

# **AMES Australia ANNUAL REPORT**

2017–2018

Full participation for all in a cohesive and diverse society

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# 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's Annual Report for the year ending 30 June 2018.

A handwritten signature in black ink, appearing to read 'Stuart Crosby', with a long horizontal stroke extending to the right.

**Stuart Crosby**

Chair

27 August 2018

# About AMES Australia

AMES Australia began providing English language classes during the post World War II period and has worked for more than sixty-five years with refugees and migrants arriving in Victoria.

Today AMES Australia is a significant national provider of settlement services and shares its expertise with other countries to develop policies and practices to establish effective resettlement programs for refugees.

AMES Australia provides a comprehensive range of initial settlement support, English language and literacy tuition, vocational training and employment services to migrants, refugees and asylum seekers, residing in Victoria, South Australia, Tasmania and Western Sydney.

AMES Australia particularly focuses on the strengths and skills of migrants and refugees and actively encourages clients to use and develop these assets to assist their successful settlement. This strengths-based approach underpins all AMES Australia services.

AMES Australia recognises the benefits to our clients of working in collaborative partnership with employers, community groups, educational institutions and refugee and migrant specialist organisations to provide effective services.

AMES Australia undertakes research to inform service development and provide credible evidence to inform our practice, government and key stakeholders on policies that impact on settlement outcomes for recent arrivals.

## Vision

Our vision is full participation for all in a cohesive and diverse society. AMES Australia achieves this through:

- Innovation
- Partnership
- Influence
- Sustainability

## Strategic Priorities

Our social and economic framework seeks to achieve short and long-term outcomes for migrants, refugees and the broader community.

AMES Australia will continue to:

- Extend work to improve client outcomes including the economic wellbeing of women
- Apply digital technologies to achieve better outcomes
- Contribute to the evidence base to improve settlement policies and practices
- Promote the benefits of the diverse social capital of newly arrived communities to the broader society
- Invest in the capacity, diversity, resilience and innovation of AMES Australia, its staff and volunteers

## During the 2017-18 reporting period AMES Australia services were delivered through the following Australian and Victorian government contracts

Humanitarian Settlement Program	7,231 clients
Status Resolution Support Services	4,473 clients
Adult Migrant English Program	475 clients
Skills First	3,092 clients
Skills for Education and Employment Program	876 clients
Pre-accredited Language Program	4,079 clients
jobactive (Employment)	34,249 clients

## Strengths-based approach

AMES Australia engages refugees and migrants in decisions and processes related to their settlement. This approach recognises the resilience of refugees and builds on their strengths to achieve positive resettlement outcomes. Our approach recognises that resettlement is a shared responsibility between the host community and the newly arrived.



## Chair's Statement

The commitment and professionalism of AMES Australia's staff and volunteers continue to inspire everyone who comes into contact with them. It is a delight and privilege to Chair an organisation made up of such people.

And it is a tribute to them all that AMES Australia is emerging in such robust condition from the recent challenges presented by the loss last year of a large proportion of our Adult Migrant English Program revenue.

Just as inspiring are the resilience, fortitude and optimism of our clients. Our recent survey of newly-arrived refugees shows that overwhelmingly they want to find work, fit in and contribute to the country that has afforded them safety. The survey also shows that, despite some recent commentary, newly arrived refugees generally find Australia to be a safe and welcoming place. While the survey canvassed newly-arrived refugees, there can be little doubt that the same views are shared by recent migrants more generally.

It can be useful to look at AMES Australia as connecting these two groups: committed and professional staff and volunteers on one hand, and refugees and other immigrant groups on the other. We engage with and bring the groups together to provide settlement, education and employment services to help newcomers to our country achieve their settlement goals and aspirations.

We take pride in outcomes being delivered across a broad range of areas: safety, security, health, wellbeing, education and employment amongst them. In her report, our CEO, Cath Scarth, has given more detail of the broad range of specific initiatives we are involved in.

They speak for themselves, but I cannot resist drawing attention to our successes in creating partnerships with employers and other organisations to support employment initiatives, and social and community engagement, as well as our programs to address family violence.

None of us would commit the time and energy to AMES Australia that we do if we did not believe in the value of migration and multiculturalism to Australia as a nation.

The value created by past migration and the cultural diversity it delivered is undeniable, despite issues and concerns at different times being re-echoed in some of the current commentary.

It is hard to imagine why the same value will not be true going forward. This is supported by a Migration Council of Australia analysis estimating that migration will boost GDP by nearly 6% by 2050.

When we look at the huge number (nearly 70 million) of people currently displaced globally through conflict and persecution, it is clear that the work we do at AMES Australia has never been more important.

We believe that we can best contribute to the debate by providing data to support informed discussions, hopefully moving the debate from anecdotal to evidence-based.

We also work with the various newly arrived communities to support them develop their own ability to participate and represent themselves directly in debates that affect them.

Australia continues to provide a generous and sophisticated program to support refugees. It is expected that our national intake will rise to around 18,000 this year. AMES Australia is proud of the role it plays in this vitally important work.

Let me conclude by thanking my fellow board members, especially our CEO, Cath Scarth, and the AMES Australia leadership team for their support over the past 12 months.

I also join with Cath in thanking all AMES Australia staff and volunteers for their vital contribution.

**Stuart Crosby**  
Chair



## CEO's Statement

The past twelve months has been a period of consolidation and a time of reshaping our organisation to adapt to the opportunities and challenges of the future.

AMES Australia remains committed to an integrated model of settlement service delivery, coordinating the opportunities offered by the range of programs we provide to migrants and refugees.

We also remain committed to excellence in service delivery; and I would like to acknowledge the challenges we have faced in recent times and the resilience shown by all staff across the organisation to deliver the best service to our clients.

In the past 12 months we have seen significant achievements which have helped to reshape AMES Australia and given us confidence about our relevance and success into the future; and about our capacity to deliver on our vision of 'full participation for all in a cohesive and diverse society'.

This Annual Report is a record of work and achievement for AMES Australia over the 2017-18 financial year and it provides a blueprint for our success into the future.

Particularly pleasing was our success in winning the Humanitarian Settlement Program (HSP) contracts for South Australia and, in partnership with the Migrant Resource Centre Tasmania, for Tasmania.

We are now delivering HSP services in three states and we supported 7,231 HSP clients and 4,473 Status Resolution Support Services (SRSS) clients in 2017-18.

During the same period, we also supported 34,249 jobactive clients in their search for meaningful and sustainable employment in Victoria and, in partnership with WISE, in Western Sydney.

Our education and vocational training programs saw 8,522 clients supported in 2017-18 to improve their English or complete vocational training.

Continuing to expand our services through diverse funding sources will be a focus in the coming year.

Teams across the organisation have been developing and submitting tenders for government contracts that align with our organisation and help us to reach more migrant and refugee communities.

Our recent successes will ensure AMES Australia can continue to reach CALD communities, with a particular focus on young people and women.

We continue to have meaningful influence with government in settlement and migrant education policy work.

We are intent on pursuing strategies to build our reputation as a high-quality service provider and a thought leader in the settlement and migration area in this country and elsewhere.

We know that migration will continue to be an important part of Australia's future economic prosperity and security and we will seek to support newcomers to this country to maximise their potential to make positive contributions.

The hard work and determination of AMES Australia staff across the organisation has meant that we will achieve a surplus in our operations budget for 2017-18.

Once again, our staff and volunteers have displayed admirable professionalism and commitment and I would like to thank them all.

I would also like to thank and acknowledge my executive team and the support of the Chair and Board of AMES Australia.

There will no doubt be challenges into the future, but I believe that AMES Australia is well placed to grow and ensure that migrants and refugees continue to make a valuable contribution to the Australian community.

**Catherine Scarth**  
Chief Executive Officer

# Initial Settlement Services

The resettlement of refugees is a dynamic process rather than a linear pathway. AMES Australia provides a comprehensive and integrated range of on-arrival and ongoing support that recognises the resilience of refugees and builds on their strengths to achieve positive resettlement. Using a strengths-based approach AMES Australia engages with new arrivals in decisions and processes related to their settlement.

## Humanitarian Settlement Program (HSP)

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AMES Australia, in partnership with community-based subcontractors, provides initial settlement support to Refugee and Special Humanitarian visa holders. AMES Australia was successful in the Department of Social Services tender for the Humanitarian Settlement Program in Victoria, Tasmania and South Australia. On 31 October 2017 AMES Australia commenced delivering services under the HSP.

The Humanitarian Settlement Program (HSP) provides intensive settlement support to newly-arrived humanitarian clients, both on arrival and throughout their initial settlement period, through a coordinated case management approach.

With support tailored to individual needs for all family members, during the initial settlement period the HSP is designed to strengthen the ability of humanitarian clients to participate in the economic and social life of Australia and to equip individuals with the skills and knowledge to access services independently.

The HSP program also provides Specialised and Intensive Services (SIS) for clients with exceptional or complex needs (e.g. Mental Health Services, Occupational Therapy, Disability Services, Family Violence Interventions, Family Relationship Counselling, Child or Youth Services, Accommodation, Financial and Legal Services).

HSP services are provided to the individual or family based on their assessed needs through coordinated case management. This includes:

- On Arrival Support: reception, property induction and initial food provision
- Assistance with registration with services such as Centrelink, Medicare, banks and schools
- Assistance with engaging with health services and employment services
- Assistance with enrolment in relevant education

and training programs

- Accommodation services including provision of Basic Household Goods Package
- Orientation Program across a range of topics such as Australian Law, Health, Transport and Accommodation

Exit from the HSP is based on clients achieving clearly defined settlement outcomes.

AMES Australia has a network of subcontracted partners, delivering HSP services across Victoria, Tasmania and South Australia.

In Melbourne AMES Australia works in partnership with:

- Spectrum Migrant Resource Centre
- MiCare
- Redback Settlement Services
- South East Community Links
- Centre for Multicultural Youth
- Southern Migrant and Refugee Centre

In regional and rural Victoria AMES Australia works in partnership with:

- Bendigo Community Health Services (BCHS)
- Ballarat Community Health Centre (BCHC)
- Geelong Ethnic Communities Council Inc. (Diversitat)
- Kildonan Uniting Care (KUC) in Shepparton
- Mallee Family Care in Swan Hill
- Sunraysia Mallee Ethnic Communities Council (SMECC) in Mildura

In South Australia AMES Australia works in partnership with:

- Anglicare
- Australia Migrant Resource Centre
- Multicultural Youth South Australia
- Australian Refugee Association

In Tasmania AMES Australia works in partnership with Southern Migrant Resource Centre and with Migrant Resource Centre – North Tasmania.



## Humanitarian arrivals

Humanitarian arrivals came from many countries, the greatest numbers from Myanmar, Iraq, Afghanistan, Syria and Bhutan.

### Humanitarian arrivals by visa category

	2017-18	2016-17	2015-16	2014-15
Refugee (200,201,204,100,785,790,801 and 866)	4,044	2,973	1,837	1,706
Special Humanitarian Program	3,187	4,630	1,516	1,974
<b>Total</b>	<b>7,231</b>	<b>7,603</b>	<b>3,353</b>	<b>3,681</b>

### Humanitarian arrivals by settlement location

	2017-18	2016-17	2015-16	2014-15
Melbourne	4,780	6,893	2,862	3,182
Rural Victoria	715	710	491	499
South Australia*	1,090	nil	nil	nil
Tasmania*	646	nil	nil	nil
<b>Total</b>	<b>7,231</b>	<b>7,603</b>	<b>3,353</b>	<b>3,681</b>

\*HSP delivery in South Australia and Tasmania commenced on 31 October 2017.

## Community Support Programme (CSP)

AMES Australia was first appointed as an Approved Processing Organisation (APO) of the Department of Home Affairs' Community Proposal Pilot (CPP) in September 2013. The CPP ceased in June 2017. AMES Australia continued our role in settling and monitoring humanitarian clients who applied for the CPP in 2016-17 program year and continued to arrive in Australia into 2018. A total of 166 visas were granted for AMES Australia through to June 2018 (95% of visa applications lodged by AMES Australia in 2016-17). Applicants came from a range of countries including Afghanistan, Eritrea, Ethiopia, Iraq, Myanmar and Somalia.

The CPP was replaced with the Community Support Program (CSP) which commenced in March 2018. AMES Australia was one of twelve APOs around Australia selected for the CSP for a period of five years. Following from the CPP, the CSP provides opportunity for community members or organisations in Australia to identify, pay for and support applications for refugee and humanitarian visa places for people in need of resettlement. The CSP provides an additional resettlement pathway for 1,000 people in humanitarian situations overseas, with the places allocated to the CPP and CSP being included in the Refugee and Special Humanitarian Programme national quota (16,250 for 2017-18). Applicants must meet the eligibility requirements for a refugee/humanitarian visa, as well as the Department of Home Affairs' priorities, and be able to demonstrate a pathway to employment on arrival.

APOs are responsible for the lodgement of humanitarian visa applications on behalf of Australian Supporters, for overseeing the delivery of settlement support for the successful applicants for up to 12 months after arriving in Australia, and for monitoring and reporting on settlement outcomes to the Department of Home Affairs.

AMES Australia is currently in the process of selecting clients for the CSP and lodging visa applications, with clients expected to begin arriving in late 2018.

