia undertakes research and discovery and participates in networks to generate new knowledge about our clients and their communities and the settlement context, providing credible evidence to underpin service development and practice. This insight is also used to inform government and stakeholders on policies that affect the settlement of communities and individuals.

Corporate governance

Establishment and enabling legislation

From humble beginnings teaching English to new arrivals in makeshift classrooms in 1951, AMES Australia has grown to be recognised as a pre-eminent service provider supporting multiculturalism and helping hundreds of thousands of people build new lives in Australia.

AMES Australia was established under the *Education Act 1958* and reconstituted under the *Council of Adult Education Act 1981*. On 1 March 2001, the *Council of Adult Education Act 1981* was repealed, and the institution continued as Adult Multicultural Education Services under the *Adult, Community and Further Education Act 1981*. Since 1 July 2007, AMES Australia has operated under the *Education and Training Reform Act 2006 (the Act)*. In August 2015, the Governor in Council made an order to change the name of Adult Multicultural Education Services (AMES) to AMES Australia.

Through the *Education Legislation Amendment (Adult and Community Education and Other Matters) Bill 2022*, reference to adult education institutions as a provider of adult, community and further education was removed and Part 3.3 Division 5 of the Act was revised to exclusively apply to AMES Australia.

Amendments relating to AMES Australia commenced on 24 May 2023. Key changes include:

- reference to the entity's current name 'AMES Australia' throughout the document
- better alignment of the provisions for AMES Australia with the provisions in the Act for TAFEs, including by recognising the commercial nature of the services AMES Australia provides and allowing the CEO to be a member of the Board of AMES Australia
- reflecting the fact that there is no longer a direct relationship between the Adult, Community and Further Education (ACFE) Board and AMES Australia
- tailored objectives and functions of AMES Australia, including specifically referring to services for migrants, refugees and asylum seekers
- provision for the circumstances in which AMES Australia may engage in activity on a commercial basis
- provision that AMES Australia has powers conferred under the Borrowing and Investment Powers Act 1987
- provision that the Minister and members of the Board of AMES Australia must endeavour to ensure that members include persons with knowledge of, or experience in, the education needs of, and services required by, migrants, refugees and asylum seekers in the community
- clear arrangements in terms of the submission of the strategic plan and statement of corporate intent to the Minister
- provision relating to reserve powers of the Minister to refer to governance, rather than management, of AMES Australia.

Objectives and functions

The objectives of AMES Australia in accordance with the Act are:

- (a) to perform its functions for the public benefit by:
 - (i) operating its businesses, delivering educational services and using assets that it manages on the State's behalf as efficiently as possible; and
 - (ii) ensuring that it is sustainable in the medium to long-term; and
 - (iii) ensuring that its procedures, policies and practices are consistent with prudent commercial practice; and
 - (iv) endeavouring to maximise its contribution to the economy and wellbeing of the State; and
- (b) to provide the community served by AMES Australia (including migrants, refugees and asylum seekers) with efficient and effective adult, community and further education, vocational education and training, employment and other associated programs and services responsive to the needs of that community; and
- (c) to facilitate adult, community and further education, knowledge acquisition and skills for employment through excellent teaching, innovation and educational leadership that delivers quality outcomes; and
- (d) to monitor the structure, reach and accessibility of AMES Australia services to maximise their availability to new and emerging communities and client groups; and
- (e) to make adequate arrangements for persons and groups which have not had or do not have adequate access to programs or services provided by AMES Australia; and
- (f) any other objective set out in an Order in Council made under section 3.3.28(1).

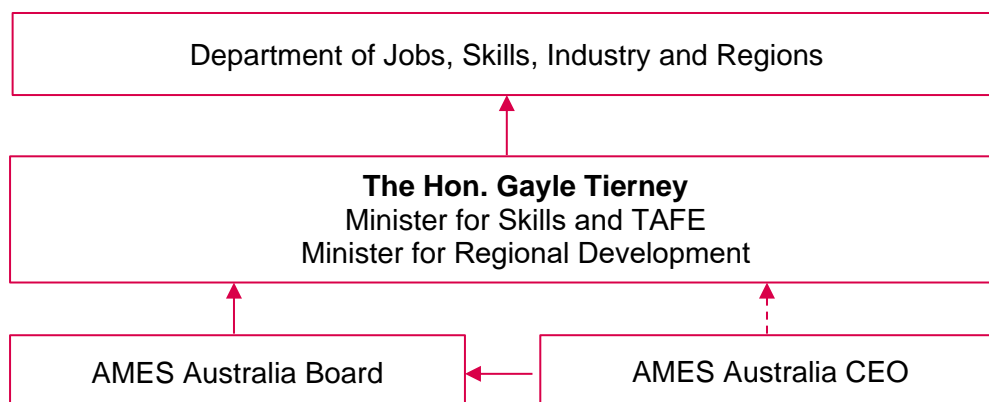
AMES Australia may perform all or any of the following functions:

- (a) to undertake generally the development and provision of adult, community and further education, vocational education and training, employment and other associated programs and services considered necessary for the objectives of AMES Australia;
- (ab) to develop and provide specialist settlement services for migrants, refugees and asylum seekers;
- (b) to provide facilities or services for study, research or education;
- (c) to undertake research, development, counselling or other services on a commercial basis for other organisations;
- (d) to aid or engage in the development or promotion of research by AMES Australia or the application or use of the results of that research;
- (e) to prepare, publish or distribute or license the use of literary or artistic work, audio or audio-visual material or computer software;
- (f) to seek or encourage gifts to AMES Australia for the purposes of AMES Australia's objectives and functions;
- (g) to provide facilities for use by the community;
- (h) to perform any other function conferred on AMES Australia by or under this Act or an Order in Council made under section 3.3.28(1).

AMES Australia may perform any function referred above, within and outside Victoria and outside Australia. Subject to any direction or guideline issued by the Minister, AMES Australia may engage in an activity on a commercial basis if the activity is consistent with, and does not interfere with, the carrying out of any of its functions or its strategic plan.

AMES Australia Board

AMES Australia is a Victorian public entity; a body corporate governed by a board, accountable to the Victorian Minister for Skills and TAFE and Minister for Regional Development.



The Board governs and sets the overall strategic direction of AMES Australia. It consists of 9 to 11 members. The Board Chair is appointed by the Governor in Council. Ministerial nominee members and Board nominee members are appointed by the Minister. The CEO is an ex-officio member as at 24 May 2023.

Board members

	Appointment term during the reporting period	Committee membership	Board meeting attendance
William Stuart Crosby (Board Chair appointment concluded on 1 June 2023)	2019–23	# &	4/5
Dr Michelle Foster (Appointment concluded on 1 June 2023)	2019–23	#	5/5
Stuart Alford	2021–23	+ &	6/6
Vedran Drakulic OAM (Appointed as acting Board Chair from 2 June 2023)	2021–24	# &	5/6
Tracy Le	2021–24	+ &	6/6
Florence Mauwa	2021–24	+	6/6
Molina Asthana	2021–24	#	6/6
Miriam Silva	2022–25	#	6/6
Grace Liang	2022–25	+	6/6
Catherina Toh	2023–26	+	5/6
Catherine Scarth	-	-	1/1

+ Finance, Audit and Risk Management Committee
Appointments, Remuneration and Governance Committee
& Investment Committee

Board committees

Finance, Audit and Risk Management Committee

The Finance, Audit and Risk Management Committee has governance responsibility for financial and business affairs, and reports to the Board on matters relating to financial risk, program performance, and resource management. The committee also monitors and reports to the Board on the effectiveness of risk management strategies. It oversees internal and external audits and reviews the effectiveness and efficiency of internal control structures and compliance systems.

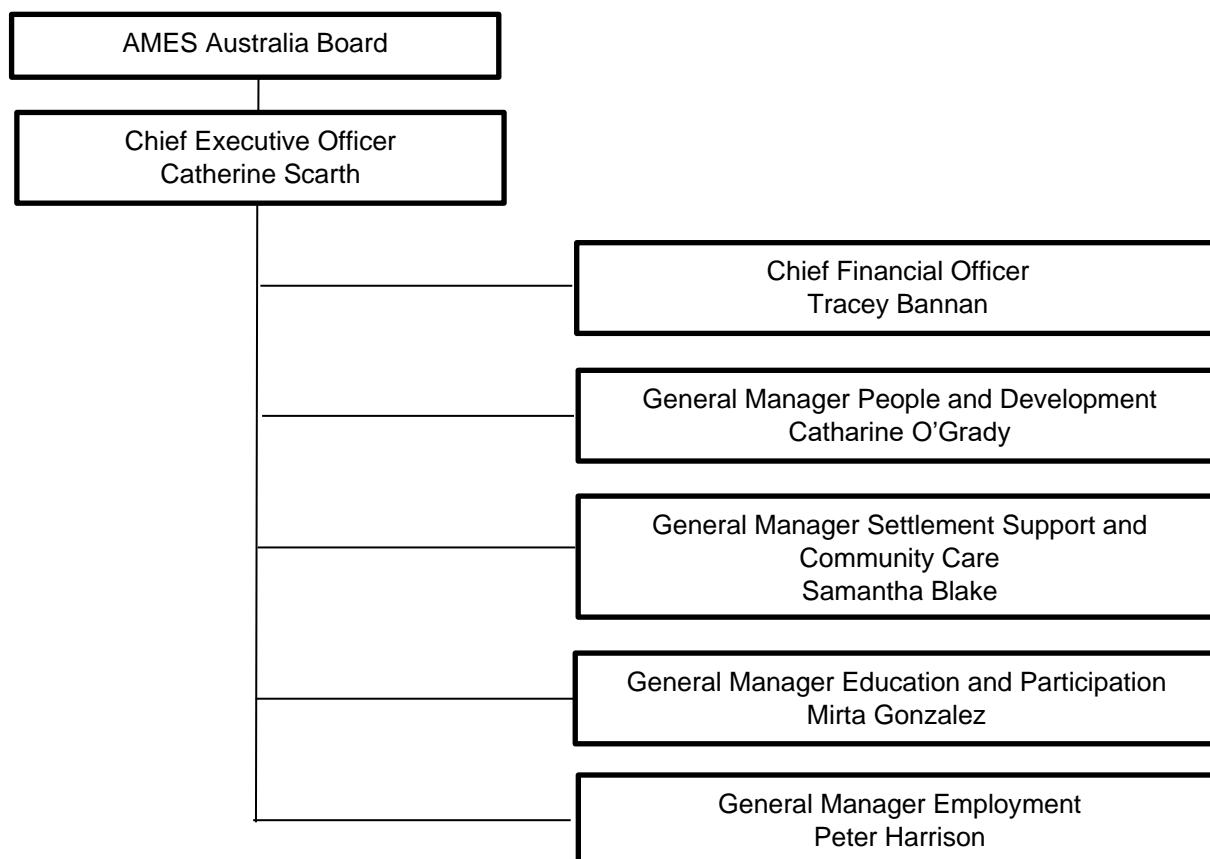
Appointments, Remuneration and Governance Committee

The Appointments, Remuneration and Governance Committee provides advice and recommendations to the Board on matters relating to Board governance, appointment of Board directors, executive remuneration and CEO's performance plan and assessment. The Committee advises the Board on strategies to improve Board governance and effectiveness of Committees.

Investment Committee

The Investment Committee considers and makes recommendations to the Board on matters relating to investment in and expansion of current business in a financially sustainable manner.

Organisational structure as at 30 June 2023



Executive data

A member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* or a person to whom the Victorian Government's *Public Entity Executive Remuneration Policy* applies.

SES as at 30 June 2023

Class	Male	Female	Self-described
PESES-3	0	1	0
PESES-2	1	2	0
PESES-1	0	2	0
<hr/>			
SES who left during financial year 2022–23	0	0	0
SES reported as at 30 June 2022	1	5	0

Note: this disclosure includes the Chief Executive Officer

Workforce data

Headcount (H), full-time equivalent (FTE), full-time headcount (FTH) and part-time headcount (PTH) in the last full pay period in June 2023 and June 2022.

June 2023										June 2022											
		All employees		Ongoing			Max term & Casual		Sessional				All employees		Ongoing			Max term & Casual		Sessional	
		H	FTE	FTH	PTH	FTE	H	FTE	H	FTE			H	FTE	FTH	PTH	FTE	H	FTE	H	FTE
Gender	Male	171	147.5	76	6	79.2	87	67.2	2	1.1	Gender	Male	154	135.6	71	6	74.6	76	60.8	1	0.2
	Female	366	313.8	106	27	124.8	206	174.9	27	14.1		Female	329	283.4	114	25	130.9	170	143.7	20	8.9
	Self-described	0	0	0	0	0	0	0	0	0		Self-described	1	1	0	0	0	1	1	0	0
Age	15-24	23	17.6	4	0	4	19	13.6	0	0	Age	15-24	16	13.6	4	0	4	12	9.6	0	0
	25-34	117	100.6	32	0	32	80	65.2	5	3.4		25-34	82	74.6	25	4	27.6	53	47	0	0
	35-44	177	148.8	50	12	58.5	109	88.1	6	2.1		35-44	160	139.2	58	8	63.2	90	74.4	4	1.7
	45-54	96	87.9	36	5	38.8	51	46.6	4	2.5		45-54	101	86	37	8	42.2	52	41.8	4	2
	55-64	96	85.8	51	13	59.9	25	23	7	2.9		55-64	101	89.2	54	8	59.7	30	25.9	9	3.7
	65+	28	20.6	9	3	10.8	9	5.5	7	4.3		65+	24	17.4	7	3	8.8	10	6.8	4	1.8
Admin+	1	0	0	0	0	0	0	0	0	0	Admin+	1	3	0.4	0	0	0	3	0.4	0	0
	2	120	79.8	12	8	16.4	100	63.4	0	0		2	138	104	31	13	39	94	67	0	0
	3	223	209.4	95	13	103.5	115	105.9	0	0		3	171	159.7	79	10	85.4	82	74.4	0	0
	4	61	59.6	26	5	30.2	30	29.4	0	0		4	46	44.8	22	2	23.6	22	21.2	0	0
	5	46	43.6	27	4	30	15	13.6	0	0		5	44	42.2	27	4	30	13	12.2	0	0
	6	18	17.8	13	1	13.8	4	4	0	0		6	17	16.7	13	1	13.9	3	2.8	0	0
	7	4	2.9	2	0	2	2	0.9	0	0		7	4	2.8	2	0	2	2	0.8	0	0
Teaching^	1-2	12	11.6	0	0	0	12	11.6	0	0	Teaching^	1-2	16	15.6	0	0	0	16	15.6	0	0
	3-4	2	2	0	0	0	2	2	0	0		3-4	3	3	1	0	1	2	2	0	0
	5-6	2	2	0	0	0	2	2	0	0		5-6	1	1	0	0	0	1	1	0	0
	7-8	2	2	1	0	1	1	1	0	0		7-8	2	2	2	0	2	0	0	0	0
	9	10	9.1	6	2	7.1	2	2	0	0		9	11	10.6	8	1	8.6	2	2	0	0
	VET Trainer	2	0.3	0	0	0	2	0.3	0	0		VET Trainer	1	0.1	0	0	0	1	0.1	0	0
	Sessional	29	15.2	0	0	0	0	0	29	15.2		Sessional	21	9.1	0	0	0	0	0	21	9.1
Executive#	6	6	0	0	0	6	6	0	0	Executive#	6	6	0	0	0	6	6	0	0		
Other	0	0	0	0	0	0	0	0	0	Other	0	0	0	0	0	0	0	0	0		
Total	537	461.3	182	33	204	293	242.1	29	15.2	Total	484	420	185	31	205.5	247	205.5	21	9.1		

Note: Minor discrepancies in FTE are due to figures being rounded to the nearest whole number.

* Max term is an employment contract with an agreed expiry date

+ Grades are in accordance with the AMES Australia Administrative Staff Agreement 2021

^ Grades are in accordance with the AMES Australia Teachers Enterprise Agreement 2020

Executive includes the CEO

Settlement Support and Community Care

Settlement support

AMES Australia delivers government contracts to provide a comprehensive and integrated range of on-arrival and continuing support that recognises the resilience of refugees and builds on their strengths to assist their successful settlement.

As the lead provider of the Humanitarian Settlement Program (HSP) in Victoria, Tasmania and South Australia, AMES Australia has delivered, in partnership with selected subcontractors, place-based on arrival and initial settlement support to Refugee and Special Humanitarian visa holders.