## Connect Settlement Services (CSS)

In 2017-18 Connect Settlement Services (a company owned equally by AMES Australia and MDA Ltd) delivered settlement services in Cambodia. Services included case management, local and cultural orientation, English language and work skills program, employment and micro employment enterprise support and community engagement activities.

Service delivery in Cambodia ceased on 28 February 2018.

# English Language Services

## Adult Migrant English Program (AMEP)

AMES Australia recognises that successful settlement and participation are significantly determined by the ability to speak and understand English in various contexts including social situations, employment and education and training. Successful settlement and participation frame the applied English language teaching and learning for migrants and refugees accessing AMES Australia's English language services.

A significant reduction to the scope of AMES Australia's Adult Migrant English Program (AMEP) delivery was experienced in the 2017-18 period, following the Department of Education and Training (DET) decision

in early 2017 to award its face to face delivery in metropolitan Melbourne to a TAFE consortium and a privately-owned community-based group, and the national Distance Learning contract to NSW TAFE. AMES Australia was awarded regional AMEP contracts in Gippsland, Goulburn Murray, South Coast of Victoria and Wimmera Mallee. AMES Australia continue to provide its regional subcontractors with program support and contract management for their delivery.

In 2017-18 there were 475 AMEP clients with nearly 70% located in the Goulburn Murray. There were 61,288 student contact hours for the reporting period.

## Preparatory and Transition to Employment Services

AMES Australia provides a number of programs integrating English language and foundation skills development with vocational content to assist people to reach their employment goals as quickly as possible. In many cases, practical work experience placements are a critical component of employment focussed programs such as Work Skills at AMES Australia.

Programs are available for refugees and migrants ranging from those seeking entry level skills development and language support, to overseas qualified professionals. AMES Australia aligns its services with the requirements of employers and industries that have employment opportunities and entry level jobs for new arrivals.

## Skills First

AMES Australia provided opportunity for clients to study English language and vocational programs through Victorian Government Skills First funded places for accredited training and Adult Community and Further Education (ACFE) funding for pre-accredited programs. In the 2017-18 period 3,092 Skills First students were accommodated in foundation language training through courses such as the Certificates in Spoken and Written English and the English as an Additional Language (EAL) Framework; and VET industry entry qualifications in Early Childhood Education and Care (117 clients) and Individual Support Services (88 clients), thus providing a choice of pathway options for completing and exiting AMEP students.

### Student Contact Hours

	Foundation Skills	Non - Foundation Skills	Total Hours
2017-18	725,753	192,634	918,387

### Vocational Completion Rates

	Certificate Completion Rate	Course Completion Rate
2017-18	93%	94%

## Pre-accredited Training

Pre-accredited training addresses the needs of adults who have experienced barriers to education in the past. It provides a stepping stone into future training and employment. During the reporting period, AMES Australia delivered over 178,445 hours of pre-accredited training funded by the Victorian Government through the ACFE Board to 4,079 clients.

Courses were generally short, less than 10 weeks and included targeted skills development such as digital literacy or English grammar. The diversity of clients and client groups seeking AMES Australia's education services

has required an agile and flexible response, possible through pre-accredited delivery. Newly arrived women with young school-aged children as an example have found an avenue to learning through classes established by AMES Australia at their child's school. Others have found classes located near shopping centres or at community centres to be an appropriate first step for them.

A significant proportion of students in Education programs at AMES Australia were also Employment clients under the jobactive consortium. In recognition of this synergy, programs driving employability skills and vocational goals were developed and provided to shared clients, predominantly using pre-accredited hours.

Eight Government endorsed Job Ready Job Willing programs were delivered in the west and north of Melbourne during the 2017 six-month period.

937 attended the ACFE funded, client-tailored and job focussed 3 Steps programs, encompassing pathway planning and resume and interview skills classes. They also included basic computer literacy and how to navigate the mygov website classes. Classes were delivered across metropolitan Melbourne to AMES Australia jobactive clients.

ACFE Board Innovation Funds (\$78,114) were secured to develop, trial and identify the features which make a successful job club for participants. The model is now shared across the Learn Local sector.

### Skills for Education and Employment (SEE)

AMES Australia remained a significant provider of the Department of Education and Training's Skills for Education and Employment (SEE) program, winning contracts in five of eight contract regions in Victoria: Inner Metropolitan Melbourne, South East Melbourne and Peninsula, Goulburn Murray, South Coast of Victoria and Wimmera Mallee. The program provides language, literacy and numeracy skills development to assist Centrelink registered job seekers improve access to work opportunities by improving their core skills. SEE provide further synergy with the AMES Australia jobactive Consortium and others, from where clients were referred.

AMES Australia partnered with a number of Registered Training Organisations for delivery of services under the SEE contract. In the Inner Metro region AMES Australia has continued its partnership with Carlton Neighbourhood Learning Centre, Carringbush Adult Education and commenced its cooperation with new providers Wingate Ave Community Centre and SkillsPlus (both Inner Metro and South East and Peninsula). In regional Victoria AMES Australia delivered through Goulburn Ovens Institute of TAFE and Wodonga TAFE in the Goulburn Murray region and South West Institute of TAFE and Diversitat in the South Coast of Victoria region.

In the reporting period the AMES Australia SEE Consortium delivered training to 876 clients. 97% of clients who commenced training achieved learning outcomes as measured by the Australian Core Skills Framework (ACSF).

Aside from clients completing the Certificate III in Early Childhood Education and Care and Certificate III in Individual Support (Aged Care), some clients also achieved additional vocational competencies focussing on practical work skills in aged care, customer service, hospitality and occupational health and safety.

#### Student Contact Hours

	Total Hours
2017-18	267,415

#### Vocational Completion Rates

	Certificate Completion Rate	Course Completion Rate
2017-18	78%	89%

### Youth Services

AMES Australia amalgamated all youth funded programs in January 2018 to deliver highly effective youth engagement, education and employment programs across metropolitan Melbourne.

#### Reconnect

Reconnect programs funded through the Department of Education and Training, were delivered in Hume, Greater Dandenong, Wyndham, Maribyrnong, Brimbank and Maroondah, Victoria. Reconnect is a voluntary individualised program that supports and empowers young disadvantaged adults (aged 17-25) to overcome barriers preventing them from accessing education and/or employment. A strengths-based youth centric and skill-appropriate academic curriculum is delivered one-on-one or in small groups.

## Preparatory and Transition to Employment Services

In 2017–18 AMES Australia supported 58 CALD and Indigenous young adults to reengage back into full time employment, including 16 youth who returned to full time education.

### Engage!

Engage! program is funded by the Department of Human Services and delivered in South East, Inner East and West Metropolitan regions of Melbourne. The program supports and creates opportunities for young people to have a greater connection to and active participation in their local community to build their skills and knowledge.

It provides opportunities for young people in various settings, including Leadership Training, D2E (Driving to Employment Program), Youth Camp, Youth Committee, Digital Inclusion program, exposure to trades and industries, Social Connection programs and Health and Wellbeing programs.

AMES Australia is currently engaged with over 400 young people.

## New Programs and Initiatives

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The start of the 2017–2018 financial year marked the beginning of new programs and initiatives by the federal and state governments to help support new comers to Australia transition to work. Pilot programs such as the Career Pathways for Humanitarian Entrants (CPP), the Asylum Seeker Language and Literacy program (ASLLP) and the Asylum Seeker VET Learning Plan (ASLP) were delivered by AMES Australia.

### Career Pathways Pilot for Humanitarian Entrants

The Career Pathways Pilot for Humanitarian Entrants is a federal government initiative which aims to support skilled refugees develop their career goals and pathways, to gain employment that utilises their overseas skills, experience and qualifications.

To date, 187 participants have registered for the pilot. Majority of them come from Iraq and Syria (88%) and are mainly health professionals or engineers, trades and IT specialists.

Of the 61 health professionals supported in the pilot, seven medical doctors have gained partial registration in Australia and are awaiting supervised employment in hospitals around Australia.

Since the start of the program, 37 clients (20%) have found paid employment in their areas of skills and qualifications. A further 69 clients (37%) are engaged in further study and exam preparation courses which assist them in their journey towards their skills or qualifications recognition in Australia. The remainder are actively looking for work and/or volunteering or completing their AMEP hours.

### The Asylum Seeker Language and Literacy Program (ASLLP)

The Asylum Seeker Language and Literacy Program (ASLLP) is a new initiative by the Victorian Department of Education and Training that aims to provide pre-accredited language and literacy programs that meet the specific needs of asylum seekers enabling further education and employment opportunities.

Asylum seekers with the following visa subclasses are eligible: Bridging Visa E, Safe Haven Visa, Temporary Protection Visa and victims of human trafficking. Eligible clients are entitled to 100 hours of English language tuition. AMES Australia is funded to support up to 500 clients until June 2019.

Over 200 clients have accessed the program with the majority of clients coming from Iran and Afghanistan. Many are working part time and attending classes in the evening to improve their English language and literacy skills, to maintain their job or to find a better job.

### Asylum Seeker VET Learning Plan

The Asylum Seeker VET Learning Plan is a new initiative by the Victorian Department of Education and Training which aims to support asylum seekers and refugees who have temporary residence in Victoria to develop a learning plan that is suitable to their skills and employment aspirations.

AMES Australia is contracted to deliver to 250 clients. To date a total of 216 clients have been serviced. The program will end in April 2019. The profile of this client group is similar to that of the Asylum Seeker Language and Literacy Training.

### Skilled Professional Migrants Program (SPMP)

The Skilled Professional Migrants Program is a four-week intensive program that assists migrants with professional qualifications to develop job search skills in Australia. These include the preparation of resumes and job applications, interview skills and networking. The program also aims to develop participants' understanding of the Australian job market and workplace culture. During the course, participants receive feedback from corporate volunteers and, after completing the course, may be mentored by industry professionals who provide ongoing support and advice during their job search. Past participants can also join an SPMP alumni group that facilitates networking and information exchange.

A study has found that employment situations for participants after SPMP had significantly improved. Not long after attending the program, 89% of the participants found work, and of this group 64% were in a professional position.

During this reporting period, 180 clients participated in the program.

### Working the Australian Way

Working the Australian Way is a two-day workshop designed to assist professionally qualified migrants connect with leading Australian companies. The objective of the workshop is to help migrants to be well prepared for jobs that use their expertise and experience.

Around 73% of participants started a new job within three months after the workshop and two thirds were in jobs that fully or partially match their background.

During this reporting period, 51 clients participated in the program.

### Intensive IELTS Preparation Course

The Intensive IELTS Preparation Course is designed for people intending to sit the Academic International English Language Testing System (IELTS) Test to study at a university, to gain recognition of overseas qualifications in Australia, for visa purposes or to have proof of a high level of English. A number of engineers and professionals in the Career Pathways Pilot participated in the program.

During this reporting period, 81 clients participated in the program.

### Occupational English Test (OET) Test Preparation Course

The Occupational English Test (OET) - Test Preparation Course is designed for health professionals (doctors, nurses, dentists, pharmacists, physiotherapists, etc.) with overseas qualifications intending to sit the OET exam to get recognition of overseas qualifications and meet the requirements of APHRA (Australian Health Practitioner Regulation Agency).

The course was delivered fully fee for service in Term 1 2018 to address the need of health professionals in the Career Pathways Pilot Program preparing to sit the Occupational English Test.

To date, 51 clients have participated in the program.

# Employment Services

Sustainable employment breaks the cycle of economic dependence and contributes to the health and wellbeing of individuals and their families. AMES Australia works with both jobseekers and employers to assist jobseekers develop work-readiness and match them with work force opportunities.

## jobactive

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AMES Australia delivers employment services under the Australian Government's jobactive program. AMES Australia provides services in all five contract regions across metropolitan Melbourne through a consortium arrangement with ECHO Australia, SkillsPlus and Wesley Employment Services.

AMES Australia has 18 locations in metropolitan Melbourne: Box Hill, Broadmeadows, Coburg, Dandenong, Footscray, Glenroy, Preston, Springvale, St Albans, Sunbury, Sunshine, Craigieburn, Epping, Melbourne CBD, Melton, Noble Park, Werribee and Oakleigh. Outreach services are available at Bacchus Marsh, Gisborne, Whittlesea and Kinglake.

Consortium partners provide services in Cranbourne, Greensborough, Lilydale, Narre Warren, Ringwood, Wantirna, Prahran, Frankston, Rosebud, Pakenham, Mornington, Hastings, Cheltenham, Heidelberg, Flemington and Fitzroy. AMES Australia also provides employment services in Western Sydney as a jobactive subcontractor for WISE Employment in Liverpool, Cabramatta, Auburn and Bankstown.

AMES Australia has sought to expand its successful practice by supporting job seekers to relocate to regional areas within Victoria and interstate to take up employment opportunities and meet the labour needs of regional Australia. We continue to supply labour for companies stretching from Nhill and Cobram in Northern and Western Victoria and into locations in Queensland and NSW such as Wagga Wagga.

During 2017–18, jobactive services were provided to approximately 34,249 job seekers with 6,545 newly commenced. 8,832 job placements were achieved across Victoria and NSW.