Services delivered through the HSP included an orientation program, accommodation services, connection to social and financial services, and health and education providers, which strengthened the ability of humanitarian clients to participate in the economic and social life of Australia. This exposure and support equipped individuals with the skills and knowledge needed to access and obtain services independently.

Specialised and intensive services were also provided for clients with exceptional or complex needs, including mental health, disability, torture and trauma, and family violence interventions. Exit from the HSP required clients demonstrating clearly defined settlement outcomes.

Humanitarian arrivals: in the reporting period, AMES Australia and its subcontractors provided HSP services to 6,164 newly arrived clients, primarily from Afghanistan, Myanmar, Iraq, Syria and Ukraine. Services were provided to a total of 14,500 new and existing clients.

Arrivals were distributed through four HSP contract regions with the Melbourne region receiving 65% of arrivals, South Australia 18.5%, Regional Victoria 12%, and Tasmania 4.5% of arrivals.

Overall, AMES Australia received a 96% increase in the number of new arrivals year-on-year from the 2021-2022 year. There was a 147% increase in the arrival of Refugee visa subclass clients and an increase of 53% in the arrival of Special Humanitarian Program visa subclass clients.

After the fall of Kabul, the Australian Government allocated 3,000 places from the existing humanitarian intake for an initial emergency evacuation of Afghan citizens. In the March 2022 Federal budget there was an allocation of an additional humanitarian intake (above the existing intake) of 16,500 Afghan refugees over four years. AMES Australia continued to receive clients from Afghanistan throughout the 2022-2023 reporting year with a further 2,400 clients arriving on Refugee subclass visas or Special Humanitarian Program subclass visas.

The war between Ukraine and Russia resulted in the arrival of Ukrainian nationals from March 2022. This cohort at first came on self-funded flights and most arrived on a tourist visa. The Australian Government initially offered the Ukrainian cohort a Humanitarian Stay (Temporary – subclass 449) visa followed by a Temporary (Humanitarian Concern – subclass 786) visa. The offer of these visas by the Australian Government expired on 31 July 2022. In the 2022/2023 year more than 400 Ukrainian arrivals sought HSP support post-arrival. AMES Australia continued to provide support to the Ukrainian clients through the engagement of Ukrainian and Russian speaking case management staff.

Up until June 30, 2023 AMES Australia and its subcontractors continued to deliver Status Resolution Support Services (SRSS) to asylum seekers awaiting the outcome of their protection visa applications. SRSS clients were provided with coordinated, integrated, needs-based support through a case worker, including regular welfare checks, referral to

health and mental health services and connecting with employment and social engagement opportunities. During the reporting period, SRSS services were provided to 348 clients noting that overall, approximately 1,500 clients nationally remain in the program compared with 29,000 at the peak of the program. AMES transitioned out of the SRSS contract effective 30 June 2023.

Community care

AMES Australia recognises the vital importance of enabling culturally and linguistically diverse (CALD) communities to access and participate in community care services. This includes the NDIS. CALD communities are significantly underrepresented in the NDIS, with less than 10% of NDIS participants identifying as CALD compared to a 20% CALD participation rate projected by the National Disability Insurance Agency when the scheme commenced.

In response to the need to increase access to, and involvement in, the scheme for CALD communities, in September 2021 AMES Australia became a registered NDIS provider with a focus on support coordination using a strengths-based approach to enable individuals to live independently in the community. AMES Australia currently provides NDIS services in Victoria and South Australia.

Home and community care services were provided through the partnership between AMES Australia and Kare ONE, a well-established provider to deliver homecare, personal care and respite care services in south-east Victoria. The program delivers support services to frail older people and younger people who have functional disabilities and live in the community. This program complements AMES Australia's NDIS services and extends the range of support to CALD community members.

AMES Australia became a registered My Aged Care Home Care provider in 2022 and is identified as a CALD specialist of care management and coordination of supports in Victoria and South Australia. Aged care services were provided through My Aged Care, a federal government program funding services to help people live independently at home, receive short-term care or move to an aged care facility. Services provided are tailored to specific needs and include assistance with mobility, medication management, social activities, emotional support and specialised healthcare services.

Education and Participation

The Education and Participation team at AMES Australia is responsible for ensuring that the organisation meets its education and social participation goals. This work covers the provision of Education services including the teaching of English, foundation and digital skills, and vocational and employability skills; Community Development and Social Participation including community engagement and consultation activities, and connecting communities through management of programs through the Multicultural Hub and Drill Hall; the Prevention of Violence against Women program; and the Migration Services and Community Support program.

Education services

Education services at AMES Australia are delivered in collaborative place-based environments that provide access for people from migrant and refugee backgrounds to establish and maintain pathways to employment, further education, and social and civic participation in the wider Australian community.

AMES Australia's education programs are delivered through an integrated model of pre-accredited (foundation skills), accredited English as an Additional Language (EAL) programs and vocational content and applied learning opportunities. The delivery model and range of programs respond to the aspirations of people from migrant and refugee backgrounds to access in-demand entry-level employment opportunities across a range of sectors including aged care and childcare, as well as support for overseas qualified professionals to resume their careers in an Australian context. This flexible approach to delivery provides students with the opportunity to enrol in full-time or part-time study options.

AMES Australia continued to develop and deliver digital skills programs for CALD learners. These programs, initially established in response to the COVID-19 pandemic, supported enhanced digital competency for study and general digital life skills required in all areas of learners' daily lives.

In the reporting period, AMES Australia delivered accredited English language, vocational pathways and specialist programs across metropolitan and regional Victoria through government contracts including the Adult Migrant English Program (AMEP), Skills for Education and Employment (SEE); and Skills First; and pre-accredited English programs through an Adult and Community Further Education (ACFE) grant.

AMES Australia delivered programs such as the AMEP in partnership with regional subcontractors and provided subcontractors with program support, contract management and professional development.

The quality of AMES Australia's teachers was recognised with Mildura teacher Albi Dinkar winning the 'Award for Excellence' in the outstanding achievement category at the AMEP providers' conference in June 2023. Albi's nomination described her as the personification of the aims of the AMEP program and Australia's broader migrant and refugee settlement framework.

AMES Australia understands that successful settlement and longer-term integration processes for people from migrant and refugee backgrounds are dependent on new arrivals capacity to communicate effectively in English in a wide range of vocational and social contexts. AMES Australia's English language programs are contextualised and responsive to a variety of settlement domains essential for successful vocational and social participation outcomes.

Vocational pathways and specialist programs: AMES Australia delivered accredited vocational and specialist programs to support pathways into further study, employment and

career progression. Accredited vocational programs offered strong employment outcomes, such as in the aged care and childcare sectors, with employment pathways opened through industry work placement experience.

Pre-accredited training delivered contextualised language, literacy, numeracy and digital skills development; and supported pathways and employment outcomes through programs including pronunciation for professionals, skilled professional pathway; and preparation for the International English Language Testing System (IELTS) and the Occupational English Test (OET).

These programs provided an important context for skill development for many learners in establishing a sustainable pathway to accredited training and employment as well as avenues for enhanced social and civil participation in the wider Victorian community. Examples of activities in the reporting period included:

- Skilled Professional Migrant Program (SPMP) intensive online program assisted 100 professionally qualified migrants with job search skills, resume preparation, job applications, interview skills and networking and linked learners to corporate volunteers and industry mentors
- a longitudinal study of SPMP graduates since 2010 has enabled comparison of outcomes in the program assisting skilled migrants to find professional jobs commensurate with their experience and skills. Results from the most recent SPMP survey indicated that 80% of survey respondents were employed in professional roles within 6 months and 100% within 12 months
- more than 200 learners participated in the IELTS course to support recognition of their overseas qualifications or gain entry to university or further education
- 43 learners (doctors, nurses, dentists, pharmacists and physiotherapists) participated in the OET preparation course designed for health professionals intending to gain recognition of their overseas qualifications and meet the requirements of the Australian Health Practitioner Regulation Agency. Client satisfaction rated highly at 90%; and 90% of respondents reported increased confidence in spoken and written interactions with other medical practitioners. 65% reported achieving their desired OET scores to gain professional employment in the health sector or to progress their registration with the relevant registration bodies.

Community Development and Social Participation

AMES Australia seeks to create opportunities for new arrivals to participate in community life, form strong social bonds with their cultural groups and build bridges into the broader community. Social inclusion creates an environment that is conducive to successful settlement.

Community consultation and communication

To maintain a strong dialogue with client communities, AMES Australia undertakes consultations to gain insight on a range of issues affecting their settlement. The information received helps develop initiatives that respond directly to client needs, strengthen service provision and influence specialist and mainstream services. Additionally, consultations provide an opportunity to build the capacity of new and emerging communities by linking them with the universal service system.

Examples of activities in the reporting period included:

- supported 13 consultations, and reached 197 individuals from new and emerging client communities during the recovery phase of the COVID-19 pandemic by providing factual, in-language information about vaccinations and how to minimise

risks within their community and broader society, scam prevention and starting a small business.

- facilitated focus groups involving 175 participants for 10 research projects seeking to include feedback from multicultural communities on topics including online safety; the National Redress Scheme, early childhood peer support, racism, and employment opportunities.

During the reporting period, AMES Australia continued to build the capacity of CALD clients through a range of funded projects. These included:

- *Business Matters*, funded by the National Disability Insurance Agency through the Information, Linkages and Capacity Building (ILC) program, a project focused on providing peer support to help Arabic-speaking individuals with disabilities or caring for someone with a disability, to explore pathways to employment or setup a small business. In July 2022, 26 participants joined the third and final intake of Business Matters. The program comprised 20-weeks of business development workshops and a further 10 weeks of business mentoring. On completion of the mentoring, in May 2023, 9 participants had actively started their small business with a further 5 completing preparatory research prior to starting a business
- *Opening Minds Building Futures*, funded by the National Careers Institute of the Department of Industry, Science, Energy and Resources, a partnership between AMES Australia and the Centre for Multicultural Youth, supported 267 young people to identify career goals, and built the confidence of parents and school influencers to support young people in their social spheres with their career pathways
- Multicultural youth programs were supported through the Victorian Government Engage! funding. The AMES Australia *Engage!* Program “Welcome to Melbourne” supported 332 newly arrived young people from Afghanistan and Ukraine aged 17-25 through museum visits, music concerts and career development workshops; self-development and leadership development workshops and participation in sport
- Sponsored by 7-Eleven, the Multicultural Women’s Retreat attended by 43 women from 9 countries, which took place at Mt Eliza from the 18th to 20th November 2022 offered an opportunity for multicultural women to connect with others and participate in capacity building workshops. Activities included a family violence session delivered by Victoria Police and a session on general women’s health, breast and cervical cancer conducted by the Multicultural Centre for Women’s Health. Key outcomes reported by participants included making new friends (95%) and learning about other cultures (98%).

Over the past 15 years AMES Australia has been represented on the Refugee Council of Australia Board of Management to ensure that the voices of humanitarian client groups are heard at national and international levels. During this time AMES Australia has presented to, and actively participated in, United Nations High Commissioner for Refugees (UNHCR) annual consultations. During the reporting period, the focus of international work was on building refugee self-representational and advocacy skills to give a voice to refugee issues at UNHCR forums. To support this process AMES Australia developed an internal application process whereby two staff from a refugee background were selected, trained and mentored to participate in state, national and international forums.

Multicultural Hub and Drill Hall

The Multicultural Hub (the Hub) and Drill Hall are owned by the City of Melbourne and managed by AMES Australia. Since its establishment in 2008, the Hub has built a strong reputation as an inclusive centre, supporting social participation and diversity. The Hub welcomes CALD communities, people from refugee backgrounds, international students, senior migrants, faith-based organisations, groups representing people identifying as lesbian, gay, bisexual, transgender or intersex, people experiencing homelessness and

people with disability.

The Hub aims to strengthen community connections and foster goodwill by providing a central place for the city's culturally diverse communities to meet, interact and collaborate in a respectful and supportive environment. During the post-pandemic recovery phase visitation numbers started to grow as community confidence increased and office workers progressively returned to the CBD.

The Hub continued to be the main service provision point for refugees from Ukraine, offering a welcoming and friendly environment to newly arrived people experiencing a highly stressful and challenging time. Key statistics for the financial year include:

- 66,493 visitors from multicultural backgrounds
- 2,924 events held at the Hub
- 381 people participated in the Hub's free activities (including English conversation, Job Club, Reading and Talking Circles classes)
- 146 events with 26,150 attendees held at the Drill Hall.

Prevention of Violence against Women

AMES Australia's Prevention of Violence against Women (PVAW) team continued its program of initiatives focusing on individual, community and organisational change to contribute toward the prevention of violence against women from CALD communities through Victorian government funding grants.

Initiatives in the reporting period included:

- launch of AMES Australia 2022-2023 PVAW CALD Leadership course during the annual international campaign, the 16 Days of Activism against Gender-Based Violence. This program consisted of a series of 3 intensive masterclass training sessions on the topics of Primary Prevention of Violence, Working with Men, and Bystander Actions
- 4 evidence-based interactive training sessions on Bystander Actions delivered to more than 300 AMES Australia's staff. These sessions engaged participants with tools and strategies that can be effectively used to intervene in potentially harmful situations. These sessions also called upon AMES staff to contribute their cultural expertise to the further development of such tools and strategies
- in a consortium implementing the Multi-Agency Risk Assessment and Management Framework (MARAM) and Information Sharing (IS) reforms delivered a comprehensive program of practitioner forums and training sessions, e-bulletins, and support to the governance bodies of prescribed organisations
- continued to build training resources for CALD communities by producing an animated training video on coercive control in the Mandarin and Cantonese languages
- in partnership delivered an intensive training course on "Building Harmonious Communities through Respectful Relationships Based on Equality and Safety". This course raised participants' awareness of how to prevent family violence, was accompanied by a training workbook, and resulted in creation of a booklet of poetry created by the participants.

Migration Services and Community Support Program

AMES Australia's Migration Services is comprised of the Skilled Migration Service (SMS) and the Community Support Program (CSP).

AMES Australia's SMS operates as a certified social enterprise providing immigration advice and visa application assistance to individuals and Australian employers as a fee-for-service

model. The services offered by SMS encompassed:

- expert guidance on visa eligibility, mapping of visa pathways leading to both temporary and permanent residency, preparation and lodgement of applications and end-to-end visa application management
- information and advice at community forums and events. These engagements served as a platform for raising awareness in the community about topics such as work rights and potential pathways to permanent residency.

The CSP serves as a platform through which individuals or organisations within the community can identify, financially support, and facilitate the application process for refugee and humanitarian visas, catering for those in critical need of resettlement. As an Approved Processing Organisation since 2018, AMES Australia assumes several key responsibilities including:

- lodging Humanitarian visa applications on behalf of Australian supporters
- overseeing the provision of settlement support to successful applicants for a duration of 12 months after their arrival in Australia, and
- monitoring and reporting on the outcomes of the settlement process to the Department of Home Affairs.

The program has seen a 200% increase in service demand following the COVID-19 pandemic, reflecting the Department of Home Affairs acceleration in application processing. AMES Australia supports clients from various countries including Afghanistan, Eritrea, Ethiopia, Iraq, Myanmar, Pakistan, South Sudan, Sudan and the Democratic Republic of Congo.

Employment

Sustainable employment breaks the cycle of economic dependence and contributes to the health and wellbeing of individuals and their families. AMES Australia works with job seekers and employers to prepare individuals for employment and match them with workforce opportunities.

During the reporting period AMES Australia delivered, with subcontractors, employment services to nearly 24,000 jobseekers, achieving job placements, 12-week and 26-week job outcomes, across North East and North West Melbourne, Greater Western Sydney and Darwin under the Australian Government's Workforce Australia Services program.

AMES Australia holds CALD and Refugee specialist licenses in Melbourne, CALD and Indigenous licenses in Sydney and a Generalist license in Darwin. AMES Australia was also successful in gaining a place on 18 additional panels as part of the tender process.

During the reporting period, AMES Australia continued to deliver Jobs Victoria's Employment Services program, JVES. This program also had a specialist focus to primarily support the CALD community across the Central Highlands, Mallee, Wimmera Southern Mallee, Gippsland and inner metropolitan Melbourne. In total the JVES service team registered 605 job seekers, achieved 226 placements and 112 outcomes.