In addition, 1,763 job seekers participated in 'Work for the Dole' activities relevant to their employment pathways. Appropriate activity places which provided a meaningful, stable and safe environment for participants to fulfil their Annual Activity Requirements (AAR) were made available.

## Integrated Services

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AMES Australia piloted a number of initiatives across the organisation to provide an integrated approach to service provision for job seekers:

- Specific training for job seekers on the "myGov" website/app to help job seekers interact with this service and in preparation for the roll out of the Department of Jobs and Small Business new Targeted Compliance Framework from 1 July 2018. This required job seekers to take greater personal responsibility in reporting attendance at activities and programs in which they participated.
- Delivery of new initiatives for job seekers, through Education-based ACFE short programs, such as 3 Steps, Job Facts, Preparation for a Forklift Licence, and Preparation for a White Card. A focus on developing closer relationships with employers has led to a better understanding of skills requirements and job opportunities in regions. These short courses have gone through a long developmental and promotional phase including the evaluation of various pilots to be ready for broad-scale launch.
- A network of employers in regional locations such as Nhill, Cobram, Naracoorte and Wagga Wagga has resulted in numerous vacancies that we have been able to fill e.g. The Meat Processors Group which is one of Australia's leading food industry recruitment businesses. We have also engaged with Victorian SRSS and HSP clients to provide sustainable employment and relocation opportunities in NSW and Queensland.
- Through the successful tender for Reconnect 2, AMES Australia jobactive clients have been linked into alternate Youth Services. Through its Reconnect Program, AMES Australia provides support for jobactive youth that are disengaged by helping them to explore pathways back into training or further study. This partnership is helping young jobactive clients to stabilise their living situation and improve their level of engagement with family, work, education, training and their local community.

## Partnerships

AMES Australia continues to actively seek partnerships and collaborations that will increase opportunities for our job seekers:

- The Activate Employment Program, a joint initiative between AMES Australia and Juno Consulting, continued with programs, delivered at Flagstaff, Broadmeadows, Epping, Preston, Box Hill, St Albans, Glenroy and Oakleigh. This program is designed for job seekers with multiple barriers to employment. Evaluation continues to show that approximately 58% of participants have been successful in securing employment across 15 different programs.
- Through the Department of Jobs and Small Business' PaTH (Prepare, Trial, Hire) Program, relationships were maintained with organisations such as Kangan TAFE, Melbourne Polytechnic and AGA to deliver 2 blocks of Employability Skills Training with the aim to convert job seekers to internships and then to Employment. In the South East region of Melbourne, AMES Australia has sourced internships at a number of Subway Australia Restaurants.
- A strong connection was developed with SERCO Australia, a recruitment provider which is one of the world's largest providers of public services to various Government Departments. The process involves pre-screening and pre-employment training before the job seeker commences into paid employment. Over 40 AMES Australia clients have been successfully placed through this relationship.
- A State-Based Consortium Employment opportunity and partnership with Traffic Diversions Group Pty Ltd (TDG), a leading provider of traffic management services in Melbourne including key infrastructure projects such as including the M80 Upgrade, the M1 Upgrade, the Sugarloaf Pipeline Project, the Melbourne Main Sewer Replacement, Eastlink, VicRoads and the Westgate Tunnel, has provided multiple opportunities for job seeker employment.
- Toyota Redundant Workers Expo – The Department of Jobs and Small business held an expo style event for Ex-Toyota employees who had been made redundant. In conjunction with the Department, AMES Australia attended to showcase our services to these redundant workers so that they could access jobactive services within the required 6 months of being made redundant. Roughly 160 ex Toyota workers expressed an interest in jobactive services to support them in their journey of finding new employment. 27 of these redundant workers recently joined an AMES Australia site for support.
- AMES Australia has worked closely with Pure Insights, an international counselling service. This collaboration has seen both job seekers (and jobactive staff) supported through the provision of quality employment-focused counselling, training, coaching and vocational assessments for job seekers to gain pathways to successful and sustainable employment.

## Employer Engagement

AMES Australia continued to expand relationships with its existing employer base, and to engage with a wide variety of organisations including small, medium and large businesses to ensure job seekers had opportunities across a larger spread of the labour market. In July 2017, 16 new Industry and Client Managers were introduced to research, create, maintain and drive industry specific relationship with Employers, Hosts (WFD and PaTH), Registered Training Organisations and different employer groups. Through these relationships labour market information is gained to broaden employment opportunities through referrals, placements and outcomes as well as setting best practice in employer relationship management.

Employers who provided multiple sustainable employment opportunities for AMES Australia clients include; JBS, GJK Facility Services, Cabin Services Australia, AFL Sportsready, TOLL Group and Ausfresh. Job seekers gained employment in a wide range of industry sectors including Administrative & Support Services, Aged Care, Arts and Recreation Services, Construction, Early Childhood and Care, Education & Training, Financial & Insurance Services, Healthcare & Social Assistance, Information, Media & Telecommunications, Manufacturing, Professional & Technical Services, Public Administration & Safety, Retail Trade, Accommodation and Food Services, Transport, Postal & Warehousing and the Wholesale Trade.

## Quality Assurance

AMES Australia Consortium participated in a Department of Jobs and Small Business Quality Assurance Framework (QAF) Audit. Based on the review of the organisation's Quality Reports and information provided, the Department confirmed that assurance activities and internal controls are in place to support continued certification against the QAF.

The Department acknowledged the work that AMES Australia Consortium has undertaken to maintain certification and was pleased to confirm continued QAF Certification through to 2020.

# Services for People Seeking Asylum

## Status Resolution Support Services

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In January 2015, AMES Australia commenced delivery of Status Resolution Support Services (SRSS) to asylum seekers who are waiting for the outcome of their protection visa application.

Clients are provided with coordinated, integrated, needs-based support to assist them access relevant services through a Case Worker. This includes contacting clients for regular welfare checks, referring them to relevant health and mental health services, assisting new arrivals to find suitable housing, and connecting them with employment and social engagement opportunities. Financial assistance for SRSS clients is facilitated through the Department of Human Services.

In January 2018 the Department of Home Affairs announced that AMES Australia would continue to be contracted for a further 2 years to deliver SRSS.

Policy changes continued to impact recipients in 2017–2018. The Department announced that recipients who had sent and/or received money from overseas or domestically and clients who were studying full time, would no longer be eligible for the program. The Department also commenced issuing Final Departure Bridging Visas for Regional Processing Country recipients, exiting them into the community.

On 8 February 2018 the Minister approved the revised Status Resolution Support Service (SRSS) program design. The redesign of the program commenced on the 1 May 2018. The program offered targeted, needs-based support to those who are unable to support themselves while resolving their immigration status. The principles of the SRSS redesign were:

- SRSS is not a welfare program for non-residents
- Services should focus on status resolution outcomes – grant of a substantive visa or departure
- Clients on a Bridging visa E (BVE) with work rights are expected to work to support themselves and their families
- People found to have adequate income/assets (off or on-shore) will not receive support services
- Eligibility will be regularly re-assessed (at a minimum every 12 months)

The tightening of the eligibility criteria for asylum seekers seeking SRSS support, resulted in a large number of SRSS recipients exiting the program.

In response to these changes the AMES Australia Settlement team is working closely with AMES Australia Employment team and a range of external agencies to fast track asylum seekers into employment. These partnerships have yielded positive results, with a number of placements into full time work, and an ongoing project with a large rural business to provide jobs and resettle asylum seekers in Wagga Wagga and other regional locations.

AMES Australia will continue to work closely with other services and make referrals to ensure that asylum seekers are well connected to health and mental health services, housing and employment support post-exit.

During the reporting period there were 4,491 SRSS clients (Consortium). AMES Australia manages SRSS contract delivery in Victoria with a number of partners and subcontractors:

Victoria wide

- Redback Settlement Services

Melbourne

- MiCare
- Spectrum Migrant Resource Centre Inc.
- South East Community Links (SECL)

Regional Victoria

- Geelong Ethnic Communities Council Inc. (Diversitat)
- Mallee Family Care
- Sunraysia Mallee Ethnic Communities Council Inc.
- Uniting Care (Victoria and Tasmania) Limited (via the Uniting Kildonan & Barwon Cluster)



# Social Participation and Community Engagement

Social inclusion creates an environment conducive to successful settlement. AMES Australia seeks to facilitate opportunities for new arrivals to participate in community life and form strong social bonds with their cultural groups as well as the community at large.

## Community Development

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To maintain a strong dialogue with our client communities, AMES Australia undertakes a series of consultations to gain feedback on a range of issues impacting on the settlement of our clients. The information received provides an opportunity for AMES Australia to develop new initiatives responding directly to client needs and to strengthen our service provision. Consultations also provide an opportunity to link new and emerging communities with each other and with mainstream service providers.

During 2017–18 the Social Participation Unit held four central consultations and five ethno-specific consultations. The consultations focused on employment, small business and the Community Support Program.

Our partnership with Parks Victoria continues to strengthen and has resulted in the expansion of the Werribee Gardens Project (Beyond Boundaries) to include the Somali and South Sudanese communities living in and around Wyndham.

## Prevention of Violence Against Women (PVAW)

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Since 2016 AMES Australia has been in receipt of funding from the Department of Social Services, VicHealth, Our Watch, and the Victorian government to design and implement a pilot prevention of violence against women program to Victoria's CALD communities.

AMES Australia's PVAW program has included advocating for the special circumstances of CALD women on key advisory boards and working collaboratively with mainstream specialist family violence services to build a CALD focus. A new Leadership Course was launched to equip emerging leaders of CALD communities with the knowledge and skills necessary to lead actions to prevent violence in their own linguistic and cultural communities, as well as the broader diverse Australian society.

The first course was successfully completed on 24 August 2017, graduating 37 participants who produced a series of five postcards with prevention messages. Participants have since gone on to take various actions to raise awareness in their own spheres of influence. The Leadership Course was evaluated and revised, and a second course was held between April and June 2018, graduating 28 more community leaders from diverse backgrounds. Together, these form a vital community of graduates from more than 30 different language groups who will continue to impact their cultural and linguistic communities.

## Social Enterprises

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For more than 14 years AMES Australia social enterprises have provided new arrivals with an opportunity to gain skills and experiences that open opportunities to participate in the Australian community or start a small business.

In 2017–18 the Sorghum Sister African Catering and Training Social Enterprise focused on the organisational strategic priority to improve the economic inclusion of CALD women. In the first half of the year the Women and Work program provided contextualised training, work experience and social connection for new arrivals from refugee and migrant backgrounds. The program commenced with three

groups in Hoppers Crossing and a further three groups in Kensington totalling 90 participants. The program was designed based on the input of a series of community consultations with CALD women and their aspirations to either find work, progress to accredited training or start their own business. In the second half of the year, two of the six groups were keen to explore small business. Training was adjusted to incorporate small business skill development and one group has registered a Business name "Raise Made", developing saleable products and identifying market opportunities. The other group is using the point of sale at Sorghum Sisters to contextualise their learning.

## Social Participation and Community Engagement

### International

Over the past 10 years, Dr Melika Sheikh-Eldin has represented AMES Australia on the Refugee Council of Australia Board of Management as an organisational member, ensuring the voice of our humanitarian client group is heard at the National and International levels. During this time AMES Australia presented and participated actively in the different UNHCR annual consultations (ExCom, NGO & Annual Tripartite).

AMES Australia participated in the Global Compact of Refugees (GCR) and attended the 5 thematic sessions in September and December 2017 and a sixth session in June 2018. Dr Sheikh-Eldin was invited to present on AMES Australia's community development program at the Annual Tripartite Consultations on Resettlement (ATCR) 2018 in recognition of our leadership in refugee settlement and capacity building initiatives. Further, in collaboration with the University of NSW, Melika was part of the gender audit team that produced a comprehensive report on gender equality which will be included in the final resolution of the GCR. As a refugee herself, Melika's attendance and valued contribution to the inaugural Global Summit of refugees has underscored the impact of refugee empowerment and self-representation. As a result, AMES Australia has received commendations from the UNHCR.

The Volunteer and Community Development Unit hosted two Settlement Workers from Nauru for a 4-week period in June 2018. The Nauruan workers were here to learn about the Humanitarian Settlement Program and the range of AMES Australia's community capacity building initiatives. The workers met with AMES Australia staff from across the portfolio and visited a number of projects including 'Beyond Boundaries' and 'Sorghum Sisters'. The workers were inspired by what they saw here in Melbourne and were keen to look at developing initiatives in Nauru.

### Volunteering

Volunteering at AMES Australia takes place across multiple program areas and covers a range of roles including settlement orientation, English language classroom support employment preparation and professional mentoring. Volunteering provides important opportunities for our clients, and our organisation, to engage with the broader community.

The Volunteer Management Unit (VMU) is responsible for supporting the volunteering activity throughout the organisation by providing strategic direction streamlining volunteer management practices and identifying new volunteer initiatives.

During the reporting period 715 volunteers worked with AMES Australia clients. Despite the loss of the AMEP, a significant number of Volunteer Tutors remained active supporting students in the classroom. 170 volunteers worked in the Settlement and Asylum Seekers programs assisting clients with orientation to the new country, supporting clients to attend appointments. New volunteer opportunities arose including child minding and material aid driver.