Integrated servicing to support employment outcomes

AMES Australia also delivered programs that provided integrated services for job seekers:

- Short programs included *3 Steps*, *Job Facts*, *Preparation for a Forklift Licence* and *Preparation for a White Card*.
- A focus on developing closer relationships with employers led to a better understanding of skill requirements and job opportunities in the different employment regions. The *We Are All Customers* course, delivered online and in person was very successful in preparing clients to enter the Australian workforce
- In support of the agricultural industry, a collaborative approach developed between AMES Australia's Education, Settlement and Community Participation portfolios informed clients of regional opportunities and showcased – virtually and physically – locations in regional Victoria with significant labour shortages
- Refugee licences: teams in North West and North East Melbourne worked closely with the settlement teams through aligned Individual Pathways program supporting refugee clients to understand and engage with the Australian labour market.

Partnerships for employment

AMES Australia continues to seek partnerships and collaborations that increase opportunities for job seekers in our specialist Workforce Australia licenses and Jobs Victoria Employment Services. Industry examples included:

- partnership to create full-time job opportunities for priority job seeker groups in the automotive sector
- partnership to align services to build barrier management for those clients who experienced torture or other traumatic events
- partnership to assist employees working at 3 regional farms with English to build confidence in work as well as social environments; and trained supervisors in cultural diversity to enable them to better support clients
- partnership to support disadvantaged women overcome barriers to employment, education and independence. Topics included stress and anxiety, budgeting, career education and development.

Finance and Corporate Services

AMES Australia's Finance and Corporate Services is responsible for overseeing the operations and administration of the finances, procurement and assets of the organisation, for supporting facilities for staff and on-arrival accommodation for newly arrived HSP clients through contracted arrangements; and for risk and quality management processes and systems.

Finance

The Finance team is responsible for developing and managing organisation-wide financial strategies and financial risk-mitigation practices and continues to streamline processes, including adapting ongoing rolling forecasts in light of the changing external environment and reviewing. This includes providing financial and accounting services, offering advice on financial matters, managing the budget/forecast process, providing monthly management reports for the Executive, the Finance Audit and Risk Management Committee of the Board, and the AMES Australia Board, as well as preparing the annual financial statements.

During the 2022–23 financial year, in addition to delivering on all contractual, statutory and regulatory requirements, the Finance team supported AMES Australia's expansion into the provision of NDIS and My Aged Care services; and continuous support was provided to operating areas in order to achieve organisational financial sustainability.

Facilities

The Facilities team manages AMES Australia sites across Victoria, South Australia and New South Wales and have responsibility for commercial facilities to accommodate AMES Australia's employees and programs; together with safety and security services. AMES Australia conforms to the building and maintenance provisions under the *Building Act 1993*, National Construction Code 2019 and relevant Australian standards.

The Facilities team works to provide an appropriate working space that meets staff needs to deliver service contracts. This includes design and floor layout of different delivery sites, the relocation and set up of new sites, closing old sites and services, and connection of new services working with IT staff to ensure contracted services are able to transition seamlessly from the closure of one site to the opening of another with the least disruption to the clients being serviced. In the reporting period two sites were closed and three new sites made operational.

On-arrival Accommodation

The On-arrival Accommodation team provides short term residential accommodation for newly arrived HSP clients across metropolitan Melbourne, regional Victoria and South Australia. The team sources and manages residential properties including rooming houses and government-owned housing. The team also sources long term accommodation for clients, provides basic household goods on a needs basis, and provides tenancy training to clients to ensure that they understand what is required to be a good tenant.

During the reporting period, long term accommodation for mainly Afghan and Ukrainian refugees exiting short-term accommodation was secured. With AMES Australia exiting the SRSS program, transitioning most properties to the new provider was a major undertaking carried out in a seamless manner, and with little or no disruption to clients.

The overall activity for the 2022-2023 FY is reported below.

Region	Clients assisted in on arrival accommodation	Crisis accommodation	Long term leases	Basic household goods deliveries
Metro Melbourne	622	13	889	1,285
Regional Victoria	55	0	22	21
South Australia	263	1	250	314

Procurement and Administration

The Procurement and Administration portfolio was established during the year ended 30 June 2023. This is a key enabler in procurement within AMES Australia, in line with the Victorian Government Purchasing Board program, and in streamlining the procurement and administration of business programs and practices.

Highlights for the reporting period include:

- ongoing support of post-pandemic activity resumption in administration of personal protection equipment supply and business supply programs within complex supply chain landscapes
- evaluation and implementation of State Purchase Contracts in gas, electricity and security categories
- review and update of key procurement policies and procedures embedding social procurement
- supporting AMES Australia's Reconciliation Action Plan (RAP) development journey through the development of procurement.

Risk and Quality Management

The Risk and Quality Management team supports the delivery of organisational objectives by ensuring that appropriate risk management and quality assurance processes are in place, including overseeing the following activities:

- maintenance and improvement of the ISO 9001 Quality Management System (QMS) to meet business operations, contractual and regulatory requirements
- risk management and business continuity
- internal audit and other assurance activities
- maintenance of fraud, corruption and other losses policy and procedures and support with reporting and investigations as required
- maintenance of the Gifts, Benefits and Hospitality register.

Over the reporting period:

- the ISO 9001 QMS Certification audit was conducted in December 2022 and a new certificate awarded on 31 January 2023 which expires January 2026
- four internal audits aligned to AMES Australia's strategic priorities were conducted, and 60 topic updates were made to the QMS.

Corporate Support

Corporate Support at AMES Australia reports and provides direct support to the organisation across a range of areas. Within Corporate Support are the Research and Policy team; Marketing and Communications; Information Technology; Digital Engagement; and Development and Innovation.

Research and Policy

The Research and Policy team leads, collaborates, and supports applied research and evaluation projects within internal service portfolios across the organisation and externally as a partner or contractor to governments, universities, service providers, and community organisations. Through research and in capturing the client voice, the unit documents successful practice, impact, and outcomes which contribute to the evidence base required for dialogue with key stakeholders and government agencies. The Research and Policy team receives, follows up on and maintains a register of external research requests from universities, charitable organisations, and individual researchers seeking partnering, advice, support, and/or connection to communities. All research projects apply the National Statement on Ethical Conduct in Human Research (National Health and Medical Research Council 2018).

The Research and Policy team collaborates with internal and external partners to support and engage in research and projects that will benefit CALD communities. In this reporting period examples of partnerships and collaboration included:

- university partnerships: research themes included settlement outcomes for Syrian conflict refugee families; and regional settlement for people from refugee backgrounds
- government collaborations: applied research to identify strategies to improve employment outcomes for CALD jobseekers; and investigation into the availability of English language pre-accredited courses
- Industry partnerships: to review and evaluate an initiative to support recently arrived refugees in setting up their own business.

Diversifying service provision and continuous improvement

The Research and Policy team supports grants and tender submissions and administers AMES Australia's funding register. Over the reporting period, 14 bids were submitted to provide programs and projects in education, employment, humanitarian support, health, prevention of violence against women and children, and social participation. Funding bodies included the Victorian and Commonwealth governments, corporate sponsors and philanthropic trusts.

Influence and impact

The Research and Policy team researches and prepares documents and responses that demonstrate and support AMES Australia's influence and impact in the sectors within which we operate. Examples in the reporting period included:

- informing policy directions: 15 policy responses submitted to address inquiries into employment; Australia's Humanitarian Program, migration program; vocational education; foundation skills; and volunteering.
- social impact reporting: AMES Australia's Social Impact Report that evidences how our programs and services impact the lives of our clients by including our clients' voice and by aligning our programs and services to 5 of the United Nations' 17 Sustainable Development Goals (SDGs).

- building sector capability and connection: through support and engagement of staff to attend and present at conferences; and 6 Digest publications comprising 32 summarised Insights papers covering topics relevant to AMES Australia's programs and services including education and training, employment, youth, health and wellbeing, service program and design, aged care, migration and settlement, the prevention of violence against women, regional development and settlement, disability, multiculturalism and diversity and social participation.

Marketing and Communications

The Marketing and Communications team shapes and delivers messages from AMES Australia's business portfolios to engage with our multicultural community and client stakeholders, right through to our referral and government stakeholder audiences. In close collaboration with our Media Manager, Social Participation and Community Development and Research and Policy teams, the team uses traditional and digital channels to both create engagement and gather feedback.

In the reporting period two new sub-brands were launched: AMES Australia Settling Into Work social enterprise; and MyAMES Chat. AMES Australia's use of Indigenous and Cultural Intellectual Property rights licensed to the organisation, included two recently commissioned art pieces:

- 'The Journey' Brenda Mau, Malu Bajigal – used in our Workforce Australia First Nations uniform and visual identity
- 'Belonging' Bindi Bindi Artworks – used as place-based artwork in offices based on Darug land in the Western Sydney area.

The team shares its expertise and capacity to engage multicultural audiences with other government organisations, with colleagues in Social Participation and Community Development and across government to share best practices in online engagement for new and emerging communities.

Results in the reporting period included:

- increased social media engagement by 57%
- increased total social media followers by 11%
- increased social media post link clicks by 54%
- supported the rebranding of the jobactive service to Workforce Australia
- created new sites and materials for AMES Australia's NDIS Services, AMES Australia's My Aged Care Services and Settling Into Work social enterprise
- added a Punjabi-speaking staff member to the Client Acquisition Team to meet community needs
- consulted with other government or government-funded agencies on a number of multicultural community engagement projects.

Communicating with multicultural communities included increased social media engagement by 57% across multiple platforms, primarily Facebook, LinkedIn, YouTube and WeChat, with platform use adapted according to the audience and purpose of the communication.

These platforms are used to inform clients and the wider community of important government information, celebrate client success stories, highlight partnerships, promote AMES Australia's services, celebrate volunteers, and communicate the positive effects of migration on Australian society.

Activities and events with, and for, multicultural communities included:

- in collaboration with Sunraysia Football Federation the AMES Australia Mildura Multicultural Cup was run in October with 12 teams competing and involving 300 players and spectators. Former Socceroo captain and refugee advocate Craig Foster attended as special guest.
- launch attended by the Federal Minister for Immigration, Citizenship and Multicultural Affairs of AMES Australia's latest publication 'Refugee Heroes' that details the personal stories of refugees arriving in Australia, of whom some were also in attendance.
- refugee activities across AMES Australia sites included Taste the Difference dinner in conjunction with the City of Melbourne
- Heartlands art initiative took the form of a Refugee Week exhibition in the offices of the Department of Home Affairs. Five artists showcased their work and shared their personal journeys to Australia
- AMES Australia supported the African Music and Culture Festival held in Federation Square, November 2022 which showcased dance, music, fashion, drumming lessons, face painting and African street food cooking tutorials
- AMES Australia provided a sponsorship for the 2023 season to the Ballarat City Football Club to engage local employer networks and local multicultural communities.

Information Technology

The Information Technology (IT) team provides information systems support services to AMES Australia's employees, clients, and partners, including application development, service desk and infrastructure support, cloud solutions, cyber security and compliance.

In the reporting period, the IT team had several notable achievements demonstrating commitment to maintaining high standards of security and workplace support; ability to adapt and embrace modern networking technologies and improve operational efficiency. These included:

- Accreditation on compliance: Accreditation for compliance with Workforce Australia employment services and the SEE program, demonstrating their adherence to the Right Fit for Risk and ISO27001 requirements.
- Network technology migration: Migration of the network technology to a new Software Defined Wide Area Network (SD-WAN) across all 25 sites of AMES Australia. This transition allows for improved service delivery, as the SD-WAN provides reliable and high-quality bandwidth.
- Low-code development implementation: Implemented and delivered a case management application to support the JVES program.
- Financial system migration: Migration of AMES Australia's corporate financial system, Finance1, to a Software as a Service (SaaS) cloud environment. This transition not only ensures the system's availability and scalability but also enhances the potential for future systems integration.

Ongoing projects include:

- Agile Methodology for the NDIS to deliver digital solutions that support the efficient delivery of services under the scheme.
- Staff upskilling for digital transformation: Continued investment to upskill staff e.g. integrating our Customer Relationship Management (CRM) system with telephony, enabling seamless communication and improved customer interactions; and process automation to streamline operations, investigating on immersive learning techniques to facilitate student engagement, and exploring the use of AI to enhance productivity and monitor improvements.

Digital Engagement

The Digital Engagement team provides digital solutions for clients and employees. In the reporting period the team:

- supported the delivery of 83,600 hours of online learning
- enhanced AMES Australia's online service directory to support internal and external referrals
- created training products for the Employment staff to support key areas of service delivery
- created short online courses for Workforce Australia clients
- created support material for teachers to transition from using Zoom to Microsoft Teams for online delivery
- undertook an accessibility review and uplift for myAMES Learning Management System to be more compliant and accessible to learners of all abilities following updates to accessibility guidelines
- maintained multicultural sector leadership through the diversified delivery of online learning and digital engagement resources, including cultural safety in the care sector; AMEP online; and a digital access initiative.

Development and Innovation

The Development and Innovation team assists AMES Australia by incubating new ideas and supporting business units with innovation and collaboration including partnership and opportunity management.

Initiatives launched or undertaken by the Development and Innovation Unit during this reporting period include:

- collaborations and partnerships with multicultural communities, government, corporates, or sporting organisations to support a range of grassroots community organisations to better engage and aid their communities
- registration of a new social enterprise, certified with Social Traders in March 2023.
- online course for newly arrived humanitarian clients with advanced English to support education, training and employment pathways.

Service Redesign

The Service Redesign project works to identify services in AMES Australia that can be delivered in a more integrated way to bring greater benefits to clients.

In the reporting period, the Service Redesign team:

- continued to facilitate staff-led AMES Australia Hubs as collaborative, place-based ways of working and delivering integrated services and communications
- implemented an improved service directory to aid in faster, better service and referrals for clients
- supported the AMES Australia's Executive with staff engagement on the Strategic Plan refresh.

People and Development

The People and Development team supports AMES Australia's vision and strategic direction by enhancing the employee and volunteer experience and ensuring proactive and responsive services that enrich the operation and culture of the organisation. Services include employee relations, industrial relations, payroll, HR shared services, recruitment, employee benefits, learning and development, occupational health and safety and volunteer recruitment and training.

To support AMES Australia's mission to improve and enhance our people communication, visibility, capability and engagement, over the reporting period a number of activities, strategic projects and development initiatives were undertaken, described below.

Learning and development

Learning activities:

- AMES Australia's 2023 Leadership Development Program with 25 participants, each supported by an internal or external mentor
- 2022 and 2023 Learning & Development Calendars including training workshop options covering workplace safety, use of technology, and effective communication practices. Online delivery of Management Fundamentals and Recruitment for Hiring Managers programs to people managers
- AMES Australia's Work Health & Safety module(s) updated to a more adaptable and user friendly format
- continued use of the myAMES platform to develop and deliver internal training for employees
- initiatives to support our diversity and inclusion strategy.

Strategic initiatives:

- AMES Australia Leadership Network
- supported changes and restructures across the organisation including recruitment, on-boarding and induction of employees as appropriate
- Diversity & Inclusion portal
- employee experience sessions
- review and update of induction processes; and bus tours for new employees to gain an understanding of the organisation
- recruitment activity has continued at previous levels with additional support required in the reporting period commensurate with business needs.

A number of process and system enhancements were undertaken including:

- upgraded performance platform (Jemini) in August 2022 and learning and development module
- manager toolkit and leadership pages
- automated employee check-in when onsite.

Volunteering

Volunteers are central to the support provided to newly arrived migrants and refugees, and to achieving AMES Australia's vision of 'full participation for all in a cohesive and diverse society'. AMES Australia's volunteers are culturally and linguistically diverse; they were born in more than 50 different countries; collectively speak 50 languages; and women make up 65 per cent. Volunteers are involved across many programs including settlement orientation, English language support, employment preparation, and professional and administrative support.

Volunteering provides important opportunities for clients and AMES Australia to interact with the broader community and offers many benefits to the volunteers themselves. The COVID-19 pandemic has had an enduring impact on volunteering, however, AMES Australia has successfully reinstated on-site volunteering activities, while retaining remote volunteering options to cater to the diverse needs of clients.

During this reporting period, AMES Australia has aligned its activity with AMES Australia's Volunteer Strategy 2022-2024 five key areas: volunteer management and professional development, building internal awareness about volunteering, volunteer monitoring, evaluation and impact, volunteer empowerment, and streamlining the volunteer management system.

Progress in this reporting period includes implementation of a new volunteer management system - Better Impact - which incorporates features to enhance the ease and efficiency of engaging volunteers.

Diversity and inclusion

AMES Australia's Diversity and Inclusion Framework outlines the organisation's commitment to building a workplace that is grounded in respect, fosters inclusion, promotes diversity and embraces the unique skills and qualities of all our people.