The Skilled Professional Mentor continues to have strong involvement from Corporates such as Jacobs and NBN.

19 Youth Mentors were recruited and trained to support young people who are disengaged from education and employment.

The Multicultural Hub is supported by volunteers in both the delivery of free programs as well as administration. The Hub attracts volunteers who are newly arrived skilled migrants and provides valuable work experience as a pathway to their first job in Australia.

The Job Ready Mentor Program was piloted in 2016-17 and proved very beneficial to support job seekers. As a result, in 2017-18 the program was extended with 33 Mentors working at various centres assisting with job searching techniques, including developing and reviewing resumes and building confidence with interview skills.

Women make up 63% of AMES Australia volunteer workforce and men at 37%. This represents a 12% increase in the proportion of men involved over the previous reporting period. Volunteers' ages range from university students (18-24 years old) to retirees in their 70s; the average age of an AMES Australia volunteer is around 50 years. 61% of AMES Australia volunteers were born outside Australia.

#### Volunteer Workforce Data

Program	2017-18	2016-17
Volunteer Tutor Program (VTP) and other Education roles	0	2,376*
Classroom Volunteers	316	0
HSS and SRSS	170	273
Professional and Youth Mentor Programs	135	126
Multicultural Hub	52	127
Job Ready Mentor	33	0+
Office and Admin	9	0
<b>Total</b>	<b>715</b>	<b>2,902</b>

\* VTP was part of the AMEP delivery, which ceased at end of June 2017. The Volunteer Tutor role was changed to Classroom Volunteers in 2017-18.

+ Job Ready Mentor piloted in 2017-18

# Multicultural Hub and Drill Hall

The Multicultural Hub (Hub) and Drill Hall are operated in partnership with the City of Melbourne and located in the Melbourne CBD opposite the Queen Victoria Market. These facilities provide opportunities for a broad range of people, including migrants and refugees from new and emerging communities, international students, senior migrants and faith-based organisations to participate in a range of community-based education and social activities.

During the 2017–18 reporting period:

- 113,531 visitors to the Hub were from multicultural backgrounds
- 5,812 events were held at the Hub
- 250 people participated in the Hub's free activities: English conversation, Job Club, Reading and Talking Circles classes
- 19 corporate volunteers from Clayton Utz supported Talking Circles, a program focussing on work related conversation
- The Drill Hall hosted 226 events with a total of 33,763 people in attendance

The Multicultural Hub volunteering program provides short term placements enabling many new migrants to gain their first opportunity of Australian work experience before moving on to paid employment. The Hub hosted 52 volunteers. 24 out of 52 have successfully transitioned to either part-time or full-time employment.

Throughout 2017–18 clients attending free courses were surveyed in relation to their experience visiting the Multicultural Hub. Results below indicated that the Hub continues to support the social participation of newly arrived migrants, refugees and international students by providing opportunities for people to meet & connect with the community.

- 100% reported that they had met people from other cultures at the Multicultural Hub
- 95% reported that they had made new friends
- 93% reported that they had learnt new skills
- 93% reported that they were now more confident coming to the city
- 91% felt they were free to express their faith and culture at the Hub
- 95% of clients rated service as very good or excellent

# Research and Policy

Research and evaluation projects are undertaken by the Research and Policy Unit in collaboration with staff in service delivery areas. Projects allow AMES Australia to document and analyse successful practice and contribute to the evidence base required for dialogue with key stakeholders and government. AMES Australia Research Ethics Policy ensures that all research is conducted in accordance with values and principles of the National Statement on Ethical Conduct in Human Research (National Health and Medical Research Council 2007).

## Research Projects

### A mentor program for skilled migrants in Australia

This research investigated and reported on professional mentoring in AMES Australia's Skilled Professional Migrant Program (SPMP) from the perspective of a mentor assisting newly arrived migrants to secure work in Australia commensurate with their experience and skills.

The project also explored the reciprocal benefits of mentoring, and the ways in which mentoring contributed to self-actualisation for mentors.

A sample of mentors (eight) and mentees (four) from twelve mentor-mentee partnerships were interviewed one to two years after being matched through the SPMP mentoring program. The mentors and mentees came from a variety of different professional backgrounds.

Interviews were qualitative and semi-structured and designed to explore the mentoring experience from the mentors and mentees' individual perspectives. Overall the research found that:

- Mentees reported that their personal and professional development skills were significantly improved through guidance from their mentor.
- Mentors reported that their involvement in the

program broadened their own knowledge base, culturally or professionally, in a way that could not be achieved through professional practice.

- At the time of the interview, all mentees involved were successful in securing a job commensurate with their skills and experience.

Recommendations from the research are:

- Recognition of, and investment in, programs like the SPMP Mentoring Program as an effective means of improving migrant inclusion in the workforce and ensuring that their skills are maximised.
- Recruitment and engagement of employers and other key stakeholders with professional mentoring programs to help skilled migrants find a job in their professional field. This will also help strengthen future mentor-mentee matching.
- As securing employment is a high priority for many new arrivals and a key indicator of successful settlement, features of the SPMP Mentoring Program could be offered to newly arrived refugees, migrants and asylum seekers, in addition to skilled professionals.

### Regional Futures: the economic and social impact of the Karen resettlement in Bendigo

*Regional Futures* is the product of a research collaboration between AMES Australia and Deloitte Access Economics and focuses on the resettlement of Karen refugees in Bendigo (population 110,479).

This study nearing completion in June 2018 is part of a program focusing on regional and rural settlement and is a companion report to *Small towns Big returns*, a study of settlement in a much smaller rural economy (Nhill, with a population of 2,278). These companion studies provide an analysis of the social and economic impacts of refugee resettlement on these locations over time, and the factors contributing to the success of the settlement of the Karen in two very different regional contexts.

- For Bendigo the Karen resettlement has progressively contributed to a more ethnically diverse city, impacting many aspects of Bendigo society, including an increase in social capital.

- The Karen are experiencing different levels and types of employment; improved standards of living, including home ownership; greater opportunities and career pathways for young people.
- Economic modelling analysis undertaken by Deloitte Access Economics indicates the scale of the economic impact. In net present value terms (NPV) over a 10-year period, the total economic impact from the regional settlement of the Karen population on the Bendigo economy is estimated to have been \$67.1 million.

The research identified a number of overarching factors that have contributed to the successful resettlement of a refugee community in a regional city, and which contributed to our collective understanding of what makes settlement work and of the benefits that can accrue.

- Employment: jobs available for the new settlers

- Accommodation: affordable, available and adequate for families
- Leadership: in both the host and settling communities
- Pathways: education and career pathways for young people
- Responsive services: support available for all members of the settling community
- Natural advantage of regional centres: good lifestyle and a safe place to raise a family

### Social Impact Reporting

AMES Australia has commenced analysis to enable reporting of its social impact. A number of outcome measures have been identified in each of the four broad areas of service provision (i) initial settlement services (ii) English language and vocational training (iii) employment programs and services and (iv) social participation programs. These align with the four domains in AMES Australia's Economic and Social Participation Framework and will be reported in quantitative and qualitative terms.

Quantitative outcomes data will focus on the short to medium term outcomes where AMES Australia has the capacity to have a direct impact through service delivery.

Qualitative data will be used to augment the quantitative approach and will progressively include case studies, reports from focus groups and evaluations of AMES Australia's services, where these are being undertaken, to evidence impact.

The first report for 2017-18 was presented at the Board meeting in August 2018. This new area of reporting will continue to be developed to progressively increase capacity to assess impact effectively.

### Settlement Outcomes of Syrian-conflict Refugee Families in Australia

AMES Australia partnered with the University of Technology Sydney (UTS) led Australia Research Council (ARC) project that aims to investigate the employment and educational experiences and settlement outcomes of Australia's intake of Syrian conflict region refugee families, via fieldwork in NSW, Victoria and Queensland over a three-year period (July 2017-June 2020). The Australian experience will be compared with Syrian conflict region refugee families in Germany, Sweden, Finland, Canada and New Zealand.

AMES Australia has contributed to the Victorian data gathering by interviewing families using Arabic

speaking multilingual research assistants, managed by Research and Policy Unit staff.

Department of Social Services has approved access to the clients and UTS has approved AMES Australia's use of the data collected in Victoria for internal research purposes. It is expected that the findings will assist AMES Australia to better understand barriers to successful settlement for the Syrian-conflict refugee cohort, as well as to identify better practice initiatives for local service providers, schools and communities into which these families have recently settled.

### Evaluation of the Settlement Health Coordinators program

The program funded in the 2016-17 Victorian State Budget over four years, saw the co-location of three experienced Refugee Health Nurses in Settlement Health Coordinator (SHC) roles with AMES Australia settlement staff at Dallas and Sunshine, Victoria.

In 2016-2017 AMES Australia commenced evaluation of the project and, in November 2017, produced an Interim Report covering the early implementation of the project.

Critical success factors noted in the Interim Report included:

- Recognised innovative co-designed service model
- Structured support from all stakeholders, including a strong partnership model
- Key function of the State-Wide Facilitator Refugee Health Program role

- Recruitment and selection of SHCs
- Skills and attributes of SHCs
- Co-location with Settlement Services
- Positive and tangible early impacts

The continuation of the evaluation in 2017-2018 links to the Settlement Health Coordinators 2018 Plan and will:

- Document the impact of the SHC program, including the impact/benefit of the project for Refugee Health Programs at Community Health Centres
- Show additional impacts beyond the original aim of 'improved quality of referrals', for example improved access for refugees to a broad range of related health and welfare services
- Report on innovative practice

### Research and Other Relationships with External Agencies

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#### Monash University and Southern Academic Primary Care Research Unit (SAPCRU)

AMES Australia continued a three-year partnership with Monash University in a National Health and Medical Research Council (NHMRC) Grant commenced in 2016.

### Submissions and Policy Responses

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AMES Australia made two formal submissions in response to government discussion papers during the reporting period. Where appropriate AMES Australia sought input from operations areas and client communities in preparing these submissions.

Submission	Date
Response to Discussion Paper: Managing Australia's Migrant Intake, Department of Home Affairs	February 2018
Response to Discussion Paper: Australia's Humanitarian Program 2018-19, Department of Home Affairs	March 2018

### Conferences and Presentations

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AMES Australia Chief Executive Officer, Chief Operating Officer, General Managers and staff members made presentations at a number of national conferences and forums.

Conference / Forum	Date
ACFE Board Planning Workshop, Melbourne	July 2017
2nd National Advancing Community Cohesion Conference, Sydney	November 2017
Department of Premier and Cabinet Victoria (DPC) Knowledge Sharing Seminar, Melbourne	November 2017
UNHCR Global Compact on Refugees: Thematic consultation 4, Local Solutions, Geneva	November 2017
UNHCR Global Compact on Refugees: Gender equality, Geneva	December 2017
UTS Public Seminar on International Response to Syrian-conflict Refugee Settlement, Sydney	March 2018
UNHCR Global Compact Workshop, Sydney	May 2018
ECCV 2018 State Conference - Workplace rEvolution - Blueprints for a Diverse Tomorrow, Melbourne	May 2018
National Volunteering Conference, Sydney	June 2018
UNHCR Annual Consultation, Geneva	June 2018

# Corporate Support

AMES Australia services and programs are supported by the following Corporate Support areas.

## Corporate Governance

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Corporate Governance assists the organisation in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management, compliance and internal control activity.

The area manages processes in relation to:

- Internal audit function
- ISO 9001 Quality Management System
- Risk Management, Crisis Management and Business Continuity
- Corporate monitoring and reporting of compliance

- Fraud, corruption and other losses
- Freedom of Information, Privacy and Protected Disclosure

Corporate Governance provides advice and support to the AMES Australia Board, the Finance, Audit and Risk Management Committee, the Investment Committee and the Appointments, Remuneration and Governance Committee.

The team also provides key leadership support in terms of business transition, sourcing legal advice, investigating complex issues and identifying solutions in collaboration with the executive and management teams.

## Finance, Strategic Sourcing and Administration

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### Finance

Finance Unit provides finance and accounting services including provision of expert advice on financial matters and the preparation and management of budgets.

The unit is responsible for preparing monthly management reports for General Managers, the Executive team, the Finance, Audit and Risk Management Committee and the AMES Australia Board, as well as the annual financial statements.

### Strategic Sourcing and Administration

The Strategic Sourcing Unit is responsible for central procurement, contract management, advising and assisting with tenders. It is also responsible for the management of commercial leases including negotiation and preparation.

The Administration Unit is responsible for the management of the motor vehicle fleet, office supplies, mobile phones, records for offsite archiving, travel, head office reception and other purchasing requirements.

## Marketing and Communications

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The Marketing and Communications team promotes all AMES Australia activities, aligning them to meet our organisational objectives and vision. The team manages all external communications including social media, the website, media and publicity, internal communications, advertising, sponsorship, branding and client acquisition campaigns, design and production of promotional materials and events.

In 2017-18, \$1.4 million worth of media coverage based on an industry AVE (advertising value equivalent) was achieved. This coverage projected AMES Australia as a thought leader in discussions on diversity and multiculturalism.