AMES Gender Equality Action Plan (GEAP) 2021- 2025

- Following the approval of AMES Australia's Gender Equality Action Plan (GEAP) 2021-2025 by the Gender Equality Commissioner AMES Australia has been implementing the 3 priorities contained within the plan and has reviewed data collected and internal policies
- delivered initiatives to increase awareness of intersectionality within our own culturally diverse workforce, client base and in the community.

Reconciliation Action Plan (RAP)

After successful completion of the initial Reflect RAP phase, AMES Australia is now working towards the implementation of the Innovate RAP phase to continue our commitment to the ongoing journey towards reconciliation.

In July 2022, AMES Australia established an Indigenous employment service site in Western Sydney delivering Workforce Australia services as part of its Indigenous license. AMES Australia recruited only Aboriginal and Torres Strait Islander Peoples; and was successful in receiving an exemption under section 126 of the Anti-Discrimination Act 1977 (NSW).

Accessibility and Inclusion Plan

AMES Australia's Accessibility and Inclusion Committee drives our commitment to provide access and equity for all AMES Australia employees, clients and volunteers with disabilities. This is consistent with AMES Australia's vision of full participation for all in a diverse and cohesive society. The Committee meets quarterly and is working towards identifying and documenting actions to promote accessibility and inclusion.

Industrial relations

Key highlights from this reporting period included:

- no time was lost due to industrial action during the reporting period
- renegotiation of the AMES Australia Teachers Enterprise Agreement 2021 commenced
- one employee dispute was lodged with the Fair Work Commission.

Organisational changes

As a result of the re-tender for the SRSS contract, AMES Australia was required to reduce the number of positions in the Settlement Portfolio. The majority of affected employees were redeployed to other suitable and reasonable internal positions. The Education and Training portfolio restructure led to a small number of positions being affected and a number of new positions being created to support the new structure.

Work health and safety

AMES Australia's Health and Wellbeing Strategy focused on leadership and capability, and injury prevention and engagement during the reporting period.

The COVID-19 pandemic continued to impact, with site attendance and occupancy fluctuating through the year, leading to a decreased number of emergency personnel onsite. Demand continued for consultations on hygiene and safety together with a focus on resettling sites and teams to work safely in a hybrid model, with a percentage of staff being off site at any given time. A range of resources to raise awareness and reduce stigma of mental health were developed and continued to be promoted as part of the Mental Health Strategy which focuses on preventing harm, intervening early and supporting recovery. There continues to be reported cases of COVID-19 among employees/clients as at 30 June 2023, with the focus message being *if unwell stay home*.

During the reporting period twenty work health and safety incidents were reported; of these, 10 were employee related. Two Work Cover claims were accepted during the reporting period. There were no workplace fatalities. There were no workplace visits by Work Safe representatives.

Work health and safety report	2022-23	2021-22	2020-21
Total number of incidents and injuries reported (employees and clients)	20	11	15
Number of incidents and injuries (employees only)	10	5	3
Lost time injury (LTI) 1-<10 days' work-related injury pre Work Cover claim	1	1	1
Work Cover claims 2020-2023 (open* / active**)	5* (3)**	3* (5)**	4* (6)**
LTI days (Work Cover)	225	523	144
Work Cover premium	\$426,001	\$308,815	\$333,107

* Open claims are all claims received during the premium period 2020-2023 (the past three years) that are still open. NOTE - 3 of the 5 Open Claims for 2022-23 will cease impacting the premium in July 2023.

** Active claims are all open and closed claims received in the last three months or with payment(s) made in the last four months.

Early intervention and support to employees and managers regarding workplace relations and associated work-related injuries continued throughout the year. There was an increase in non-work-related injuries requiring assistance to Return to Work (RTW) safely and promptly. Hub-based Work Health and Safety (WHS) Committees continued to operate in Victoria, New South Wales and South Australia. However, 2022-2023 saw a reduction in quarterly WHS Committee meetings across the Hubs. Site evacuation drills were held at 94% of sites during this period.

AMES Australia's Health and Wellbeing Program continued to facilitate a number of activities and support services throughout the year. Influenza vaccinations were provided between March and May 2023.

Health and safety training

Participants	Activity	2022-23	2021-22	2020-21
Health & Safety Representatives	5-day health and safety training	1***	1	n/a
Fire Wardens	Fire warden online training	84%	100%	(9) n/a**
Site first aiders	CPR and First Aid 003	100%	59%*	90%*
People managers	Management fundamentals, including health and safety	96%	100%	n/a**
	Occupational health and safety/workplace health and safety for managers	62%	83%	81%
Key employees	Mental Health First Aid	47	100%	n/a**
	Building Personal Resilience	12	n/a**	n/a**
New starters	Corporate induction, including work health and safety	84%	93%	92%
All employees	Equal opportunity	n/a	87%	86%
	Core Inclusion	46%	n/a	n/a
	Anti-bullying and anti- harassment	74%	86%	86%
Employees who need conflict- resolution skills to deal with aggressive clients	Predict, assess and respond to aggressive/ challenging behaviours training	171	n/a**	n/a**
	Managing conflict through negotiation (basic and advanced)	45	n/a**	n/a**

* Many first aid programs ceased during 2021-22, though most renewals were completed by end June 2022.

** Programs did not run due to COVID-19 restrictions.

*** Transition to hybrid working has impacted HSR candidates. Training is planned for all current HSRs in August 2023.

Emergency planning and preparedness

Site management has been supported in monitoring gaps in their emergency site teams (ESTs) and training has been made available in emergency response to all Wardens and First Aiders taking on roles in 2022-2023. Some sites still report vacancies in these vital roles. Emergency Site Manuals are scheduled to be updated annually and these are reviewed with Site Points of Contact as part of site safety and risk management.

Environmental reporting

AMES Australia is striving to minimise its environmental footprint and to integrate sound environmental values, principles and practices in its day-to-day operations. AMES Australia aims to protect and improve the environment by:

- adopting environmentally sustainable practices and performance criteria in purchasing and procurement
- building environmental sustainability into policies, programs, regulations, investments and budgets
- reducing resource consumption and waste
- making AMES Australia major events environmentally sustainable
- improving energy efficiency.

AMES Australia continued its greening program, with recycling of mobile phones, batteries, shredded paper and toner cartridges, purchasing of carbon-neutral paper, and encouraging environmental practices at all sites.

Energy consumption

Indicator	2022–23	2021–22
Electricity usage (MJ)	3,872,479	2,546,081
Natural gas usage (MJ)	650,705	771,522
Total greenhouse gas emissions from energy consumption (tonnes CO₂-e)	1,230	1,762
- Electricity total tonnes CO ₂ -e	1,190	1,709
- Gas total tonnes CO ₂ -e	45	53
Percentage of electricity purchased as green power	0%	0%
Electricity used per FTE (MJ/FTE)	8,396	7,053
Natural gas used per FTE (MJ/FTE)	10,495	16,772

Note: MJ is mega joules. FTE is full-time equivalent staff member. Electricity data was recorded at approximately 75% of office-based sites and natural gas data at approximately 15%. Billing information for excluded sites was not available because it was incorporated into the rental outgoings. FTE for electricity usage (461.3) and gas usage (62) were calculated for the included sites only. Electricity and gas consumption per FTE is also affected by the changing number of staff on site as a result of lift off COVID-19 restrictions, which increases comparability with the previous year. AMES Australia is continuing to develop systems to collect more comprehensive data.

Waste and recycling

Indicator	2022–23	2021–2022
Total units of waste disposed of by destination stream (kg/year)	16,778	10,847
- Landfill	11,700	5,590
- Comingled recycling (cans, plastic containers, bottles, etc.)	2,234	795
- Paper and cardboard	2,031	677
- Secure documents (paper)	0	3,600
- Organics (food scraps)	812	185
Total units of waste disposed of per FTE by destination	239	135
- Landfill	49	107
- Comingled recycling (cans, plastic containers, bottles, etc.)	9	15
- Paper and cardboard	8	13
- Secure documents (paper)	0	0
- Organics (food scraps)	3	0
Recycling rate	30%	20%
Greenhouse gas emissions associated with waste	8	4

Indicator	2022-23	2021-2022
(Tonnes CO ₂ -e)		

Note: Data was derived from waste audits, taken over at AMES Australia's Footscray Facility, Preston Facility & Mildura Facility. Each waste stream was weighed and recorded by the waste collection contractor. Waste and recycling data was sampled in part when varying COVID-19 restrictions were in place. AMES Australia is continuing to develop systems to collect more comprehensive data. These calculations are based on a total staff count of 408 FTE across all facilities, as at the time of audit. Increased number of staff on site as a result of lifting COVID-19 restrictions increases comparability with the previous year.

Paper consumption

Indicator	2022-23	2021-22
Total units of A4 equivalent copy paper used (reams)	2,097	1,244
Units of A4 equivalent copy paper used per FTE (reams/FTE)	4.55	2.96
Carbon-neutral 100% recycled content	60%	100%
Carbon-neutral 50% recycled content	2%	-
Carbon-neutral 20% recycled content	13%	0%
Carbon-neutral 0% recycled content	24%	0%
Carbon-neutral 0% recycled 100% content	1%	-

Note: Data based on total ream purchases across 461.3 FTE. Paper purchases increased as operations normalised following the lifting of COVID-19 pandemic restrictions. 100% carbon-neutral copy paper from Supply Nation certified Indigenous enterprises is the default where possible.

Water consumption

Indicator	2022-23	2021-2022
Total water consumption (kilolitres)	3,352	1,707
Units of office water used per FTE (kilolitres/FTE)	48	28
Units of office water used per office area (kilolitres/m ²)	0.44	0.23

Note: Data was taken from approximately 15% of the office-based sites. Billing information for excluded sites was not available as it was incorporated into rental outgoings. FTE (69.19) and office area (7,564 m²) were calculated for included sites only. AMES Australia is continuing to develop systems to collect more comprehensive data.

Electricity energy usage for 15 out of 20 commercial office space sites - approx. 75%

Sites	Amount \$	Total KWH	Greenhouse Emissions Tones	Area M2	Mega Jules (1kwh=3.6MJ)	CO2 1MJ=0.363kg
Commercial sites data	256,701.33	1,075,688.80	1,229.41	13,286	3,872,479.67	267,201.10

Note: Commercial sites not included in electricity usage data: Craigieburn, Sunbury, Blacktown, Adelaide.

Gas usage for three commercial sites out of 26 office sites – approx. 11%

Energy Usage	Total MJ	Area M2	CO2 1MJ=0.069kg
Gas	650,705.01	8,762.01	44,898.65

Note: Commercial sites not included in gas usage data: Mildura, Werribee, Dallas, Dandenong, Box Hill, Preston, Craigieburn, Sunbury, Epping, Burke St, Cabramatta, Liverpool, Bankstown, Adelaide, Salisbury, Regency Park, Little Collins

Water usage for four commercial sites out of 24 office space sites – approx. 15%

Energy Usage	Total KL	Sewerage disposal (KL)	Area M2
Water	3,352.41	2,367.59	7,564

Note: Commercial sites included in water usage data: Box Hill, Noble Park, Little Collins Street, Multicultural Hub

Vehicle categories

Vehicle category	Petrol	Diesel	Hybrid Electric	Plug-In Electric
Light Passenger	9	0	0	0
Small Passenger	19	0	0	0
Medium Passenger	1	0	0	0
Medium SUV AWD	1	0	0	0
People Mover 2WD	1	0	0	0
Light Commercial	0	1	0	0
Total	31	1	0	0

Transportation

Indicator	2022-23	2021-22
Total fuel consumption by fleet vehicles (litres)	23,504	21,901
Total distance travelled by fleet vehicles (km)	243,638	233,340
Total greenhouse gas emissions from fleet vehicles (Tonnes CO ₂ -e)	1,230	1,218
Greenhouse gas emissions from fleet vehicles per 1,000 km travelled (tonnes CO ₂ -e)	5.05	5.22

Note: Data based on 32 vehicles, with no hybrid cars.

Other legislative compliance

Employment and conduct principles

AMES Australia applies merit and equity principles when appointing employees. Selection processes assess and evaluate applicants fairly and equitably based on the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Public sector values and employment principles

AMES Australia abides by the Code of Conduct for Victorian Public Sector Employees, which sets standards for adherence to the public sector values of the Public Administration Act 2004. These standards have been included in all AMES Australia employment contracts and are binding on all employees. Internal policies and procedures aim to maintain high ethical standards, good corporate behaviour and strong accountability.

AMES Australia implements policies and practices that are consistent with the Victorian Public Sector Commission employment standards, and provide for fair treatment, career opportunities and the early resolution of workplace issues. Employees are advised on how to avoid conflicts of interest, how to respond to offers of gifts, and how the organisation deals with misconduct.

Serious misconduct in the workplace or behaviour inconsistent with AMES Australia's values, Code of Conduct and other relevant policies and procedures are dealt with in accordance with AMES Australia's Disciplinary/Performance Policy. Any employee who suspects that a breach has occurred or will occur is encouraged to report the matter to the People and Development Unit. No employee will be disadvantaged or prejudiced if they report in good faith. All reports will be acted on and kept confidential.

Public Interest Disclosures Act 2012

AMES Australia aims for transparency and accountability. It does not tolerate improper conduct, or reprisals against persons who disclose such conduct. In accordance with the *Public Interest Disclosures Act 2012* and guidelines provided by the Integrity and Oversight Committee and the Independent Broad-based Anti-Corruption Commission (IBAC), AMES Australia:

- encourages and assists people to report improper conduct and detrimental action
- keeps confidential the discloser's identity and the content of a disclosure
- manages the welfare of the discloser or person involved in the investigation
- cooperates with the investigating agency, entity or public bodies and ensures that effective action is taken in response to reports of improper conduct
- implements an appropriate internal process if IBAC decides that the report is not a disclosure of improper conduct or detrimental action and refers the matter to AMES Australia.

Anyone can make a public interest disclosure. This includes individuals either internal or external to the organisation, independent contractors, students, recipients of services and the public. AMES Australia cannot receive and assess a public interest disclosure about AMES Australia, its personnel or other members of the public sector. In such cases, AMES Australia will advise the discloser to contact the Victorian Department of Jobs, Skills, Industry and Regions (DJSIR) or [IBAC](#) via website or phone (1300 735 135).

AMES Australia's Board Secretary:

- is the point of contact for general advice

- is the liaison (under the direction of the CEO) between AMES Australia and investigating government departments or bodies
- is responsible for referring disclosures to DJSIR or IBAC
- takes necessary steps to maintain confidentiality
- manages the welfare of a discloser, or of someone who cooperates or intends to cooperate with an investigation.

The CEO (Principal Officer) must notify IBAC of all instances of suspected corrupt conduct occurring in the organisation, in accordance with AMES Australia's Fraud, Corruption and Other Losses Procedure.

AMES Australia did not receive any disclosures under the *Public Interest Disclosures Act 2012* during the reporting period. The AMES Australia Public Interest Disclosure Policy is available on the website: www.ames.net.au/about/corporate-documents

Freedom of Information

AMES Australia complies with the *Freedom of Information (FOI) Act 1982* in a fair, objective and unbiased manner. AMES Australia also ensures that all its statutory requirements are met, and that applicants are kept informed of the process and progress of their requests. The CEO has delegated responsibility for managing FOI requests to the Board Secretary. Enquiries and requests for information should be made in writing to:

Board Secretary/Freedom of Information Officer
AMES Australia Level 4, 1 Little Collins Street Melbourne VIC 3000 or email FOI@ames.net.au

When an FOI request is received, the FOI Officer will:

- verify the identity and authority of the applicant, where the request involves access to personal information
- acknowledge the FOI request by letter or email and determine whether the request meets requirements
- ensure that a diligent search is conducted for documents (including those in electronic form) covered by the request
- provide a statement of reasons under the FOI Act, if access is refused in respect to any part of a request
- provide written decisions to the applicant within 30 days of application (or later period provided under the FOI Act)
- advise the applicant of their right to seek a review by the FOI Commissioner.

During the reporting period, AMES Australia received four applications. Of these requests, two FOI decisions were made within the statutory time period; and two requests were redirected to the Department of Home Affairs (DoHA). AMES Australia has also provided relevant information and response to consultations on three occasions, to the Department of Department of Employment and Workplace Relations and DoHA.

Fees and charges

Fees and charges are levied according to the Ministerial Directions to Adult Education Institutions made pursuant to the *Education and Training Reform Act 2006*. No additional compulsory non-academic fees, subscriptions or charges are levied on AMES Australia clients in government funded programs. The current fees and charges schedule is available on the AMES Australia website: www.ames.net.au/students/fees

Carers Recognition Act 2012

AMES Australia recognises the role of carers and the importance of care relationships in

the community. AMES Australia endeavours to assist its employees achieve their personal, family and relationship goals by facilitating flexibility in employment and working arrangements to achieve the optimum balance between work and personal responsibilities. These include:

- flexible working arrangements (such as part-time employment, job sharing, transition to retirement)
- flexible work location (such as home-based work, multiple locations)
- counselling via the Employee Assistance Program.

AMES Australia's clients with carer responsibilities or those with disability are also supported through provision of flexible arrangements to enable participation.

National Competition Policy

AMES Australia costing models comply with National Competitive Neutrality principles.

Overseas trips

There were 2 overseas trips during the reporting period. AMES Australia complies with the Victorian public sector travel principles.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994* and subject to the provisions of the FOI Act, information retained by AMES Australia includes:

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

Social procurement

AMES Australia has a longstanding history in working with social enterprises and continued its commitment to social procurement as a national integrated service provider.

The evolution of AMES's procurement function in line with the Victorian Government Purchasing Board's Expansion program is a key focus where AMES' Procurement and

Social Procurement Strategies are fundamental to supporting progress in social procurement outcomes. Key developments in implementation include the embedment of social benefit supply considerations into procurement procedures and processes.

A key highlight is AMES Australia's ongoing partnership with social enterprise, Clean Force Property Services in the provision of commercial cleaning services. Clean Force aims to empower people through employment by offering pathways to employment via a supported employment program for people with major vocational barriers, and open employment for disadvantaged Victorians wanting to enter the general workforce.

Throughout the reporting period, this partnership has enabled 10 people with a disability to gain meaningful, ongoing supported employment in providing essential commercial cleaning services across AMES sites.

Overall social procurement activities for 2022-23

Indicator	
Number of social benefit suppliers engaged during the reporting period	19
Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive)	\$851,434

Emergency procurement

Nil reports. During the reporting period there were no emergencies declared and no emergency procurement activations, resulting in nil spending for emergency procurements.

Consultancies expenditure

In the reporting period, there were three Strategy Edge Consulting consultancies where the total fees payable to the consultants were \$10,000 or greater. Total expenditure during 2022-23 for these consultancies is \$276,419 (excluding GST). Details of individual consultancies are outlined below.

Consultants	Summary of project	Expenditure (ex-GST)	Future expenditure (ex-GST)
KPMG	Provide financial due diligence assistance in connection with proposed acquisition of a majority interest of another entity	\$47,025	nil
Right Lane Consulting Pty Ltd	Design and production services related to the strategy development project	\$59,394	\$76,397
Strategy Edge Consulting	Project analysis and evaluation of strategic options	\$170,000	\$50,000

During the reporting period, AMES Australia did not engage in consultancy where the total fees payable to the individual consultancies were less than \$10,000 (exclusive of GST).

Information and communication technology (ICT) expenditure

All operational ICT expenditure: business as usual (BAU)	ICT expenditure related to projects		
	Non-business as usual (non-BAU) ICT expenditure (Total = operational expenditure plus capital expenditure)	Operational expenditure	Capital expenditure
\$4,269,499	\$62,260	\$5,830	\$56,430

Government advertising expenditure

Nil reports. None of AMES Australia’s advertising campaigns triggered the disclosure threshold of \$100,000 on advertising expenditure.

Local Jobs First

Nil reports. During the reporting period there were no projects or procurements valued at \$3 million or more in metropolitan Melbourne or \$1 million or more in regional Victoria. AMES Australia did not initiate any construction projects valued at \$20 million or more.

Key Performance Indicators

Indicator title	Description	2022–23 target	2022–23 actual	Explanation of material variances	2021–22 result
Education					
Training delivery	Student contact hours (consortium – all programs)	1.28m	982,403	Variation due to reduced remote delivery due to contractual requirement post-pandemic; less flexible delivery options; increased student withdrawals; and overseas travel and employment opportunities impacted student retention.	1.18m
Student satisfaction	Student satisfaction rate (Australian Quality Training Framework Quality Report)	78%	78%		78%
Participation	Number of students in accredited courses with industry-based experience	170	134	Variation due to time gap created by transitioning from superseded to replaced qualifications.	165
Settlement					
Recently arrived clients supported	Number of HSP and SRSS clients serviced <i>Client numbers determined by Home Affairs humanitarian intake annually</i>		6,512	Variation due to the reopening of borders and clearing of backlog of HSP arrivals.	3,693
Employment					
Workforce Australia services	Number of clients serviced		23,593	Workforce Australia contract commenced July 1, 2022 with a new client baseline compared to FY22 jobactive baseline.	26,641
	Number of sustainable placements <i>Client numbers are underpinned by the national unemployment rate</i>		516	Workforce Australia contract focuses only on most vulnerable jobseekers compared to a broader range under the previous jobactive contract.	3,531

Indicator title	Description	2022–23 target	2022–23 actual	Explanation of material variances	2021–22 result
Research and evaluation					
Evidence-based research and evaluation capability	Number of research and evaluation activities	16	28	Variation reflects range of partnerships and products: CALD research partnering (3); Government collaborations (2); Industry Partnerships (1); Insights Digest (6); Policy responses (15); Social Impact Report (1)	16
Financial					
Financial sustainability (AMES Australia)	Liquidity available to meet expenses as they arise (Working capital ratio)	1.64:1	1.52:1	Includes final payment for acquisition of Kare One Pty Ltd	1.92:1
	Surplus / (deficit) before depreciation and excluding capital	(\$0.71m)	\$2.35m	Delivery was greater than forecasted in settlement services leading to improved results.	\$6.27m
Revenue projection	Annual turnover AMES Australia total revenue	\$84.66m	\$87.49m	–	\$89.34m

Five-year financial summary (AMES)

Overview of financial records 2019–2023

Financial summary	30 June 2023	*30 June 2022	*30 June 2021	*30 June 2020	*30 June 2019
	\$000	\$000	\$000	\$000	\$000
Total income from transactions	87,492	89,344	67,425	92,071	103,582
Total expenses from transactions	(88,560)	(86,666)	(68,272)	(94,520)	(105,917)
Net result from transactions	(1,068)	2,678	(847)	(2,449)	(2,335)
Net result for the period	5,860	2,905	(1,239)	(2,452)	(2,722)
Net cash flow from / (used in) operating activities	3,768	941	4,216	2,888	2,125
Total assets	74,176	67,179	62,250	61,087	63,270
Total liabilities	21,948	20,811	18,787	19,516	19,157

* Prior year figures have been revised to AMES only for comparative purposes.

For the year ending 30 June 2023, AMES Australia reported a net surplus of \$5.86 million. AMES Australia reported a decrease in its net result from transactions over the previous

financial year, primarily as result of a decline in revenue and increased employee related costs. AMES Australia continued to contribute to social participation initiatives such as the Multicultural Hub and Prevention of Violence against Women Program.

The Comprehensive Result of \$5.86 million includes asset revaluations (\$6.916 million), with net assets is \$52.23 million for the financial year.

Refer to Part B Financial Statements of this Annual Report for further details.

The AMES Australia Annual Report 2022–23 is available on the website: www.ames.net.au

Disclosure index

Standing Directions and Financial Reporting Directions

Report of operations

Charter and purpose

FRD 22	Manner of establishment and the relevant ministers	Part A: 9-11
FRD 22	Purpose, functions, powers and duties	Part A: 10
FRD 8	Departmental objectives, indicators and outputs	Part A: 8
FRD 22	Key initiatives and projects	Part A: 15-22
FRD 22	Nature and range of services provided	Part A: 15-22

Management and structure

FRD 22	Organisational structure	Part A: 12
--------	--------------------------	------------

Financial and other information

FRD 8	Performance against output performance measures	Part A: 41-42
FRD 8	Budget portfolio outcomes	N/A
FRD 10	Disclosure index	Part A: 44-45
FRD 12	Disclosure of major contracts	N/A
FRD 15	Executive disclosures	Part A: 13
FRD 22	Employment and conduct principles	Part A: 36
FRD 22	Occupational health and safety policy	Part A: 31-32
FRD 22	Summary of the financial results for the year	Part A: 42
FRD 22	Significant changes in financial position during the year	Part A: 42- 43
FRD 22	Major changes or factors affecting performance	Part A: 43
FRD 22	Subsequent events	Part B: 48
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	Part A: 37
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Part A: 23
FRD 22	Statement on National Competition Policy	Part A: 38
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	Part A: 36-37
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	Part A: 37-38
FRD 22	Details of consultancies over \$10,000	Part A: 39-40
FRD 22	Details of consultancies under \$10,000	N/A
FRD 22	Disclosure of government advertising expenditure	Part A: 40
FRD 22	Disclosure of ICT expenditure	Part A: 40
FRD 22	Statement of availability of other information	Part A: 38
FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	N/A
FRD 22	Disclosure of emergency procurement	Part A: 39
FRD 24	Environmental reporting	Part A: 33-35

FRD 25	Local Jobs First	Part A: 40
FRD 29	Workforce Data disclosures	Part A: 14
SD 5.2	Specific requirements under Standing Direction 5.2	Part A: 4
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	Part A: 4
SD 5.2.3	Declaration in report of operations	Part A: 4
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	Part B: 3
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Part B: 3
SD 5.2.1(a)	Compliance with Standing Directions	Part A: 4
SD 5.2.1(b)	Compliance with Model Financial Report	Part B: 9
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9	Departmental disclosure of administered assets and liabilities by activity	N/A
FRD 11	Disclosure of Ex gratia Expenses	N/A
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Part B: 44
FRD 103	Non-Financial Physical Assets	Part B: 17
FRD 110	Cash Flow Statements	Part B: 7
FRD 112	Defined Benefit Superannuation Obligations	Part B: 15
FRD 114	Financial Instruments – general government entities and public non-financial corporations	Part B: 31-32
Legislation		
	<i>Freedom of Information Act 1982</i>	Part A: 37
	<i>Building Act 1993</i>	Part A: 23
	<i>Public Interest Disclosures Act 2012</i>	Part A: 36-37
	<i>Carers Recognition Act 2012</i>	Part A: 37-38
	<i>Disability Act 2006</i>	Part A: 30
	<i>Local Jobs Act 2003</i>	Part A: 40
	<i>Financial Management Act 1994</i>	Part B: 9

PART B: FINANCIAL STATEMENTS

AMES Australia Annual Financial Report for the year ended 30 June 2023.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

CONTENTS

	Page
Report	Report of the Auditor-General 1-2
Certifications	Declaration by Acting Board Chair, Chief Executive Officer and Chief Finance Officer 3
Financial Statements	Consolidated Comprehensive operating statement 4
	Consolidated Balance sheet 5
	Consolidated Statement of changes in equity 6
	Consolidated Cash flow statement 7
Notes to the financial statements	
	1. About this report 8
	The basis on which the financial statements have been prepared and compliance with reporting regulations
	1.1 Basis of preparation 8
	1.2 Compliance information 9
	2. Funding delivery of our services 10
	Revenue recognised from grants, sales of goods and services and other sources
	2.1 Summary of revenue and income that funds the delivery of services 10
	2.2 Revenue and income from transactions 11
	3. The cost of delivering services 13
	Operating expenses of the organisation
	3.1 Expenses incurred in the delivery of services 13
	3.2 Supplies and services / Other operating expenses 16
	4. Major assets and investments 17
	Land, buildings, plant and equipment
	4.1 Total property, plant and equipment 17
	5. Other assets and liabilities 22
	Other key asset and liability balances
	5.1 Receivables 22
	5.2 Payables 23
	5.3 Contract liabilities 25
	5.4 Other provisions 25
	6. Financing our operations 26
	Cash flow information and commitments
	6.1 Cash flow information and balances 26
	6.2 Leases 27
	6.3 Commitments 30

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

		Page
Notes to the financial statements (continued)	7. Risks, contingencies and valuation judgements	31
	Financial instruments, financial risk management, contingent assets and liabilities, fair value determination and commitment disclosures	
	7.1 Financial instruments specific disclosures	31
	7.2 Contingent assets and contingent liabilities	39
	7.3 Fair value determination	40
	8. Other disclosures	43
	8.1 Other economic flows included in net result	43
	8.2 Reserves	44
	8.3 Responsible persons	44
	8.4 Remuneration of executive officers	45
	8.5 Related parties	46
8.6 Remuneration of auditors	47	
8.7 Subsidiaries	48	
8.8 Ex-gratia payments	48	
8.9 Events after reporting date	48	
8.10 Other accounting policies	48	
8.11 Australian Accounting Standards issued that are not yet effective	49	

The financial report was authorised for issue by the Board members on 4 September 2023. AMES Australia has the power to amend and reissue the financial report.

Independent Auditor's Report

To the Board of AMES Australia

Opinion I have audited the financial report of AMES Australia (the entity) which comprises the:

- consolidated balance sheet as at 30 June 2023
- consolidated comprehensive operating statement for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration by Acting Board Chair, Chief Executive Officer and Chief Finance Officer.

In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

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

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

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

Board's responsibilities for the financial report The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, 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.

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

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the consolidated entity. I remain solely responsible for my audit opinion.

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
13 September 2023

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

**DECLARATION BY ACTING BOARD CHAIR, CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCE OFFICER**

The attached financial statements for AMES Australia 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 opinion, the information set out in the consolidated 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 2023 and financial position of the organisation as at 30 June 2023.

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.

The Acting Board Chair, Chief Executive Officer and Chief Finance Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of AMES Australia.

We authorise the attached financial statements for issue on 4 September 2023.



Vedran Drakulic
Acting Board Chair
Melbourne
4 September 2023



Catherine Scarth
Chief Executive Officer
Melbourne
4 September 2023



Tracey Bannan
Chief Finance Officer
Melbourne
4 September 2023

AMES AUSTRALIA
CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Notes	Consolidated		AMES Australia	
		\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Revenue and income from transactions					
Government contributions - operating	2.2.1	5,003	4,392	5,003	4,392
Sales of goods and services	2.2.2	83,852	84,227	78,161	82,357
Other income	2.2.3	3,388	2,514	3,498	2,512
Interest income		830	83	830	83
Total revenue and income from transactions		93,073	91,216	87,492	89,344
Expenses from transactions					
Employee expenses	3.1.1	49,196	40,448	44,797	39,007
Depreciation and amortisation	4.1.1	3,459	3,386	3,407	3,367
Interest expense	6.2 (b)	103	17	103	17
Supplies and services	3.2	18,704	17,337	18,561	17,295
Other operating expenses	3.2	22,254	27,191	21,692	26,980
Total expenses from transactions		93,716	88,379	88,560	86,666
Net results from transactions (net operating balance)		(643)	2,837	(1,068)	2,678
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	8.1	31	30	31	30
Other gains/(losses) from other economic flows	8.1	(19)	197	(19)	197
Total other economic flows included in net result		12	227	12	227
Net result		(631)	3,064	(1,056)	2,905
Other economic flows – other comprehensive income:					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	8.2	6,916	-	6,916	-
Comprehensive result		6,285	3,064	5,860	2,905
Profit for the year is attributable to:					
Non-controlling interest		333	78	-	-
Parent entity - AMES Australia		(964)	2,986	-	-
		(631)	3,064	-	-
Total comprehensive income for the year is attributable to:					
Non-controlling interest		333	78	-	-
Parent entity - AMES Australia		5,952	2,986	-	-
		6,285	3,064	-	-

The above consolidated comprehensive operating statement should be read in conjunction with the notes to the financial statements.

**AMES AUSTRALIA
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023**

	Notes	Consolidated		AMES Australia	
		\$'000	\$'000	\$'000	\$'000
		2023	2022	2023	2022
Assets					
Financial assets					
Cash and deposits	6.1	26,860	24,872	25,823	24,029
Receivables	5.1	5,393	7,813	5,101	7,484
Investment		-	-	6,202	6,202
Total financial assets		32,253	32,685	37,126	37,715
Non-financial assets					
Other non-financial assets		6,674	6,577	711	609
Property, plant and equipment	4.1	36,459	29,013	36,339	28,855
Total non-financial assets		43,133	35,590	37,050	29,464
Total assets		75,386	68,275	74,176	67,179
Liabilities					
Payables	5.2	8,113	8,166	7,959	8,004
Contract liabilities	5.3	2,093	2,744	1,982	2,602
Employee related provisions	3.1.2	8,090	8,058	7,787	7,753
Lease liabilities		3,865	2,102	3,817	2,028
Other provisions	5.4	403	424	403	424
Total liabilities		22,564	21,494	21,948	20,811
Net assets		52,822	46,781	52,228	46,368
Equity					
Accumulated surplus		8,576	9,540	8,403	9,459
Reserves	8.2	20,919	14,003	20,919	14,003
Contributed capital		22,907	22,906	22,906	22,906
Non controlling interest		420	332	-	-
Total Equity		52,822	46,781	52,228	46,368

The above balance sheet should be read in conjunction with the notes to the financial statements.