AMES Australia continues to build its social media following across Facebook, Twitter and LinkedIn; with 9,208 followers on Facebook, 2,470 on Twitter and 3,625 on LinkedIn. We use these platforms to celebrate

client success stories, promote our services and contribute to the migration narrative, highlighting the positive effects of migration on Australian society.

A branding campaign has been launched to position AMES Australia as a trusted voice in the migrant sector and share the positive contribution migrants have made in shaping Australian society over the last 70 years.

To improve dissemination of internal communications, a weekly news bulletin and weekly updates from senior managers and the Executive team have been implemented.

Engagement with major companies and industry leaders has led to an increase in the number of corporate volunteers and mentors, as well as the creation of training opportunities and work experience placements for clients.

## Information Technology

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IT Unit provides information systems support services to staff and clients, including desktop support, server administration, Intranet services, Helpdesk support, new business solutions and application support for systems.

## Corporate Support

The launch of Client Pathway version 2 (ACP2) in early November 2017, provided AMES Australia and Sub-contractor Case Managers new tools to help manage and document services for clients in the Humanitarian Settlement Program. This application was designed and developed internally in partnership with a local vendor.

Cyber threats are becoming more sophisticated with the blending of social engineering and distinct types of attack into more damaging forms. An internal IT Security campaign / training program using the Moodle platform Learning Management System was launched for staff to be aware of issues and understand their responsibilities towards IT Security.

In support of the Australian jobactive program, an internal application (JS-Scan) was launched in May 2018 to manage sensitive client information, making scanning and record keeping more efficient and secure.

Microsoft Office 365 pilot project was completed in 2017–18, taking learnings from tests and feedback from pilot users. O365 is a cloud solution aiming to modernise and move AMES Australia towards a more digital cloud-based environment. A complete rollout to all users will commence in the next financial year.

## Facilities and Accommodation

Facilities and Accommodation is responsible for the management of facilities at all AMES Australia centres. AMES Australia conforms to the building and maintenance provisions of the *Building Act 1993* and *Building Code of Australia (BCA) 2013*. All major works requiring building approval have plans certified; works in progress are inspected and permits issued by independent building surveyors engaged on a project basis. All contractors engaged to carry out works on its behalf are qualified and hold all necessary permits and insurances. Landlords are required to maintain leased premises in a safe and secure condition.

AMES Australia ensures all Essential Safety Services are maintained to regulatory standards and has an

ongoing program to ensure any alterations or improvements to tenancies meet the necessary standards to ensure that they are safe and fit for purpose.

The Facilities team procured and fitted out two new offices in Adelaide following AMES Australia's successful Humanitarian Settlement Program tender. A new site was procured and fitted out in New South Wales to accommodate jobactive (employment) services team.

In May 2018 AMES Australia's corporate office relocated from 1 Little Collins Street to 255 William Street, Melbourne.

## Human Resources

Human Resources unit (HR) supports AMES Australia to attract, develop and retain a highly qualified and diverse workforce. Services include employee relations, payroll, HR shared services, recruitment, employee benefits, learning and development and occupational health and safety.

A number of learning and development activities were conducted for staff in relation to Child Safety, Health and Safety, Privacy, Workcover, Negotiation and Crisis Intervention, minute taking, business writing, Microsoft Office applications, recruitment and performance appraisal. In addition, staff undertook refresher training through the online corporate induction module.

A new payroll and Human Resources information system was released in September 2017. The new system has streamlined employee recruitment and on-boarding. Modules for Health and Safety,

Learning and Development and Performance and Development Planning will be released in July 2018.

Following the Engagement Survey of 2016, a further Pulse Survey was undertaken in December 2017. The survey results have been widely communicated to staff and action plans in response to the feedback provided are being developed.

A review of the AMES Australia Health and Safety Management System has been undertaken, including a risk assessment and comprehensive training needs analysis. A new Safety and Wellbeing Coordinator position was created to oversee the implementation of the Action Plan and Health and Safety Training Plan.

AMES Australia continues to work collaboratively with the Community and Public-Sector Union (CPSU) and Australian Education Union (AEU).

## Contracts, Compliance and Performance

Contracts, Compliance and Performance unit oversees the effective management of AMES Australia's service delivery contracts, ensuring the development and implementation of strategies to ensure contractual compliance and drive performance for AMES Australia, its consortium partners and subcontractors. The unit supported the partial transition out of the Adult Migrant English Program (AMEP), the new AMEP and SEE (Skills for Education and Employment) contracts and the transition from Humanitarian Settlement Services contract to the Humanitarian Settlement Program contract.



# Governance

## Establishment

Adult Multicultural Education Services was established under the *Education and Training Reform Act 2006*.

In August 2015 the Governor in Council made an order that the name of the Adult Multicultural Education Services be changed to AMES Australia.

AMES Australia is an autonomous adult education institution accountable to the Victorian Minister for Training and Skills.

### Minister for Training and Skills during the reporting period

- The Hon. Gayle Tierney, MP

## AMES Australia Board

AMES Australia is governed by a Board established by the *Constitution of AMES Australia Order 2013*. The Board comprises between nine and eleven members appointed by the Minister.

	Board Appointment	Committee Membership	Board Meeting Attendance
Mr Stuart Crosby, Board Chair	2016–2019	# &	6/6
Ms Megan Boston, Deputy Chair	2013–2016 and 2017–2019	~ * + #	6/6
Mr Stuart Alford	2015–2018 and 2018–2021	* + &	4/6
Mr Vedran Drakulic OAM	2015–2018 and 2018–2021	* # &	5/6
Dr Michelle Foster	2013–2016 and 2017–2019	~ +	6/6
Mr Ikenna Nwokolo	2015–2018 and 2018–2021	~ +	5/6
Ms Jo Pride	2015–2018 and 2018–2021	~ &	5/6
Ms Catherina Toh	2017–2019	+	5/6
Dr Mimmie Claudine Ngum Chi Watts	2013–2016 and 2017–2019	#	5/6

~ Member of the Audit and Risk Management Committee (until Dec 2017)

\* Member of the Finance Committee (until Dec 2017)

+ Member of the Finance, Audit and Risk Management Committee (from January 2018)

# Member of the Appointments, Remuneration and Governance Committee

& Member of the Investment Committee

The AMES Australia Board conducted six meetings between July 2017 and June 2018 and a Strategic Planning Day in August 2017.

### Code of Conduct

The Board has adopted the Directors' Code of Conduct and Guidance Notes issued by the Victorian Public-Sector Standards Commissioner.

### Board Member Professional Development

The Board attended a range of professional, corporate governance and operational activities during the year, including AMES Australia Insight Seminars, community functions and tours of AMES Australia centres.

## Governance

### Review of Board Performance

An independent external performance review of the AMES Australia Board and Committees was facilitated by Board Accord in January and February 2018. The Board Chair, Directors, CEO and Company Secretary participated in an online assessment task and one-on-one confidential interview.

The report highlighted the following outcomes:

- Very positive individual director ratings
- Very qualified and capable individuals
- A greater than usual openness from participants during assessment
- Quantitative feedback supported – team is aligned and cohesive

- Discussion is robust, collegiate and respectful
- Participants demonstrated great mastery around good governance principles, processes, procedures and protocols
- The relationship between the Chair and Directors is excellent
- There is an impressive alignment of people and contribution with values informing the organisation's mission and vision
- Committees functioned well and there were innovative mechanisms leveraging off expertise in different domains

## Board Committees

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### Finance, Audit and Risk Management Committee

In January 2018, the Finance Committee and Audit and Risk Management Committee were amalgamated as one committee.

The Finance, Audit and Risk Management Committee exercises governance responsibilities in regard to 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, including information technology. It also oversees the effectiveness of both internal and external audit investigations and reviews the effectiveness and efficiency of internal control structures and compliance systems.

### Investment Committee

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

### Appointments, Remuneration and Governance Committee

The Appointments, Remuneration and Governance Committee is responsible for AMES Australia compliance with government policy and Ministerial Guidelines and reports to the Board on issues relating to executive remuneration, the CEO's objectives and Board appointments.

## Graham Sherry OAM Scholarship

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In 2017 the Board of AMES Australia established a scholarship for young people from refugee or asylum seeker backgrounds to support two recipients per year to access tertiary education. The bursaries celebrate the contribution of former Chair of AMES Australia, Graham Sherry OAM, to the refugee and settlement sector.

In its inaugural year scholarships of \$5,000 were awarded to an aspirational young man and woman who have used the funds to support their study during 2018.

Scholarship recipient Karla Medawar, a refugee from Syria, had basic English skills when she arrived but has worked hard and is now studying a Bachelor's Degree in Mechanical Engineering at RMIT University.

Fellow scholarship recipient Hussain Rezaie came to Australia as an unaccompanied minor from Afghanistan in 2012.

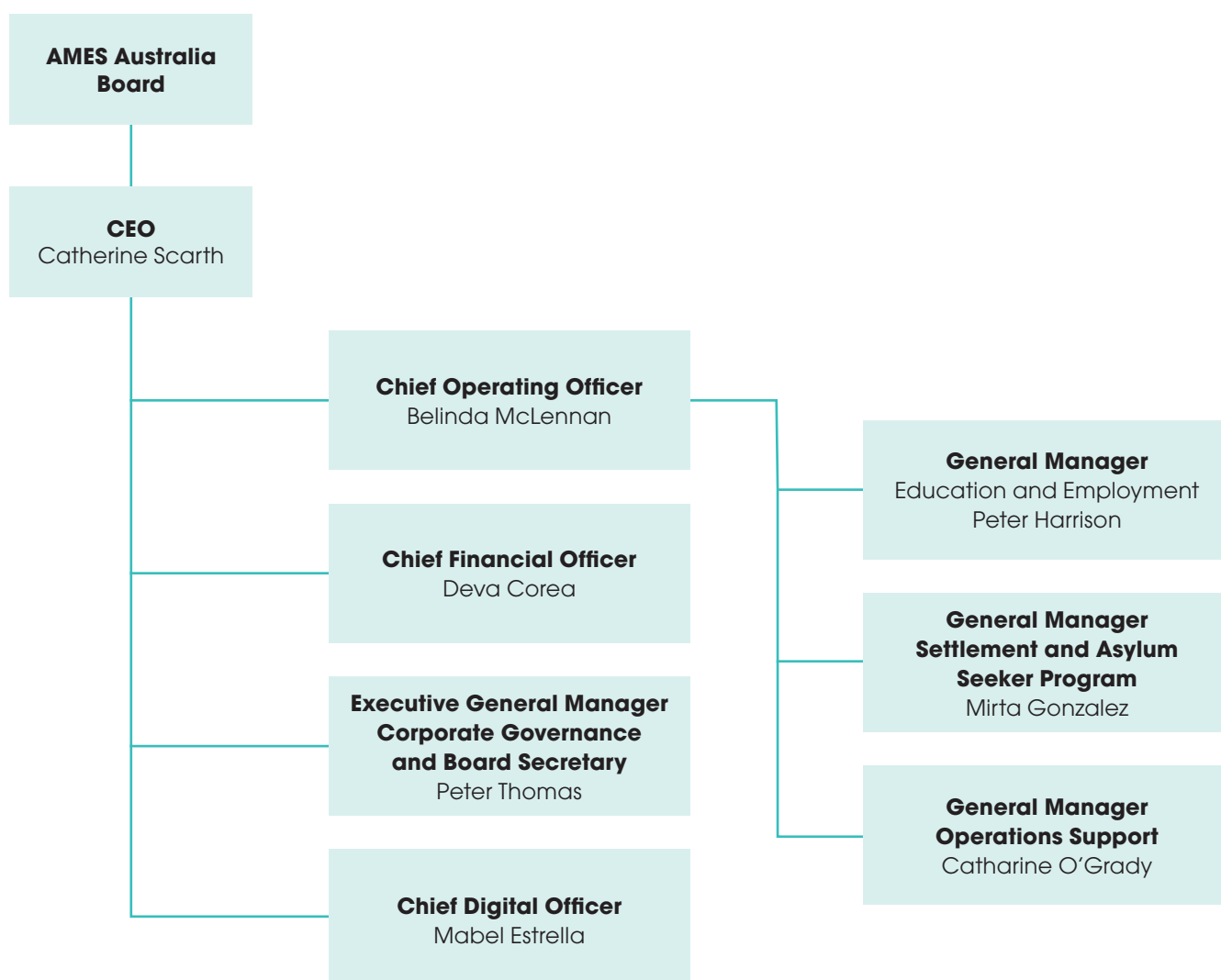
He taught himself English through reading newspapers and watching television and completed his VCE without family support in Australia. Hussain is now studying for a Bachelor's Degree in Radiation Therapy at Monash University.

Both recipients were motivated in their choice of career by a desire to give back to Australia, the country that offered them a safe haven and a chance at a new life.

On being awarded a scholarship Mr Rezaie said that he is keen to do something meaningful with his life and especially hopes to help cancer patients.

Ms Medawar said she wanted to help build Australia's vital infrastructure as a power engineer and that the scholarship will help her achieve that goal.