AMES AUSTRALIA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Reserves	Accumulated surplus/ (deficit)	Contributed capital	Non-controlling interest	Total
<i>Consolidated</i>	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		14,003	6,554	22,906	-	43,463
Net result for the year ^(a)		-	2,905	-	-	2,905
Balance at 30 June 2022 as previously reported		14,003	9,459	22,906	-	46,368
Adjustment for consolidation of Kare One Pty Ltd			81	-	332	413
Balance at 30 June 2022 restated		14,003	9,540	22,906	332	46,781
Changes in physical asset revaluation surplus	8.2	6,916	-	-	-	6,916
Net result for the year		-	(964)	-	333	(631)
Dividends paid			-		(245)	(245)
Balance at 30 June 2023		20,919	8,576	22,906	420	52,822

Note: (a) Total consolidated net result for the year (\$'000) is \$2,986

		Reserves	Accumulated surplus/ (deficit)	Contributed capital	Non-controlling interest	Total
<i>AMES Australia</i>	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		14,003	6,554	22,906	-	43,463
Net result for the year		-	2,905	-	-	2,905
Balance at 30 June 2022		14,003	9,459	22,906	-	46,368
Changes in physical asset revaluation surplus	8.2	6,916	-	-	-	6,916
Net result for the year		-	(1,056)	-	-	(1,056)
Balance at 30 June 2023		20,919	8,403	22,906	-	52,228

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

AMES AUSTRALIA
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Notes	Consolidated		AMES Australia	
		\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Cash flow from operating activities					
Receipts					
Government contributions – operating	2.2.1	5,003	4,392	5,003	4,392
User fees and charges received		97,515	87,399	90,971	85,415
Interest received		830	83	830	83
Total receipts		103,348	91,874	96,804	89,890
Payments					
Payments to suppliers and employees		(95,008)	(87,368)	(89,106)	(85,665)
Interest and other costs of finance paid		(508)	(112)	(103)	(17)
Net goods and services tax paid to the ATO		(3,827)	(3,267)	(3,827)	(3,267)
Total payments		(99,343)	(90,747)	(93,036)	(88,949)
Net cash flows from/(used in) operating activities	6.1.1	4,005	1,127	3,768	941
Cash flows from investing activities					
Acquisition of Kare One Pty Ltd		-	(697)	-	(3,262)
Dividends received/(paid)		255	-	255	-
Purchase of non-financial assets		(222)	(25)	(208)	-
Proceeds from sale of non-financial assets	8.2	32	41	32	41
Net cash flows from/(used in) investing activities		65	(681)	79	(3,221)
Cash flows from financing activities					
Repayment of principal portion of leasing liabilities		(2,082)	(1,899)	(2,053)	(1,884)
Net cash flows from/(used in) financing activities		(2,082)	(1,899)	(2,053)	(1,884)
Net increase/(decrease) in cash and cash equivalents		1,988	(1,453)	1,794	(4,164)
Cash and cash equivalents at beginning of financial year		24,872	26,325	24,029	28,193
Cash and cash equivalents at end of financial year	6.1	26,860	24,872	25,823	24,029

The above consolidated cash flow statement should be read in conjunction with the notes to the financial statements.

AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. ABOUT THIS REPORT

AMES Australia is a statutory authority accountable to the Victorian Minister for Skills and TAFE and Minister for Regional Development. It is governed by a Board established under the *Education and Training Reform Act 2006*.

Its principal address is:

AMES Australia
1 Little Collins St
Melbourne VIC 3000

1.1 Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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 disclosed in the notes under the heading: 'Significant judgement or estimates'.

The financial statements cover AMES Australia as an individual reporting entity and include all the controlled activities of the entity.

Entities consolidated into AMES Australia's reporting entity include:

Kare One Pty Ltd

The consolidated financial statements incorporate the assets and liabilities of Kare One Pty Ltd ('subsidiary') and AMES Australia ('parent entity') as at 30 June 2023 and the results of the subsidiary for the year then ended. AMES Australia and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance. Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. ABOUT THIS REPORT

1.1 Basis of preparation (continued)

The assets, liabilities and results of Kare One Pty Ltd were not consolidated with the financial statements of AMES Australia for the reporting period 30 June 2022 on the basis that management made an assessment that its inclusion is not material for the purpose of giving a true and fair view. For the purpose of comparability, the consolidated financial statements for the current reporting period incorporates the comparable subsidiary results since acquisition in relation to the period ended 30 June 2022.

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

1.2 Compliance Information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) 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 AASs paragraphs applicable to not-for-profit (NFP) 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.

AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

AMES Australia's overall objective is to achieve short and long term outcomes for migrants, refugees and the broader community through the delivery of education, training, employment and settlement services. This section presents the sources and amounts of revenue raised by AMES Australia. Contributions are received from both State and Commonwealth Government, and from other fees and charges.

Significant judgement:

AMES Australia has made the judgement that amounts received in relation to the sale of goods and services should be recognised under AASB 15 on the basis that the control of goods or services has been transferred to the customer and the performance obligations are satisfied.

Structure

2.1	Summary of revenue and income that funds the delivery of services	.....10
2.2	Revenue and income from transactions	.....11

2.1 Summary of revenue and income that funds the delivery of services

	Notes	Consolidated		AMES Australia	
		\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Government contributions	2.2.1	5,003	4,392	5,003	4,392
Sale of goods and services	2.2.2	83,852	84,227	78,161	82,357
Other income	2.2.3	3,388	2,514	3,498	2,512
Interest income		830	83	830	83
Total revenue and income from transactions		93,073	91,216	87,492	89,344

Revenue and income that fund delivery of AMES Australia's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. FUNDING DELIVERY OF OUR SERVICES (continued)

2.2 Revenue and income from transactions

2.2.1 Government contributions

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Government contributions – operating				
State government specific funded programs	4,603	4,392	4,603	4,392
Total government contributions - operating	4,603	4,392	4,603	4,392
State government - other contributions	400	-	400	-
Total government contributions - other	400	-	400	-
Total government contributions	5,003	4,392	5,003	4,392

The major operating grant of AMES Australia is the Victorian Training Guarantee (VTG) provided by the Victorian Government to the Vocational Education and Training (VET) sector for eligible training. In accordance with AASB 15 *Revenue for Contracts with Customers*, revenue is typically recognised at the point in time when AMES Australia has claimed and delivered the funded training for eligible students enrolled in its VET courses.

Other government contributions include state funding initiatives. The funding agreements for these initiatives transfer control on execution of the relevant agreement. AMES Australia recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, revenue is recognised in the comprehensive operating statement as the performance obligations are delivered.

2.2.2 Sale of goods and services

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Student fees and charges	43	22	43	22
Fee for service - Government	74,217	79,215	74,217	79,215
Fee for service - Other	9,578	4,975	3,887	3,105
Other non-course fees and charges				
Sale of goods	14	15	14	15
Total fees and charges	83,852	84,227	78,161	82,357

The sale of goods and services included in the table above are transactions that AMES Australia has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Revenue from sale of goods and services are predominantly for transactions related to the services delivered through Commonwealth Government contracts.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. FUNDING DELIVERY OF OUR SERVICES (continued)

2.2.2 Sale of goods and services (continued)

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. AMES Australia recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from the sale of goods is recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. For services rendered, where customers simultaneously receive and consume the services as it is provided, revenue is recognised progressively as contract assets until the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3).

2.2.3 Other income

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Rental income	1,424	1,256	1,424	1,256
Other income	1,964	1,258	2,074	1,256
Total other income	3,388	2,514	3,498	2,512

(i) Rental income

Rental income from leasing of investment properties which are operating leases are recognised on a straight-line basis over the lease term.

(ii) Other income

Other revenue includes donations and client contributions. Donations are recognised when received and the amount can be measured reliably. AMES Australia recognises donations are income under AASB 1058 where there are no sufficiently specific performance obligations.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by AMES Australia in delivering services and outputs.

Structure

3.1	Expenses incurred in the delivery of services	.....13
3.2	Supplies and services / Other operating expenses	.....16

3.1 Expenses incurred in the delivery of services

	Notes	Consolidated		AMES Australia	
		\$'000	\$'000	\$'000	\$'000
		2023	2022	2023	2022
Employee expenses	3.1.1	49,196	40,448	44,797	39,007
Supplies and services	3.2	18,704	17,337	18,561	17,295
Other operating expenses	3.2	22,254	27,191	21,692	26,980
Total expenses incurred in the delivery of services		90,154	84,976	85,050	83,282

3.1.1 Employee expenses in the comprehensive operating statement

	Notes	Consolidated		AMES Australia	
		\$'000	\$'000	\$'000	\$'000
		2023	2022	2023	2022
Salaries, wages, overtime and allowances, annual leave, long service leave and other salary related costs		40,500	33,883	36,681	32,637
Superannuation	3.1.3	4,259	3,251	3,887	3,135
Payroll tax		2,319	1,793	2,176	1,742
Worker's compensation		491	386	426	358
Termination benefits		1,627	1,135	1,627	1,135
Total employee expenses		49,196	40,448	44,797	39,007

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. AMES Australia does not recognise any defined benefit liabilities because AMES Australia has no legal or constructive obligation to pay future benefits relating to its employees. Its only obligation is to pay superannuation contributions as and when they fall due.

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

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. THE COST OF DELIVERING SERVICES (continued)

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Current provisions				
Employee benefit – Annual leave				
Unconditional and expected to wholly settle within 12 months	2,921	3,139	2,767	2,953
Unconditional and expected to wholly settle after 12 months	818	697	818	697
Employee benefit – Long service leave				
Unconditional and expected to wholly settle within 12 months	698	657	576	538
Unconditional and expected to wholly settle after 12 months	2,636	2,497	2,636	2,497
Provision for on-costs				
Unconditional and expected to wholly settle within 12 months	131	91	104	91
Unconditional and expected to wholly settle after 12 months	476	424	476	424
Total current provisions for employee benefits	7,680	7,505	7,377	7,200
Non-currents provisions:				
Long service leave	347	473	347	473
Provision for on-costs	63	80	63	80
Total non-current provisions for employee benefits	410	553	410	553
Total provisions for employee benefits	8,090	8,058	7,787	7,753

Reconciliation of movements in on-cost provisions

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Opening Balance	595	595	595	519
Additional provisions recognised	7,069	5,429	6,490	5,220
Reductions arising from payments	(6,990)	(5,456)	(6,438)	(5,171)
Unwind of discount and effect of changes in the discount rate	(4)	27	(4)	27
Closing Balance	670	595	643	595
Current	607	515	580	515
Non-current	63	80	63	80

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. THE COST OF DELIVERING SERVICES (continued)

(i) Wages and salaries, annual leave and sick leave

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

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As AMES Australia expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as AMES Australia does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

(ii) Long service leave

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

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

The components of the current LSL liability are measured at:

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

Conditional LSL is disclosed as non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an 'other economic flow' in the net result (refer to Note 8.2).

(iii) Employee benefits on-costs

Provision for on-costs such as payroll tax, workers compensation and superannuation are not employee benefits.

They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

3.1.3 Superannuation contributions

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

	Consolidated		AMES Australia	
	\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Paid contribution for the year:				
Defined benefit plans -				
State Superannuation Fund	15	15	15	15
Defined contribution plans -				
VicSuper	3,710	3,067	3,710	2,952
Other	372	-	-	-
Total paid contribution for the year	4,097	3,082	3,725	2,967
Contribution outstanding at year end (paid the following month)	162	168	162	168
Total superannuation expense recognised in the comprehensive operating statement	4,259	3,250	3,887	3,135

The basis for contributions is determined by the various schemes.

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. THE COST OF DELIVERING SERVICES (continued)

3.2 Supplies and services / Other operating expenses

	Notes	Consolidated		AMES Australia	
		\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Supplies and services					
Purchases of supplies and consumables		469	376	464	376
Communication expenses		929	1,113	911	1,108
Contract and other services		2,263	1,967	2,254	1,964
Building repairs and maintenance		378	239	372	237
Minor equipment		271	305	256	297
Fees and charges		14,394	13,337	14,304	13,313
Total supplies and services		18,704	17,337	18,561	17,295
Other operating expenses					
General expenses					
Marketing and promotional expenses		422	327	411	325
Occupancy expenses		620	692	615	689
Audit fees and services	8.6	97	48	52	48
Staff development		172	92	165	85
Travel and motor vehicle expenses		573	371	540	359
Other expenses		711	333	281	156
Subtotal general expenses		2,595	1,863	2,064	1,662
Lease expenses					
Short-term lease expenses		939	1,330	936	1,330
Venue hire and equipment rentals		743	461	715	451
Subtotal operating lease expenses		1,682	1,791	1,651	1,781
Other expenses					
Job network clients related expenses		2,481	4,500	2,481	4,500
Asylum seeker clients related expenses		15,496	19,037	15,496	19,037
Subtotal other expenses		17,977	23,537	17,977	23,537
Total other operating expenses		22,254	27,191	21,692	26,980

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases where the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive Operating Statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

4. MAJOR ASSETS AND INVESTMENTS

Introduction

This section outlines those assets that the organisation controls, representing the resources that have been utilised for delivery of those outputs.

Fair value measurements:

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1	Total property, plant and equipment17
-----	-------------------------------------	---------

4.1 Total property, plant and equipment

Consolidated	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	\$'000		\$'000		\$'000	
	2023	2022	2023	2022	2023	2022
Land at fair value	10,250	9,786	-	-	10,250	9,786
Buildings at fair value	29,475	22,362	(4,325)	(4,306)	25,150	18,056
Building improvements	1,136	1,136	(478)	(402)	658	734
Leasehold improvements at fair value	4,164	4,013	(3,989)	(3,932)	175	81
Plant & equipment, computer equipment	3,453	3,424	(3,320)	(3,247)	133	177
Motor vehicles at fair value	806	825	(713)	(646)	93	179
Net carrying amount	49,284	41,546	(12,825)	(12,533)	36,459	29,013

AMES Australia	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	\$'000		\$'000		\$'000	
	2023	2022	2023	2022	2023	2022
Land at fair value	10,250	9,786	-	-	10,250	9,786
Buildings at fair value	29,392	22,279	(4,288)	(4,297)	25,104	17,982
Building improvements	1,136	1,136	(478)	(402)	658	734
Leasehold improvements at fair value	4,164	4,013	(3,989)	(3,932)	175	81
Plant & equipment, computer equipment	3,423	3,367	(3,310)	(3,200)	113	167
Motor vehicles at fair value	645	665	(606)	(560)	39	105
Net carrying amount	49,010	41,246	(12,671)	(12,391)	36,339	28,855

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

4. MAJOR ASSETS AND INVESTMENTS (continued)

4.1 Total property, plant and equipment (continued)

The following table is a subset of buildings by right-of-use assets:

Consolidated	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023	2023	2023	2022	2022	2022
Buildings at fair value	8,248	(4,325)	3,923	5,373	(3,199)	2,174
Net carrying amount	8,248	(4,325)	3,923	5,373	(3,199)	2,174

AMES Australia	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023	2023	2023	2022	2022	2022
Buildings at fair value	8,165	(4,288)	3,877	5,289	(3,189)	2,100
Net carrying amount	8,165	(4,288)	3,877	5,289	(3,189)	2,100

AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

4. MAJOR ASSETS AND INVESTMENTS (continued)

4.1 Total property, plant and equipment (continued)

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

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

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

Right-of-use assets are generally depreciated over the lease term shorter of the asset's useful life and the lease term.

Indefinite life assets: Land which is considered as having an indefinite life, are 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.