## Organisational Structure



## Executive Officers

Class	Description	Male	Female
EO	Total number of Executive Officers as at 30 June 2018	3	4
EO	Total number of Executive Officers who left during the financial year 2017-18	0	1
EO	Total number of Executive Officers reported as at 30 June 2017	3	5

EO does not include a statutory office holder or an accountable officer (AMES Australia CEO)

Head count and full-time staff equivalent (FTE) in the last full pay period in June 2018 and June 2017

	June 2018				June 2017									
	All employees	Ongoing	Max term and casual <sup>+</sup>		All employees	Ongoing	Max term and casual <sup>+</sup>							
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE		
Gender														
Male	270	224	108	13	118	149	107	288	248	82	10	89	196	159
Female	406	313	111	34	134	197	163	754	578	240	145	338	369	240
Self-described	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Age														
15-24	16	15	2	0	2	14	13	16	12	3	0	3	13	9
25-34	148	131	35	7	40	102	90	219	187	75	14	83	130	103
35-44	160	137	48	12	56	88	78	257	217	96	40	124	121	94
45-54	130	100	44	11	51	57	45	231	177	82	33	105	116	72
55-64	126	92	42	9	48	44	36	228	167	80	46	112	102	54
65+	31	12	2	1	3	10	4	73	43	12	25	28	36	14
Admin**														
1	0	0	0	0	0	0	0	71	28	0	0	0	71	28
2	230	181	61	19	73	150	108	269	231	106	43	131	120	100
3	158	152	48	14	58	96	93	214	200	99	30	120	85	80
4	44	42	24	3	26	17	16	71	67	42	12	51	17	16
5	39	38	16	2	18	21	20	56	53	38	8	44	10	9
6	20	20	12	1	13	7	6	29	29	20	2	22	7	7
7	1	1	1	0	1	0	0	0	0	0	0	0	0	0
Teaching***														
1-2	7	6	1	0	1	6	5	27	25	0	3	2	24	22
3-4	1	1	1	0	1	0	0	16	14	2	6	7	8	7
5-6	1	1	0	0	0	1	1	16	13	7	8	12	1	1
7-8	2	2	1	0	1	1	1	16	13	7	9	13	0	0
9	12	11	8	1	9	3	3	65	56	27	37	55	1	1
VET Trainer	1	1	0	0	0	1	1	5	4	0	0	0	5	4
Sessional	83	21	0	0	0	0	0	156	60	0	0	0	156	60
Executives#	8	8	0	0	0	8	8	9	9	0	0	0	9	9
Other	4	3	0	0	0	4	3	4	2	0	0	0	4	2
<b>Total employees</b>	<b>611</b>	<b>487</b>	<b>173</b>	<b>40</b>	<b>200</b>	<b>315</b>	<b>265</b>	<b>1024</b>	<b>804</b>	<b>348</b>	<b>158</b>	<b>457</b>	<b>518</b>	<b>346</b>

<sup>+</sup>Excluding Sessional

<sup>\*\*</sup>Admin grades in accordance with the AMES Australia Administrative Staff Agreement

<sup>\*\*\*</sup>Teaching grades in accordance with the AMES Australia Teachers Enterprise Agreement

<sup>#</sup>Executives include the CEO

Note that there could be a discrepancy of 1 to 2 FTE due to rounding off of figures

## Work Health and Safety

### WH&S Management System and Committees

Throughout 2017–18 work continued on embedding the Work Health Safety Management Systems (WHSMS). A comprehensive review of the AMES Australia's WHSMS was undertaken by an external provider to ensure alignment and consistency with the Australian Standard for Occupational Health and Safety Management Systems (AS/NZS 4801:2001), which changed to ISO 45001 in March 2018.

One pillar of the WHSMS is Emergency Management. This will be the focus for AMES Australia throughout 2018. Training and development assistance will be provided to sites to create, refine and monitor their local area responses to emergencies.

### Work Health & Safety (WH&S) Committees and Support

Terms of Reference (TOR) were reviewed for WH&S Committees, resulting in four Regional WH&S.

Committees which operate in West Victoria, Victoria, New South Wales and South Australia. The Committees continue to meet quarterly, enhancing consultation and collaboration in relation to Work Health and Safety issues.

The Safety and Wellbeing Return to Work Coordinator and HR Business Partners continue to work together as part of the early intervention practice. This includes providing interventions, assistance and supporting injured and long-term sick employees to return to work as effectively as possible.

AMES Australia continues to provide a health and wellbeing program, to support staff physical and mental fitness. Staff vaccinations were again provided in March–May 2018 to approximately 200 staff across sites.

### WorkSafe Visits

Location		Legislation / Standard	Outcome
Footscray	Site visit following service request from staff onsite related to security in the reception area	<i>Section 21(1) OHS Act 2004</i>	Improvement Notice (PIN) to be remedied by 14 December 2018.  An organisation wide assessment in progress.
Little Collins St Melbourne	Site visit following an allegation of workplace bullying reported by an employee	<i>Section 99(a)(b) OHS Act 2004</i>	The attending Inspectors were impressed with AMES Australia response and documentation provided on the day, which resulted in Inspectors asking if Work Safe could use AMES Australia as a case study. No further action recommended.

### Notifiable Incidents

Little Collins St Melbourne	Report of notifiable incident debris falling from structure.	<i>Section 21(1) OHS Act 2004</i>	Site visit to ensure safe work site, remedial work undertaken.
South Australia	Report of notifiable incident SafeWork SA and Dept. Health Communicable disease reported (measles)	<i>34 &amp; 35 of the Work Health and Safety Regulations 2012 (SA), SafeWork SA</i>	Information provided to staff on site. SafeWork SA advised no further action required by employer.

### OH&S Incidents

84 Incidents were reported in 2017–18. Of these incidents, 47 (56%) were employee related.

The most commonly reported client and employee incidents related to:

- Aggressive/violent or inappropriate client behaviour (26; 31%)
- Client issues (personal health issues); (22; 26%)
- Slip, trip and falls on and outside of AMES Australia premises (9; 11%)
- Equipment/building fault (15; 18%)

There were zero workplace fatalities in 2017–18.

## Governance

### Lost Time Injury: New Incidents and WorkCover

There were 107 Lost Time Injury days (WorkCover) relating to two WorkCover claims during 2017–18.

Additionally, 1,786 (91%) of the Lost Time Injury days (WorkCover) related to three WorkCover claims that were accepted during or pre-dating the 2016–17 period.

There were three new claims made in 2017–18.

- two were accepted (one related to musculoskeletal injuries and disorders and one related to mental health/stress injuries)
- one was rejected (related to mental health/stress injuries)

### Occupational Incident and Injury Reporting

	2017-18	2016-17	2015-16
Total No. Incidents and injuries reported (employees & clients)	84	155	185
No. Incidents and injuries (employees only)	47	82	117
Lost Time Injuries (LTI) Days (non-WorkCover)	1.76	16.3	1.5
Work Cover Claims Open (Active)	6 (7)	4 (7)	5(10)
LTI Days (WorkCover)	1,893	1,057	1,061
Total WorkCover cost (lost time and medical expenses)	\$489,231	\$368,010	\$386,289

### Public Employment Information Framework and Directions

AMES Australia policies, procedures and processes comply with the public-sector employment principles as per the *Public Administration Act 2004* and Industrial Relations Victoria Guidelines. AMES Australia employment policies and procedures are based on the principles of relevant employment legislation, merit, relevant awards, statutory requirements and best-practice public sector approaches.

### Disability Action Plan

Throughout 2017–18, AMES Australia continued to maintain a 'Diversity at AMES Australia' intranet page to provide AMES Australia staff with an information portal which includes the Disability Action Plan, contact information for Disability Support Groups, information on AMES Australia Disability Consultative Committee (agendas and minutes) and an opportunity for staff to provide feedback or information to the Committee.

### Office-based Environmental Impacts

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

- Adopting environmentally sustainable practices and performance criteria in all purchasing and procurement
- Building environmental sustainability into policies, programs, regulations, investments and budgets
- Reducing resource consumption and waste generation
- Striving for AMES Australia major events to be sustainability friendly
- Improving energy efficiency

AMES Australia remains committed to its greening program with recycling of mobile phones, batteries, shredded paper, toners, purchasing of carbon neutral paper and encouraging best environmental practices at all centres.

## Energy Consumption

Indicator	2017-18	2016-17
Electricity Usage (MJ)	9,744,296	13,973,418
Natural Gas Usage (MJ)	889,274.72	1,114,014
Total greenhouse gas emissions from energy consumption (tonnes CO <sub>2</sub> -e)	65,064.46	65,738.82
Percentage of electricity purchased as Green Power	0%	0%
Electricity used per FTE (MJ/FTE)	5,674	*
Natural Gas used per FTE (MJ/FTE)	7,600	*

Note: The data represented above was collected through energy retailer billing information. Electricity data represents 98% of the overall consumption. Natural gas data represents approximately 24% of the overall consumption due to other billing information forwarded to the landlords. Natural gas costings were incorporated into the rental outgoings. In 2017-18 FTE (Electricity: 477, Natural Gas:117) calculated relative to sites included.

\* Data not available /not reported last financial year.

AMES Australia is continuing to develop systems to collect data more comprehensively and account for more sites.

## Paper Consumption

Indicator	2017-18	2016-17
Total units of A4 equivalent copy paper used (reams)	7,410	11,720
Units of A4 equivalent copy paper used per FTE (reams/FTE)	15.2	14.5
Carbon neutral 20% recycled content	100%	100%

Note: Paper consumption data represents 100% of office sites. FTE in 2017-18 is 487 and 804 in 2016-17.

## Water Consumption

Indicator	2017-18	2016-17
Total water consumption (kilolitres)	9077	5201
Units of office water used per FTE (kilolitres/FTE)	55	*
Units of office water used per office area (kilolitres/m <sup>2</sup> )	1.27	*

Note: The data represented above was collected through water billing information. This represents approximately 34% of the overall water consumption due to other billing information forwarded to the landlords. Water costings were incorporated into the rental outgoings. In 2017-18, FTE (165) and Office area (7143m<sup>2</sup>) were calculated relative to sites included.

\* Data not available /not reported last financial year.

AMES Australia is continuing to develop systems to collect data more comprehensively and account for more sites.

## Transportation

Indicator	2017-18	2016-17
Total energy consumption by fleet vehicles (litres)	45,198.68	62,099.24
Total distance travelled by fleet vehicles (km)	331,844	543,512
Total greenhouse gas emissions from fleet vehicles (tonnes CO <sub>2</sub> -e)	110.8	156.5
Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO <sub>2</sub> -e)	3.34	2.88

Note: Transportation data represents 100% of petrol fueled vehicle fleet. 1 Hybrid car used in 2016-17 only.

### Other Legislative Compliance

#### Ethical Standards

AMES Australia has adopted 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 have been established to provide guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within AMES Australia.

Unacceptable behaviour and serious misconduct in the workplace that are inconsistent with AMES Australia values, Code of Conduct and other relevant policies and procedures are dealt with in accordance with AMES Australia's Disciplinary / Performance Policy.

An employee suspecting that a breach has occurred or will occur is encouraged to report to the Protected Disclosure Coordinator or HR Services. No employee will be disadvantaged or prejudiced if he or she reports in good faith. All reports will be acted upon and kept confidential.

#### Protected Disclosure Act 2012

AMES Australia has appointed a Protected Disclosure Coordinator and established procedures in accordance with the *Protected Disclosure Act 2012*. Guidelines are applicable to all AMES Australia personnel.

Information about protected disclosure is available on the AMES Australia internet site ([https://www.ames.net.au/about/corporate\\_documents](https://www.ames.net.au/about/corporate_documents)). The procedure advises how to make a disclosure and includes contact details for the AMES Australia Protected Disclosure Coordinator and the Independent Broad-based Anti-Corruption Commission (IBAC).

As at 30 June 2018, AMES Australia had not received any disclosures under the *Protected Disclosure Act 2012*.

#### Freedom of Information

Four requests were received during the reporting period under the *Freedom of Information Act 1982*.

AMES Australia has a detailed policy and accompanying procedures on the application of the *Freedom of Information Act 1982*. Enquiries and requests for information should be addressed to:

- Freedom of Information Principal Officer  
Email: [FOI@ames.net.au](mailto:FOI@ames.net.au)

#### 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 within government-funded programs.

The current fees and charges schedule is available on the AMES Australia internet (<https://www.ames.net.au/students/fees>).

#### Major External Review

During the reporting period, no major external reviews were conducted.

#### Competitive Neutrality Policy

AMES Australia costing models comply with National Competitive Neutrality principles.

#### Overseas Trips

There was only one overseas trip, to Geneva Switzerland. AMES Australia complies with the Victorian Public-Sector Travel Principles.

#### 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 (e.g. part time employment, job sharing, transition to retirement)
- Flexible work location (e.g. home based, multiple locations)
- 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.

#### Additional Information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by AMES Australia and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

Details of -

- Declarations of pecuniary interests
- Publications produced by AMES Australia and where such publications can be obtained
- Changes in prices, fees, charges, rates and levies
- Major promotional, public relations and marketing activities undertaken to develop community
- Overseas visits taken
- Major committees sponsored by AMES Australia, the purposes of each committee and the extent to which the purposes have been achieved
- Consultancies

Details of the above are available on request from: Freedom of Information Principal Officer  
Email: [FOI@ames.net.au](mailto:FOI@ames.net.au)



## Consultancies

There were six consultancies costing in excess of \$10,000 (exclusive of GST) during the reporting period ending 30 June 2018. Below is a summary of the projects involved.

Consultants	Summary of Project	Expenditure (ex GST)	Future Expenditure (ex GST)
Board Accord	Undertake a review of AMES Australia's Board.	\$11,000	-
Perfekt Pty Ltd	Provide an assessment of AMES Australia's IT infrastructure.	\$14,850	-
Corinne Armour Pty Ltd	Development of leadership program for AMES Australia executive team.	\$20,760	-
DXC Consulting Pty Ltd	Assessing of AMES Australia's compliance with Information Security Registered Assessors Program (IRAP) as a jobactive provider.	\$30,000	-
Nous Group Pty Ltd	Provision of AMES Australia's blueprint for culturally and linguistically diverse (CALD) community engagement in Victoria.	\$81,495	-
Grant Thornton Australia Ltd	Provide an analysis and review of AMES Australia's current operating model and front of house customer experience.	\$149,922	-

During the reporting period, AMES Australia engaged one consultant where the fee payable to each consultant was less than \$10,000 (exclusive of GST). The total cost of this project was \$7,500.

## Information and Communication Technology (ICT) Expenditure

Below is AMES Australia's ICT expenditure for the reporting period 2017-18.

All operational ICT expenditure Business as Usual (BAU)	ICT expenditure related to projects		
	Non-Business As Usual (non-BAU) ICT expenditure (Total=Operational expenditure and capital expenditure)	Operational expenditure	Capital expenditure
\$3,222,948	\$55,000	\$0	\$55,000

# Key Performance Outcomes and Measures 2017-2018

Indicator title	Description	2017-18 Target	2017-18 Actual	Explanation of variances	2016-17 Result
<b>Education</b>					
Accredited training delivery	Student Contact Hours (SEE, Skills First and AMEP)	833,000	1.25m	n/a	3.34m
	Certificate Completion Rate	82%	83%	n/a	Previously not included
	Course Completion Rate	90%	91%	n/a	Previously not included
Pre-accredited delivery	Student Contact Hours delivered	152,000	178,445	n/a	91,047
	Module Completion Rate – ACFE	57%	79%	n/a	Previously not included
Increased student satisfaction rates	Student satisfaction surveys	93%	78.6%	The loss of the majority of the AMEP contract resulted in the reduction of experienced teaching and administrative staff. This impacted on client enrolments and service delivery across sites.	93%
Increased participation in workplace and industry experience	Number of students in accredited courses with work or industry-based experience	300	205	Limited Skills First commencement approval from the Dept Education and Training for Early Childhood had a significant impact on Sem 1 enrolment in 2018.	700
<b>Settlement</b>					
Humanitarian Settlement Program	Number of clients referred by the Dept. Social Services (including clients who transitioned from HSS)	6,072	7,231	n/a	
Status Resolution Services	Number of clients referred by the Dept. Home Affairs	3,621	4,473	n/a	
<b>Employment</b>					
Sustainable employment outcomes	jobactive Number of Placements	9,500	8,832	Actual number of outcomes impacted by significant reduction on caseload over the year.	10,363
	Number of 26-week retention outcomes	3,536	3,313	Retention rate remained high, however actual number of outcomes impacted by significant reduction in caseload over the year.	3,611
<b>Research and Evaluation</b>					
Evidence based research and evaluation capability	Number of research and evaluation reports	3	4	n/a	4
<b>Organisational Governance</b>					
Financial sustainability	Liquidity available to meet expenses as they arise Working capital ratio	1.9:1	2.14:1	n/a	1.44:1
	Surplus / (deficit) before depreciation and excluding capital	(\$1.22m)	\$4.35m	Favorable variances versus projected from the operating divisions- Education, Employment and Settlement & Asylum Seeker Program.	(\$5.21m)
Revenue projection for 2017-18 financial year	Annual turnover AMES Australia total revenue	\$100.8m	\$103.14m	n/a	\$164.86m
Expenditure to budget reporting	Monthly Management reports	15th day of month	Met	n/a	Met
Annual Report submission, including audited financial statements	Annual Report information in accordance with the Dept. of Treasury and Finance Model Report. Tabling timeline as advised by the Dept. Education and Training.	Met		n/a	Met

## Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

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### **AMES Australia Financial Management Compliance Attestation Statement**

I, Stuart Crosby, on behalf of the Responsible Body, certify that AMES Australia has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**Stuart Crosby**

AMES Australia Board Chair  
27 August 2018

# Five Year Financial Summary

## AMES Australia five year financial summary

Financial summary	12 months	12 months	12 months	18 months	12 months
	30 June	30 June	30 June	30 June	31 December
	2018	2017	2016	2015	2013
	\$000	\$000	\$000	\$000	\$000
Total income from transactions	103,141	164,864	171,035	271,518	191,428
Total expenses from transactions	(100,495)	(170,175)	(167,083)	(261,959)	(188,526)
Net result from transactions	2,646	(5,311)	3,952	9,559	2,902
Net result for the period	2,712	(6,866)	3,528	8,914	3,301
Net cash flow from/(used in) operating activities	(8,266)	4,458	10,824	2,953	8,139
Total assets	65,350	83,518	78,348	68,657	59,456
Total liabilities	18,515	39,395	35,714	29,551	29,264

The financial statements for AMES Australia incorporate the assets, liabilities and results of its subsidiary entity - Connect Settlement Services Pty Ltd. AMES Australia holds the right to control with 50 per cent ownership of Connect Settlement Services Pty Ltd.

The financial year 2017-18 was the first year of delivery after the loss of a major part of the Adult Migrant Education Program (AMEP) contract in Education Services. The delivery of the Humanitarian Settlement Services (HSS) contract ceased on 30 October 2017 which was replaced by the Humanitarian Settlement Program (HSP) commencing from 31 October 2017. AMES Australia successfully tendered and retained service delivery for whole of Victoria and was also awarded to deliver services for the whole of South Australia and Tasmania.

In the year ended 30 June 2018, AMES Australia reported a surplus of \$2.712 million (consolidated result and for the entity). Connect Settlement Services Pty Ltd activities were significantly less than the previous year. AMES Australia's reported a significant reduction in revenue, \$103.141 million compared to \$164.8 million in 2016-17, largely due to the loss of a major portion of the AMEP contract.

During the year, AMES Australia continued to contribute towards Community Investments through its engagement in Social Enterprises and the Multicultural Hub.

A complete set of the audited accounts with notes is available in the AMES Australia Annual Report 2017-2018 or on our website: [www.ames.net.au](http://www.ames.net.au).

# Acronyms

<b>ACP</b>	AMES Client Pathway
<b>ACFE</b>	Adult Community and Further Education
<b>ACSF</b>	Australian Core Skills Framework
<b>AFLN</b>	AMEP Flexible Learning Network
<b>AMEP</b>	Adult Migrant English Program
<b>APO</b>	Approved Processing Organisation
<b>ATCR</b>	Annual Tripartite Consultation on Resettlement
<b>BVE</b>	Bridging Visa E
<b>CALD</b>	Culturally and Linguistically Diverse
<b>CCS</b>	Complex Case Support
<b>CMY</b>	Centre for Multicultural Youth
<b>CPP</b>	Community Proposal Pilot
<b>CSS</b>	Connect Settlement Services
<b>DET</b>	Department of Education and Training
<b>DIBP</b>	Department of Immigration and Border Protection
<b>DOHA</b>	Department of Home Affairs
<b>DSS</b>	Department of Social Services
<b>FECCA</b>	Federation of Ethnic Communities Councils of Australia
<b>FTE</b>	Full time Equivalent
<b>HSS</b>	Humanitarian Settlement Services
<b>HSP</b>	Humanitarian Settlement Program
<b>IELTS</b>	International English Language Testing System
<b>MDA</b>	Multicultural Development Association
<b>MRC</b>	Migrant Resource Centre
<b>PVAW</b>	Prevention of Violence Against Women
<b>RTO</b>	Registered Training Organisation
<b>SASP</b>	Settlement and Asylum Seeker Programs
<b>SCH</b>	Student Contact Hour
<b>SEE</b>	Skills for Education and Employment Program
<b>SHP</b>	Special Humanitarian Program
<b>SLPET</b>	Settlement Language Pathways to Employment / Training
<b>SPMP</b>	Skilled Professional Migrant Program
<b>SRSS</b>	Status Resolution Support Services
<b>TAFE</b>	Technical and Further Education
<b>UN</b>	United Nations
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>VET</b>	Vocational Education and Training
<b>VIO</b>	Volunteer Involving Organisation
<b>VMU</b>	Volunteer Management Unit
<b>VTSEP</b>	Volunteer Tutor Scheme Enhancement Program
<b>VTG</b>	Victorian Training Guarantee
<b>VTP</b>	Volunteer Tutor Program
<b>WHS</b>	Work Health and Safety

# Disclosure Index

Legislation	Requirement	Page reference
<i>Ministerial Directions &amp; Financial Reporting Directions</i>		
<i>Report of operations</i>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	Part A page 22
FRD 22H	Purpose, functions, powers and duties	Part A page 2 and 22
FRD 8D	Departmental objectives, indicators and outputs	Part A page 2 and 31
FRD 22H	Key initiatives and projects	Part A page 2, 5–19
FRD 22H	Nature and range of services provided	Part A page 2, 5–16
<b>Management and structure</b>		
FRD 22H	Organisational structure	Part A page 24
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	Part A page 31
FRD 8D	Budget portfolio outcomes	Nil report
FRD 10A	Disclosure index	Part A page 35
FRD 12B	Disclosure of major contracts	N/A
FRD 15E	Executive officer disclosures	Part A page 24
FRD 22H	Employment and conduct principles	Part A page 29
FRD 22H	Occupational health and safety policy	Part A page 26–27
FRD 22H	Summary of the financial results for the year	Part A page 33
FRD 22H	Significant changes in financial position during the year	Part A page 31 and 33
FRD 22H	Major changes or factors affecting performance	Part A page 31 and 33 Part B page 5–7
FRD 22H	Subsequent events	Part B page 51
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	Part A page 29
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Part A page 21
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FRD 22H	Disclosure of government advertising expenditure	Nil report
FRD 22H	Disclosure of ICT expenditure	Part A page 30
FRD 22H	Statement of availability of other information	Part A page 29
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<i>Carers Recognition Act 2012</i>		Part A page 29
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# Part B

## Financial Statements

AMES Australia Consolidated Annual Financial Report for the Year ended 30 June 2018 *(Page 1-55)*

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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CONSOLIDATED ANNUAL FINANCIAL REPORT  
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The financial report was authorised for issue by the Board members on 27 August 2018. AMES Australia has the power to amend and reissue the financial report.

# Independent Auditor's Report

## To the Board of AMES Australia

<p><b>Opinion</b></p>	<p>I have audited the consolidated financial report of AMES Australia (the authority) and its controlled entity (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>consolidated entity and authority balance sheet as at 30 June 2018</li> <li>consolidated entity and authority comprehensive operating statement for the year then ended</li> <li>consolidated entity and authority statement of changes in equity for the year then ended</li> <li>consolidated entity and authority cash flow statement for the year then ended</li> <li>notes to the financial statements, including significant accounting policies</li> <li>declaration by board chair, chief executive officer and chief finance officer.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the authority as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Direction 5.2 of the Standing Directions of the Minister for Finance under the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Board's responsibilities for the financial report</b></p>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority and the consolidated 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.</p>

---

**Auditor's responsibilities for the audit of the financial report**

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority and the consolidated 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 authority and the consolidated 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 authority and the consolidated 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 authority and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the authority and 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.

---



Charlotte Jeffries

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
29 August 2018

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**DECLARATION BY 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 Minister for Finance 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 2018 and financial position of the organisation as at 30 June 2018.

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 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.

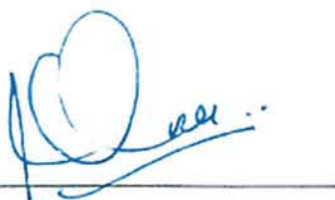
We authorise the attached financial statements for issue on 27 August 2018.