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

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

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

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

Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Assistant Treasurer. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

An independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 30 June 2023. The valuation was determined based on:

- Market / Capitalisation and Direct Comparison Approach
- Current Replacement Cost Approach

In addition, fair value assessments have been performed for all other classes of assets and the decision was made that movements were not material (less than 10 per cent) for a full revaluation.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

4. MAJOR ASSETS AND INVESTMENTS (continued)

4.1 Total property, plant and equipment (continued)

4.1.1 Depreciation and amortisation

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Buildings	3,126	3,039	3,099	3,029
Plant & equipment, computer equipment	115	128	110	119
Motor vehicles	85	81	65	81
Leasehold improvements	57	62	57	62
Building improvements	76	76	76	76
Total depreciation and amortisation	3,459	3,386	3,407	3,367

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated.

Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Depreciation rates used for each class of depreciable assets are:

Class of assets	Useful Life (Years)
Buildings	4 - 50
Building improvements	15
Leasehold improvements	13 - 15
Plant & equipment	4 - 15
Computer equipment	3 - 4
Motor vehicles	5
Right-of-use Assets	1 - 3

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. There has been no change in the methodology and no major change in the rates for the reporting period.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

4. MAJOR ASSETS AND INVESTMENTS (continued)

4.1.2 Reconciliations of movements in carrying amount of property, plant & equipment

Consolidated	Land		Buildings		Building improvements		Leasehold improvements		Plant & equipment, computer equipment		Motor vehicles		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	9,787	9,787	18,056	18,871	733	809	82	143	176	304	179	271	29,013	30,186
Additions	-	-	3,769	2,224	-	-	151	-	70	-	-	-	3,990	2,224
Disposals	-	-	-	-	-	-	-	-	-	-	(1)	(11)	(1)	(11)
Depreciation	-	-	(3,126)	(3,039)	(76)	(76)	(57)	(62)	(115)	(128)	(85)	(81)	(3,459)	(3,386)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/(decrements)	464	-	6,452	-	-	-	-	-	-	-	-	-	6,916	-
Closing balance	10,251	9,787	25,151	18,056	657	733	176	81	131	176	93	179	36,459	29,013

AMES Australia	Land		Buildings		Building improvements		Leasehold improvements		Plant & equipment, computer equipment		Motor vehicles		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	9,787	9,787	17,982	18,787	733	809	82	143	167	286	104	197	28,855	30,009
Additions	-	-	3,769	2,224	-	-	151	-	56	-	-	-	3,976	2,224
Disposals	-	-	-	-	-	-	-	-	-	-	(1)	(11)	(1)	(11)
Depreciation	-	-	(3,099)	(3,029)	(76)	(76)	(57)	(61)	(110)	(119)	(65)	(82)	(3,407)	(3,367)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/(decrements)	464	-	6,452	-	-	-	-	-	-	-	-	-	6,916	-
Closing balance	10,251	9,787	25,104	17,982	657	733	176	82	113	167	38	104	36,339	28,855

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out other assets and liabilities that arise from the organisation's operations.

Structure

5.1	Receivables	.....22
5.2	Payables	.....23
5.3	Contract liabilities	.....25
5.4	Other provisions	.....25

5.1 Receivables

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Current receivables				
Contractual				
Trade receivables	938	951	646	632
Revenue receivables	4,308	6,752	4,308	6,742
Other receivables	147	110	147	110
Total current receivables	5,393	7,813	5,101	7,484

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. AMES Australia holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. AMES Australia applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details about AMES Australia's impairment policies, credit risk exposure and the calculation of the loss allowance are set out in Note 7.1.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. OTHER ASSETS AND LIABILITIES (continued)

5.2 Payables

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Contractual				
Supplies and services	3,936	3,698	3,885	3,662
Accrued salaries, wages and superannuation	222	576	222	576
Other payables	2,940	2,940	2,940	2,940
Statutory				
Taxes payable	1,015	952	912	826
Total payables	8,113	8,166	7,959	8,004
<i>Represented by:</i>				
Current payables	6,876	3,698	6,825	3,662
Non-current payables	-	2,940	-	2,940

Payables consist of:

- **contractual payables:** Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to AMES Australia prior to the end of the financial period that are unpaid, and arise when AMES Australia becomes obliged to make future payments in respect of the purchase of those goods and services; and
- **statutory payables:** 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.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. OTHER ASSETS AND LIABILITIES (continued)

5.2 Payables (continued)

Maturity analysis of financial liabilities

<i>Consolidated</i>	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
Supplies and services	3,936	3,936	3,936	-	-	-	-
Accrued salaries, wages and superannuation	222	222	222	-	-	-	-
Other payables	2,940	2,940	-	-	2,940	-	-
Total	7,098	7,098	4,158	-	2,940	-	-
2022							
Supplies and services	3,698	3,698	3,655	43	-	-	-
Accrued salaries, wages and superannuation	576	576	576	-	-	-	-
Other payables	2,940	2,940	-	-	-	2,940	-
Total	7,214	7,214	4,231	43	-	2,940	-
AMES Australia							
	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
Supplies and services	3,885	3,885	3,885	-	-	-	-
Accrued salaries, wages and superannuation	222	222	222	-	-	-	-
Other payables	2,940	2,940	-	-	2,940	-	-
Total	7,047	7,047	4,107	-	2,940	-	-
2022							
Supplies and services	3,662	3,662	3,619	43	-	-	-
Accrued salaries, wages and superannuation	576	576	576	-	-	-	-
Other payables	2,940	2,940	-	-	-	2,940	-
Total	7,178	7,178	4,195	43	-	2,940	-

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

5. OTHER ASSETS AND LIABILITIES (continued)

5.3 Contract liabilities

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Contract liabilities				
Opening balance	2,744	5,110	2,602	5,110
Add: Payments received for performance obligations yet to be completed during the period	26,814	25,165	26,814	25,023
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(27,465)	(27,531)	(27,434)	(27,531)
Total contract liabilities	2,093	2,744	1,982	2,602
<i>Represented by</i>				
Current contract liabilities	2,093	2,744	1,982	2,602
Non-current contract liabilities	-	-	-	-

AMES Australia recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'contract liabilities' in the balance sheet.

5.4 Other provisions

	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
	Current provisions			
Make-good provision	403	424	403	424
Total other provisions	403	424	403	424

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

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

Reconciliation of movements in other provisions^(a)

	Consolidated		AMES Australia	
	Make-good		\$'000	Total
	\$'000	\$'000		
	2023	2022	2023	2022
Opening Balance	424	1,806	424	1,806
Additional provisions recognised	-	-	-	-
Reductions arising from payments	(21)	(1,275)	(21)	(1,275)
Reductions resulting from re-measurement or settlement without cost	-	(107)	-	(107)
Closing Balance	403	424	403	424

Note: (a) The total balance in 'Provisions' relate fully to make-good.

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

6. FINANCING OUR OPERATIONS

Introduction

This section includes disclosures of balances that are financial instruments. Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

6.1	Cash flow information and balances	.....26
6.2	Leases	.....27
6.3	Commitments	.....30

6.1 Cash flow information and balances

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Total cash and deposits disclosed in the balance sheet	26,860	24,872	25,823	24,029
Balance as per cash flow statement	26,860	24,872	25,823	24,029

6.1.1 Reconciliation of the net result for the year to the cash flow from operating activities

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Net result for the period	(964)	2,986	(1,056)	2,905
Non-cash movements:				
Depreciation and amortisation of non-current assets	3,459	3,386	3,407	3,367
Net (gain)/loss of sale of non-current assets	(32)	(30)	(32)	(30)
Other non-cash movements	(1,969)	(336)	(1,969)	(339)
Total non-cash flows in operating result	1,458	3,020	1,406	2,998
Movements in assets and liabilities				
Decrease/(increase) in receivables	2,419	(4,235)	2,384	(4,178)
Decrease/(increase) in inventories	14	5	6	-
Increase/(decrease) in other assets	(124)	(9)	(104)	(22)
Increase/(decrease) in payables	(654)	(25)	(669)	(65)
Increase/(decrease) in contract liabilities	1,789	357	1,789	357
Increase/(decrease) in employee benefits	32	328	33	328
Increase/(decrease) in provisions	(53)	(1,378)	(21)	(1,382)
Total movements in assets and liabilities	3,423	(4,957)	3,418	(4,962)
Adjustment for non controlling interest	88	78	-	-
Net cash flows from/(used in) operating activities	4,005	1,127	3,768	941

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. FINANCING OUR OPERATIONS (continued)

Financing facilities

	Consolidated		AMES Australia	
	\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Unsecured credit card facility, reviewed annually and payable at call				
Amount used	202	225	185	225
Balance available	218	175	215	175
Total credit card facility with bank	420	400	400	400

6.2 Leases

AMES Australia lease various properties. The lease contracts are typically made for fixed periods of 1-3 years with an option to renew the lease after that date.

Property leases with a contract term of 1 year or less are either short-term and or/leases of low-value items. AMES Australia has elected not to recognise right-of-use assets and lease liabilities for these leases.

At 30 June 2023, AMES Australia was committed to short term leases and the total commitment at that date was \$395,816 (2022: \$1,117,284).

Leases at significantly below-market terms and conditions

AMES Australia have leases that are at significantly below-market terms and conditions. The lease contracts have been entered primarily to enable AMES Australia to further its objectives. The lease contracts specifies lease payment of \$1 per annum. The leased premises are used by AMES Australia to provide a range of services such as a community hub, vocational teaching and rooming house.

6.2 (a) Right-of-use Assets

Right-of-use assets are presented in note 4.1.

6.2 (b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	Consolidated		AMES Australia	
	\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Interest expense on lease liabilities	103	17	103	17
Expenses relating to short term leases	937	1,330	936	1,330
Total amount recognised in the comprehensive operating statement	1,040	1,347	1,039	1,347

6.2 (c) Amounts recognised in the Cash Flow Statement

The following amounts are recognised in the Cash Flow Statement for the year ending 30 June 2023 relating to leases.

	Consolidated		AMES Australia	
	\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Interest expense on lease liabilities	103	17	103	17
Expenses relating to short term leases	937	1,330	936	1,330
Total cash outflow for leases	1,040	1,347	1,039	1,347

AMES AUSTRALIA

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

6. FINANCING OUR OPERATIONS (continued)

6.2 Leases (continued)

For any new contracts entered into, AMES Australia considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition AMES Australia assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to AMES Australia and for which the supplier does not have substantive substitution rights;
- Whether AMES Australia has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and AMES Australia has the right to direct the use of the identified asset throughout the period of use; and
- Whether AMES Australia has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the incremental borrowing rate as per Treasury Corporation of Victoria.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

AMES Australia has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Below market/Peppercorn lease

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable AMES Australia to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. FINANCING OUR OPERATIONS (continued)

6.2 Leases (continued)

Presentation of right-of-use assets and lease liabilities

AMES Australia presents right-of-use assets as 'property, plant and equipment'. Lease liabilities are presented as 'lease liabilities' in the balance sheet.

AMES Australia	Minimum future lease payments		Present value of minimum future lease payments	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Other lease liabilities payable				
Not longer than 1 year	695	481	695	481
Longer than 1 year but not longer than 5 years	3,285	1,617	3,122	1,547
Minimum future lease payments	3,980	2,098	3,817	2,028
Less future finance charges	(163)	(70)	-	-
Present value of minimum lease payments	3,817	2,028	3,817	2,028
Included in the financial statements as:				
Current lease liabilities	-	-	2,351	1,205
Non-current lease liabilities	-	-	1,466	823
Total	-	-	3,817	2,028

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

6. FINANCING OUR OPERATIONS (continued)

6.3 Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. 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.

6.3.1 Total commitments payable

Consolidated	Less than 1 year	1 – 5 years	5+ years	Total
	2023	\$'000	\$'000	\$'000	$'000
Capital expenditure commitments payable				
Property, plant and equipment	26	-	-	26
Operating commitments payable	258	-	-	258
Total commitments (inclusive of GST)	284	-	-	284
Less GST recoverable	(26)	-	-	(26)
Total commitments (exclusive of GST)	258	-	-	258

AMES Australia	Less than 1 year	1 – 5 years	5+ years	Total
	2023	\$'000	\$'000	\$'000	$'000
Capital expenditure commitments payable				
Property, plant and equipment	26	-	-	26
Operating commitments payable	258	-	-	258
Total commitments (inclusive of GST)	284	-	-	284
Less GST recoverable	(26)	-	-	(26)
Total commitments (exclusive of GST)	258	-	-	258

Consolidated / AMES Australia	Less than 1 year	1 – 5 years	5+ years	Total
	2022	\$'000	\$'000	\$'000	$'000
Capital expenditure commitments payable				
Property, plant and equipment	-	-	-	-
Operating commitments payable	170	-	-	170
Total commitments (inclusive of GST)	170	-	-	170
Less GST recoverable	(15)	-	-	(15)
Total commitments (exclusive of GST)	155	-	-	155

AMES AUSTRALIA

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

AMES Australia is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for AMES Australia related mainly to fair value determination.

Structure

7.1	Financial instruments specific disclosures	.....31
7.2	Contingent assets and liabilities	.....39
7.3	Fair value determination	.....40

7.1 Financial instruments specific disclosures

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

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the organisation to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. AMES Australia recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables)
- contractual receivables.

Categories of financial liabilities

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

- contractual payables (excluding statutory payables); and
- lease liabilities.

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

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

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

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1 Financial instruments specific disclosures (continued)

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

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

7.1.1 Carrying amount of financial instruments by category

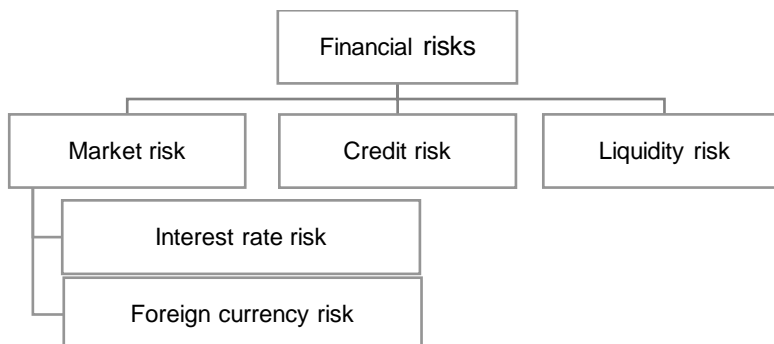
		Consolidated		AMES Australia	
		\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Category					
Financial assets					
Cash and deposits	Cash and deposits	26,860	24,872	25,823	24,029
Receivables ^(a)	Financial assets at amortised cost	5,393	7,813	5,101	7,484
Total financial assets		32,253	32,685	30,924	31,513
Financial liabilities					
Payables ^(a)	Financial liabilities at amortised cost	7,098	7,214	7,047	7,178
Lease liabilities	Financial liabilities at amortised cost	3,863	2,102	3,817	2,028
Total financial liabilities		10,961	9,316	10,864	9,206

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

AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objective and policies



As a whole, AMES Australia's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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 class of financial asset, financial liability and equity instrument above are disclosed in Note 7.1 to the financial statements.

The main risks AMES Australia is exposed to through its financial instruments are market risk (including interest rate risk, foreign currency risk), credit risk and liquidity risk.

The organisation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of AMES Australia by adhering to principles on interest rate risk and credit risk. Compliance with policies and exposure limits is reviewed by management on a continuous basis. AMES Australia does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes. As a part of this risk management strategy, AMES Australia holds over 75.7% (2021/22: 69.1%) of its financial assets in cash and equivalents. AMES Australia uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

AMES Australia's corporate finance provides services to its business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market (including fair value interest rate risk) credit risk and liquidity risk.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objective and policies (continued)

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk is measured at fair value and is monitored on a regular basis to ensure that AMES Australia is not exposed to significant bad debts or impairment. Credit risk is monitored by actively assessing the liquidity of counterparties.

There are no material amounts of collateral held as security at 30 June 2023.

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

Credit quality of contractual financial assets that are neither past due nor impaired^(a)

Consolidated	Financial institutions (AA- rating)	Government agencies (AA rating)	Total
2023	\$'000	\$'000	\$'000
Financial assets			
Financial assets with loss allowance measured at 12-month expected credit loss			
Cash and deposits	26,860	-	26,860
Receivables ^(a)	-	5,393	5,393
Total financial assets	26,860	5,393	32,253
2022			
Financial assets			
Financial assets with loss allowance measured at 12-month expected credit loss			
Cash and deposits	24,872	-	24,872
Receivables ^(a)	-	7,813	7,813
Total financial assets	24,872	7,813	32,685
AMES Australia			
2023	Financial institutions (AA- rating) \$'000	Government agencies (AA rating) \$'000	Total \$'000
Financial assets			
Financial assets with loss allowance measured at 12-month expected credit loss			
Cash and deposits	25,823	-	25,823
Receivables ^(a)	-	5,101	5,101
Total financial assets	25,823	5,101	30,924
2022			
Financial assets			
Financial assets with loss allowance measured at 12-month expected credit loss			
Cash and deposits	24,029	-	24,029
Receivables ^(a)	-	7,484	7,484
Total financial assets	24,029	7,484	31,513

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

AMES AUSTRALIA

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objective and policies (continued)

Impairment of financial assets

AMES Australia records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss (ECL) approach. Subject to AASB 9 impairment assessment include AMES Australia's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 5.1) are also subject to impairment however it is immaterial.

Contractual receivables at amortised cost

AMES Australia applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on assumptions of risk of default and expected loss rates. The expected loss rates are based on AMES Australia's past history, existing market conditions as well as forward-looking estimates at the end of the financial year.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. Based on historical information about customer default rates and occurrences, management consider the credit quality of trade receivables that are not past due or impaired to be good.

The assessment at the end of the financial year resulted with no additional impairment losses to be recognised.

Statutory receivables at amortised cost

AMES Australia's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

The responsibility for liquidity risk management rests with the Board of Directors of AMES Australia. AMES Australia manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objective and policies (continued)

Financial instruments: Market risk

AMES Australia in its daily operations is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of AMES Australia.

The Board's oversight includes that all market risk exposure is consistent with AMES Australia's business strategy and within the risk tolerance of AMES Australia. The Board are presented with reports should there be any risks identified.

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

Interest rate risk

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

The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominantly through a mixture of short term and longer term investments. Management monitors movement in interest rates on a monthly basis.

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

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objective and policies (continued)

The organisation's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis table below:

Interest rate exposure of financial instruments

Consolidated	2023	Weighted average interest rate	Carrying amount	Interest rate exposure		
				Variable interest rate	Fixed interest rate	Non-interest bearing
				%	\$'000	\$'000
Financial assets						
Cash and deposits		3.18	26,860	25,819	-	1,041
Receivables^(a)						
Trade receivables			938	-	-	938
Revenue receivables			4,308	-	-	4,308
Other receivables			147	-	-	147
Total financial assets			32,253	25,819	-	6,434
Financial liabilities						
Payables ^(a)			7,098	-	-	7,098
Lease liabilities		6.24	3,863	-	3,864	-
Total financial liabilities			10,961	-	3,864	7,098

AMES Australia	2023	Weighted average interest rate	Carrying amount	Interest rate exposure		
				Variable interest rate	Fixed interest rate	Non-interest bearing
				%	\$'000	\$'000
Financial assets						
Cash and deposits		3.18	25,823	25,819	-	4
Receivables^(a)						
Trade receivables			646	-	-	646
Revenue receivables			4,308	-	-	4,308
Other receivables			147	-	-	147
Total financial assets			30,924	25,819	-	5,105
Financial liabilities						
Payables ^(a)			7,047	-	-	7,047
Lease liabilities		6.24	3,817	-	3,817	-
Total financial liabilities			10,864	-	3,817	7,047

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objective and policies (continued)

Interest rate exposure of financial instruments (continued)

Consolidated	2022	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
				Variable interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
Financial assets						
Cash and deposits		0.58	24,872	24,024	-	848
Receivables^(a)						
Trade receivables			632	-	-	632
Revenue receivables			6,742	-	-	6,742
Other receivables			110	-	-	110
Total financial assets			32,356	24,024	-	8,332
Financial liabilities						
Payables ^(a)			7,214	-	-	7,214
Lease liabilities		2.73	2,028	-	2,028	-
Total financial liabilities			9,242	-	2,028	7,214

AMES Australia	2022	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
				Variable interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
Financial assets						
Cash and deposits		0.58	24,029	24,025	-	4
Receivables^(a)						
Trade receivables			632	-	-	632
Revenue receivables			6,742	-	-	6,742
Other receivables			110	-	-	110
Total financial assets			31,513	24,025	-	7,488
Financial liabilities						
Payables ^(a)			7,178	-	-	7,178
Lease liabilities		2.73	2,028	-	2,028	-
Total financial liabilities			9,206	-	2,028	7,178

Note: (a) The carrying amounts disclosed here exclude statutory receivables and payables.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.2 Contingent assets and contingent liabilities

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

As at the reporting date there were no contingent assets (nil in 2021/22).

Contingent liabilities

Contingent liabilities are:

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

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

Quantifiable contingent liabilities	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Bank guarantee	-	27	-	27
Total contingent liabilities	-	27	-	27

AMES AUSTRALIA

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of AMES Australia.

This section sets out information on how AMES Australia determined fair value for financial reporting purposes. Consistent with AASB 13 *Fair Value Measurement*, AMES Australia determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

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

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

For the purpose of fair value disclosures, AMES Australia 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, AMES Australia 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.

The Valuer-General Victoria (VGV) is AMES Australia's independent valuation agency. AMES Australia in conjunction with the VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

7.3.1 Fair value determination of financial assets and liabilities

The fair values of the AMES Australia's financial assets and liabilities are determined as follows:

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

AMES Australia currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value.

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

For other assets and other liabilities the fair value approximates their carrying value.

AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.3.2 Fair value determination of non-financial physical assets

Details of AMES Australia's property, plant and equipment information about the fair value hierarchy based on recurring fair value measurement are as follows:

Consolidated	Carrying amount as at 30 June 2023 \$'000	Fair value hierarchy			Carrying amount as at 30 June 2022 \$'000	Fair value hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Land	10,250	-	10,250	-	9,786	-	9,786	-
Buildings	25,150	-	24,973	177	18,056	-	17,944	112
Building improvements	658	-	-	658	734	-	-	734
Leasehold improvements	175	-	-	175	81	-	-	81
Plant and equipment	132	-	-	132	176	-	-	176
Motor vehicles	93	-	93	-	179	-	179	-
Total assets at fair value	36,459	-	35,316	1,142	29,012	-	27,909	1,103

AMES Australia	Carrying amount as at 30 June 2023 \$'000	Fair value hierarchy			Carrying amount as at 30 June 2022 \$'000	Fair value hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Land	10,250	-	10,250	-	9,786	-	9,786	-
Buildings	25,104	-	24,927	177	17,982	-	17,870	112
Building improvements	658	-	-	658	734	-	-	734
Leasehold improvements	175	-	-	175	81	-	-	81
Plant and equipment	113	-	-	113	167	-	-	167
Motor vehicles	39	-	39	-	105	-	105	-
Total assets at fair value	36,339	-	35,216	1,123	28,855	-	27,761	1,094

Classified in accordance with the fair value hierarchy. There were no transfers between levels during the year.

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

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

There were no changes in valuation techniques throughout the period to 30 June 2023.

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

Vehicles are valued using the current replacement cost method. AMES Australia acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by the fleet management team at AMES Australia.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.3.2 Fair value determination of non-financial physical assets (continued)

Reconciliation of Level 3 fair value movements

	Buildings		Building improvements		Leasehold improvements		Plant and equipment	
	2023	2022	2023	2022	2023	2022	2023	2022
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	112	135	734	810	81	143	185	304
Additions	-	-	-	-	151	-	70	-
Impairment	-	-	-	-	-	-	-	-
Depreciation	(23)	(23)	(76)	(76)	(57)	(62)	(123)	(128)
Revaluation	88	-	-	-	-	-	-	-
Closing balance	177	112	658	734	175	81	132	176
AMES Australia								
Opening balance	112	135	734	810	81	143	167	286
Additions	-	-	-	-	151	-	56	-
Impairment	-	-	-	-	-	-	-	-
Depreciation	(23)	(23)	(76)	(76)	(57)	(61)	(110)	(119)
Revaluation	88	-	-	-	-	-	-	-
Closing balance	177	112	658	734	175	81	113	167

Description of significant unobservable inputs to Level 3 valuations

2023 and 2022	Valuation technique	Significant unobservable inputs
Leasehold improvements	Current replacement cost	Useful life
Plant and equipment	Current replacement cost	Useful life
Buildings improvements	Current replacement cost	Useful life
Buildings	Current replacement cost	Estimated replacement cost (\$ per m ²) of buildings and industry guidelines including construction handbooks, depreciated for building age and adjusted for refurbishment

Significant unobservable inputs have remained unchanged since June 2022.

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1	Other economic flows included in net result	43	8.5	Related parties	45
8.2	Reserves	43	8.6	Remuneration of auditors	46
8.3	Responsible persons	44	8.7	Subsidiaries	47
8.4	Remuneration of executive officers	44	8.8	Ex-gratia expenses	47
			8.9	Events after reporting date	47
			8.10	Other accounting policies	47
			8.11	Australian Accounting Standards issued not yet effective	48

8.1 Other economic flows included in net result

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

Net gain/(loss) on non-financial assets

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

Disposal of non-financial assets

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

Other gains/(losses) from other economic flows

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

Other economic flows included in net result

	Consolidated		AMES Australia	
	\$'000 2023	\$'000 2022	\$'000 2023	\$'000 2022
Net gain/(loss) on non-financial asset				
Impairment loss	-	-	-	-
Proceed from sale of physical assets	32	41	32	41
Less written down value	(1)	(11)	(1)	(11)
Total net gain/(loss) on non-financial assets	31	30	31	30
Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service leave liability	(19)	197	(19)	197
Total from other economic flows	12	227	12	227

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. OTHER DISCLOSURES (continued)

8.2 Reserves

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Physical assets revaluation surplus^(a)				
Balance at beginning of financial year	14,003	14,003	14,003	14,003
Revaluation increments/(decrements)	6,916	-	6,916	-
Balance at end of financial year	20,919	14,003	20,919	14,003
Net changes in reserves	6,916	-	6,916	-

Note:(a) The physical assets revaluation surplus arises on the revaluation of land and buildings.

8.3 Responsible persons

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

Names

The persons who held the positions of Ministers, Accountable Officer and members of the governing board for AMES Australia are as follows:

Minister for Skills and TAFE Minister for Regional Development	The Hon. Gayle Tierney MP	1 July 2022 to 30 June 2023
Chief Executive Officer	Catherine Scarth	1 July 2022 to 30 June 2023
Board Member (Ex-Officio)	Catherine Scarth	24 May 2023 to 30 June 2023
Board Member - Chair of Board and Chair of Appointments, Remuneration & Governance Committee and Chair of Investment Committee	William Stuart Crosby	1 July 2022 to 1 June 2023
Board Member - Deputy Chair of Board	Michelle Foster	1 July 2022 to 1 June 2023
Board Member	Vedran Drakulic	1 July 2022 to 1 June 2023
Acting Chair of Board and Chair of Appointments, Remuneration & Governance Committee and Chair of Investment Committee	Vedran Drakulic	2 June 2023 to 30 June 2023
Board Member - Chair of Finance, Audit and Risk Management Committee	Stuart Alford	1 July 2022 to 30 June 2023
Board Member	Catherina Toh	1 July 2022 to 30 June 2023
Board Member	Tracy Le	1 July 2022 to 30 June 2023
Board Member	Florence Mauwa	1 July 2022 to 30 June 2023
Board Member	Molina Asthana	1 July 2022 to 30 June 2023
Board Member	Grace Liang	1 July 2022 to 30 June 2023

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. OTHER DISCLOSURES (continued)

8.3 Responsible persons (continued)

Remuneration

Remuneration of the Chief Executive Officer and Board members in connection with the management of AMES Australia for the reporting year within the specified income bands:

Income range	2023	2022
\$0 - \$10,000	-	1
\$20,001 - \$30,000	9	7
\$50,001 - \$60,000	1	1
\$460,001 - \$470,000	1	1
Total number	11	10
Total remuneration (\$'000)	715	618

8.4 Remuneration of executive officers

The following persons were Executive Officers of AMES Australia during the year:

Tracey Bannan	Chief Finance Officer
Catharine O'Grady	General Manager People & Development
Mirta Gonzalez	General Manager Education & Participation
Peter Harrison	General Manager Employment
Samantha Blake	General Manager Settlement Support & Community Care

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

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

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

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

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

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

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. OTHER DISCLOSURES (continued)

8.4 Remuneration of executive officers (continued)

	2023	2022
Remuneration of executive officers	\$'000	\$'000
Short-term employee benefits	1,202	1,091
Post-employee benefits	122	106
Other long-term benefits	73	35
Total remuneration^(a)	1,397	1,232
Total number of executives	5	6
Total annualised employee equivalents^(b)	5	5

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.5 Related parties

AMES Australia is a wholly owned and controlled entity of the State of Victoria.

The following entity has been consolidated into AMES Australia's financial statements pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994 (FMA)*:

- Kare One Pty Ltd

Related parties of AMES Australia and Kare One Pty Ltd include:

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

All related party transactions have been entered into on an arm's length basis in the ordinary course of operations.

Significant transactions with government-related entities

During the year, AMES Australia had the following government-related entity transactions:

Entity	Nature of transactions	2023	2022
		\$'000	\$'000
Department of Education (Victorian Government)	Payments received for the delivery of vocational training.	4,534	4,918
Adult Community and Further Education (ACFE) Board	Payments received for pre-accredited training hours and grant funding for various project initiatives.	1,009	1,258

AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

8. OTHER DISCLOSURES (continued)

8.5 Related Parties (continued)

Key management personnel

Key management personnel of AMES Australia includes the Portfolio Minister, the Hon. Gayle Tierney MP, Chief Executive Officer, members of the governing board and Executive Officers.

Key management personnel of the entity consolidated pursuant to section 53(1)(b) of the FMA into AMES Australia's financial statements include:

Entity	Key Management Personnel	Position title
Kare One Pty Ltd	Catherine Scarth	Chair of Board
Kare One Pty Ltd	Jodie King	Director
Kare One Pty Ltd	Samantha Blake	Director

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

	Consolidated	AMES Australia	Consolidated / AMES Australia
	2023	2023	2022
Compensation of KMPs ^(a)	\$'000	\$'000	\$'000
Short-term employee benefits	2,013	1,821	1,656
Post-employment benefits	180	180	151
Other long-term benefits	111	111	43
Total^(b)	2,304	2,112	1,850

Notes:

(a) Note that KMPs are also reported in the disclosure of responsible persons (Note 8.4).

(b) This includes remuneration of KMPs for Kare One Pty Ltd.

Transactions with related parties

The following transactions occurred between AMES Australia and organisations connected to AMES Australia's key management personnel during the financial year:

Organisation related to key management personnel	Key management personnel	2023	2022
		\$'000	\$'000
Department of Education (Victorian Government) - Payments received for VTG delivery	Stuart Alford Deputy Chair of Audit and Risk Committee of Department of Education and Training (Victorian Government)	4,534	4,918

8.6 Remuneration of auditors

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2023	2022	2023	2022
Victorian Auditor-General's Office				
Audit of the financial statements	68	77	52	48
Total remuneration of auditors	68	77	52	48

**AMES AUSTRALIA
CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. OTHER DISCLOSURES (continued)

8.7 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 1:

Name of entity	Principal activities	Country of incorporation	Ownership interest
Kare One Pty Ltd	Delivers homecare, personal care and respite care throughout the South and South Eastern regions of Melbourne	Australia	51%

Subsidiaries are entities controlled by AMES Australia. AMES Australia assesses whether it has the power to direct relevant activities of the investee by considering the rights it holds to control decisions.

Management has made an assessment which includes both a qualitative and quantitative assessment of materiality of its subsidiary and has determined that it has control.

8.8 Ex-gratia expenses

Ex-gratia payments of \$11,406 were made in the reporting period 2022-23 (2021-22:nil). The payment relate to the termination of AMES Australia staff.

8.9 Events after reporting date

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

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

No matters or circumstances have arisen since the end of the reporting year which significantly affected or may significantly affect the operations of AMES Australia, the result of those operations, or the state of affairs of AMES Australia in future financial years.

8.10 Other accounting policies

Goods and Services Tax (GST)

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

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

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

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

AMES AUSTRALIA

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

8. OTHER DISCLOSURES (continued)

8.11 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to AMES Australia's financial statements.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose;
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2020-1 amended AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

The Department of Treasury and Finance assesses the impact of these new standards and advises AMES Australia of their applicability and early adoption where applicable.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on AMES Australia's reporting.

www.ames.net.au

ABN 49 056 993 913

Head Office:

1 Little Collins Street
Melbourne VIC 3000

GPO Box 4381, Melbourne VIC 3000



Jobs, Skills,
Industry
and Regions