Stuart Crosby  
Board Chair  
Melbourne  
27 August 2018



Catherine Scarth  
Chief Executive Officer  
Melbourne  
27 August 2018



Deva Corea  
Chief Finance Officer  
Melbourne  
27 August 2018

**AMES AUSTRALIA**  
**CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	Notes	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
<b>Income from transactions</b>					
Government contributions - operating	2.2.1	8,072	5,098	8,072	5,098
Sales of goods and services	2.2.2	93,360	172,014	93,013	157,263
Interest income	2.2.3	455	607	448	547
Other income	2.2.4	1,881	2,680	1,608	1,956
<b>Total income from transactions</b>		<b>103,768</b>	<b>180,399</b>	<b>103,141</b>	<b>164,864</b>
<b>Expenses from transactions</b>					
Employee expenses	3.1.1	41,337	86,361	41,084	78,657
Depreciation and amortisation	4.1.1	1,637	1,657	1,637	1,657
Supplies and services	3.2	30,751	68,972	30,710	66,493
Other operating expenses	3.2	27,397	28,720	27,064	23,368
<b>Total expenses from transactions</b>		<b>101,122</b>	<b>185,710</b>	<b>100,495</b>	<b>170,175</b>
<b>Net results from transactions (net operating balance)</b>		<b>2,646</b>	<b>(5,311)</b>	<b>2,646</b>	<b>(5,311)</b>
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	8.2	73	(2,019)	73	(2,019)
Other gains/(losses) from other economic flows	8.2	(7)	464	(7)	464
<b>Total other economic flows included in net result</b>		<b>66</b>	<b>(1,555)</b>	<b>66</b>	<b>(1,555)</b>
<b>Net result</b>		<b>2,712</b>	<b>(6,866)</b>	<b>2,712</b>	<b>(6,866)</b>
<b>Other economic flows – other comprehensive income:</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in physical asset revaluation surplus		-	8,355	-	8,355
<b>Comprehensive result</b>		<b>2,712</b>	<b>1,489</b>	<b>2,712</b>	<b>1,489</b>

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

**AMES AUSTRALIA  
CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2018**

	Notes	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	6.1	15,255	32,743	14,809	32,319
Receivables	5.1	8,815	16,843	8,831	16,924
Investment and other financial assets	4.2	12,200	3,200	12,200	3,200
<b>Total financial assets</b>		<b>36,270</b>	<b>52,786</b>	<b>35,840</b>	<b>52,443</b>
<b>Non-financial assets</b>					
Other non-financial assets	5.2	847	1,109	844	1,089
Property, plant and equipment	4.1	28,666	29,986	28,666	29,986
<b>Total non-financial assets</b>		<b>29,513</b>	<b>31,095</b>	<b>29,510</b>	<b>31,075</b>
<b>Total assets</b>		<b>65,783</b>	<b>83,881</b>	<b>65,350</b>	<b>83,518</b>
<b>Liabilities</b>					
Payables	5.3	6,914	21,993	6,481	21,638
Other liabilities	5.4	4,385	4,064	4,385	4,064
Employee related provisions	3.1.2	7,076	12,994	7,076	12,986
Other provisions	5.5	573	707	573	707
<b>Total liabilities</b>		<b>18,948</b>	<b>39,758</b>	<b>18,515</b>	<b>39,395</b>
<b>Net assets</b>		<b>46,835</b>	<b>44,123</b>	<b>46,835</b>	<b>44,123</b>
<b>Equity</b>					
Accumulated surplus		13,057	10,345	13,057	10,345
Reserves		10,872	10,872	10,872	10,872
Contributed capital		22,906	22,906	22,906	22,906
<b>Net worth</b>		<b>46,835</b>	<b>44,123</b>	<b>46,835</b>	<b>44,123</b>

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 2018**

	Notes	Reserves	Accumulated surplus/ (deficit)	Contributed capital	Total
<i>Consolidated</i>		\$000	\$000	\$000	\$000
Balance at 1 July 2016		2,517	17,211	22,906	42,634
Net result for the year		-	(6,866)	-	(6,866)
Other comprehensive income for the year		8,355	-	-	8,355
Balance at 30 June 2017		10,872	10,345	22,906	44,123
Net result for the year		-	2,712	-	2,712
Other comprehensive income for the year		-	-	-	-
<b>Balance at 30 June 2018</b>		<b>10,872</b>	<b>13,057</b>	<b>22,906</b>	<b>46,835</b>

	Notes	Reserves	Accumulated surplus/ (deficit)	Contributed capital	Total
<i>AMES Australia</i>		\$000	\$000	\$000	\$000
Balance at 1 July 2016		2,517	17,211	22,906	42,634
Net result for the year		-	(6,866)	-	(6,866)
Other comprehensive income for the year		8,355	-	-	8,355
Balance at 30 June 2017		10,872	10,345	22,906	44,123
Net result for the year		-	2,712	-	2,712
Other comprehensive income for the year		-	-	-	-
<b>Balance at 30 June 2018</b>		<b>10,872</b>	<b>13,057</b>	<b>22,906</b>	<b>46,835</b>

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

**AMES AUSTRALIA**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	Notes	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
<b>Cash flow from operating activities</b>					
<b>Receipts</b>					
Government contributions – operating	2.2.1	8,072	5,098	8,072	5,098
User fees and charges received		113,593	196,298	113,028	179,551
Interest received		415	635	408	575
<b>Total receipts</b>		<b>122,080</b>	<b>202,031</b>	<b>121,508</b>	<b>185,224</b>
<b>Payments</b>					
Payments to suppliers and employees		(126,282)	(188,657)	(125,736)	(173,264)
Net goods and services tax paid to the ATO		(4,042)	(8,492)	(4,038)	(7,502)
<b>Total payments</b>		<b>(130,324)</b>	<b>(197,149)</b>	<b>(129,774)</b>	<b>(180,766)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.1.1	<b>(8,244)</b>	<b>4,882</b>	<b>(8,266)</b>	<b>4,458</b>
<b>Cash flows from investing activities</b>					
Payments for investments		(9,000)	(8,400)	(9,000)	(8,400)
Proceeds from investments		-	29,200	-	29,200
Purchase of non-financial assets		(405)	(2,915)	(405)	(2,915)
Proceeds from sale of non-financial assets	8.2	161	152	161	152
<b>Net cash flows from/(used in) investing activities</b>		<b>(9,244)</b>	<b>18,037</b>	<b>(9,244)</b>	<b>18,037</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17,488)</b>	<b>22,919</b>	<b>(17,510)</b>	<b>22,495</b>
Cash and cash equivalents at beginning of financial year		32,743	9,824	32,319	9,824
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>15,255</b>	<b>32,743</b>	<b>14,809</b>	<b>32,319</b>

The above 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 2018

## 1. ABOUT THIS REPORT

AMES Australia is an autonomous Adult Education Institution, accountable to the Victorian Minister for Training and Skills. It is governed by a Board established under the *Education and Training Reform Act 2006*.

Its principal address is:

AMES Australia  
255 William Street  
Melbourne VIC 3000

### Basis of preparation

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

These financial statements are presented in Australian dollars, the functional and presentation currency of AMES Australia, and have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

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

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

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:

Connect Settlement Services Pty Ltd

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In preparing consolidated financial statements for the AMES Australia, all material transactions and balances between consolidated entities are eliminated.

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. ABOUT THIS REPORT (continued)**

**Compliance Information**

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

Where appropriate, those AAS paragraphs applicable to not-for-profit (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 2018**

**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.

**Structure**

2.1	Summary of income that funds the delivery of services	.....10
2.2	Income from transactions	.....10

**2.1 Summary of income that funds the delivery of services**

	Notes	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
Government contributions	2.2.1	8,072	5,098	8,072	5,098
Sales of goods and services	2.2.2	93,360	172,014	93,013	157,263
Interest income	2.2.3	455	607	448	547
Other income	2.2.4	1,881	2,680	1,608	1,956
<b>Total income from transactions</b>		<b>103,768</b>	<b>180,399</b>	<b>103,141</b>	<b>164,864</b>

Income except for government contributions is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value. Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes.

**2.2 Income from transactions**

**2.2.1 Government contributions**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Government contributions – operating</b>				
Commonwealth/state government specific funded programs	8,072	5,098	8,072	5,098
<b>Total government contributions</b>	<b>8,072</b>	<b>5,098</b>	<b>8,072</b>	<b>5,098</b>

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**2. FUNDING DELIVERY OF OUR SERVICES (continued)**

**2.2.2 Sale of goods and services**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
Student fees and charges	56	239	56	239
Fee for service – Government	87,495	166,656	87,087	151,266
Fee for service - Other	5,539	4,838	5,600	5,477
<b>Other non-course fees and charges</b>				
Sale of goods	270	281	270	281
<b>Total fees and charges</b>	<b>93,360</b>	<b>172,014</b>	<b>93,013</b>	<b>157,263</b>

**(i) Student fees and charges**

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

**(ii) Fee for service**

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

**(iii) Revenue from sale of goods**

Revenue from sale of goods is recognised by AMES Australia when:

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

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**2. FUNDING DELIVERY OF OUR SERVICES (continued)**

**2.2.3 Interest income**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
Interest on bank deposits	223	189	216	129
Interest on deposits – at call with Treasury Corporation Victoria (TCV)	232	418	232	418
<b>Total interest income</b>	<b>455</b>	<b>607</b>	<b>448</b>	<b>547</b>

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

**2.2.4 Other income**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
Rental revenue	725	586	725	586
Other revenue	1,156	2,094	883	1,370
<b>Total other income</b>	<b>1,881</b>	<b>2,680</b>	<b>1,608</b>	<b>1,956</b>

**(i) Rental revenue**

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

**(ii) Other revenue**

Other revenue includes donations and client contributions. Donations are recognised when received and the amount can be measured reliably.

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**3. THE COST OF DELIVERING SERVICES**

**Introduction**

This section accounts for the major components of expenditure incurred by the organisation towards the operating activities (expenses from transactions) and on capital projects during the year, as well as any related obligations outstanding as at 30 June 2018.

**Structure**

3.1	Expenses incurred in the delivery of services	.....13
3.2	Supplies and services / Other operating expenses	.....18

**3.1 Expenses incurred in the delivery of services**

	Notes	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
Employee expenses	3.1.1	41,337	86,361	41,084	78,657
Supplies and services	3.2	30,751	68,972	30,710	66,493
Other operating expenses	3.2	27,397	28,720	27,064	23,368
<b>Total expenses incurred in the delivery of services</b>		<b>99,485</b>	<b>184,053</b>	<b>98,858</b>	<b>168,518</b>

**3.1.1 Employee expenses**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
Salaries, wages, overtime and allowances, annual leave and long service leave	34,612	68,144	34,359	60,466
Superannuation	3,339	5,645	3,339	5,633
Payroll tax	1,997	3,150	1,997	3,143
Worker's compensation	400	514	400	507
Termination benefits	859	8,637	859	8,637
Other salary related costs	130	271	130	271
<b>Total employee expenses</b>	<b>41,337</b>	<b>86,361</b>	<b>41,084</b>	<b>78,657</b>

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

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**3. THE COST OF DELIVERING SERVICES (continued)**

**3.1.1 Employee expenses (continued)**

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 deferred liabilities in respect of the plan(s) 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. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its finance report.

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.

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**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
	2018	2017	2018	2017
<b>Current provisions expected to be settled within 12 months:</b>				
Annual leave	2,601	4,264	2,601	4,256
Long service leave	283	634	283	634
Performance payments	121	121	121	121
<b>Total current provisions expected to be settled within 12 months</b>	<b>3,005</b>	<b>5,019</b>	<b>3,005</b>	<b>5,011</b>
<b>Current provisions expected to be settled after 12 months:</b>				
Annual leave	309	539	309	539
Long service leave	2,660	5,855	2,660	5,855
<b>Total current provisions expected to be settled after 12 months</b>	<b>2,969</b>	<b>6,394</b>	<b>2,969</b>	<b>6,394</b>
<b>Non-currents provisions:</b>				
Long service leave	1,102	1,581	1,102	1,581
<b>Total non-current provisions</b>	<b>1,102</b>	<b>1,581</b>	<b>1,102</b>	<b>1,581</b>
<b>Total provisions for employee benefits</b>	<b>7,076</b>	<b>12,994</b>	<b>7,076</b>	<b>12,986</b>

**Movements in employee provisions**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
Carrying amount at start of year	12,986	12,352	12,986	12,352
Additional provisions recognised	1,037	5,235	1,046	5,214
Amounts used	(6,947)	(4,593)	(6,956)	(4,580)
<b>Carrying amount at end of year</b>	<b>7,076</b>	<b>12,994</b>	<b>7,076</b>	<b>12,986</b>

**(i) Wages and salaries and annual 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.



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**3. THE COST OF DELIVERING SERVICES (continued)**

**(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; and
- 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).

**Employee benefits on-costs**

Provision for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision of employee benefits.

**Performance payments**

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

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**3. THE COST OF DELIVERING SERVICES**

**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.

**Retirement benefit obligations**

**(i) Defined contribution plan**

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

**(ii) Defined benefit plans**

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement AMES Australia.

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

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Paid contribution for the year:</b>				
<b>Defined benefit plans -</b>				
State Superannuation Fund	55	221	55	221
<b>Defined contribution plans –</b>				
VicSuper	2,739	3,038	2,739	3,026
Other	224	1,880	224	1,880
<b>Total paid contribution for the year</b>	<b>3,018</b>	<b>5,139</b>	<b>3,018</b>	<b>5,127</b>
<b>Contribution outstanding at year end (paid the following month)</b>	<b>321</b>	<b>506</b>	<b>321</b>	<b>506</b>
<b>Total superannuation expense recognised in the comprehensive operating statement</b>	<b>3,339</b>	<b>5,645</b>	<b>3,339</b>	<b>5,633</b>

The basis for contributions are determined by the various schemes.

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**3. THE COST OF DELIVERING SERVICES (continued)**

**3.2 Supplies and services / Other operating expenses**

	Notes	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
<b>Supplies and services</b>					
Purchases of supplies and consumables		517	970	519	881
Communication expenses		972	1,728	981	1,187
Contract and other services		2,052	2,296	2,052	2,085
Building repairs and maintenance		941	968	941	959
Minor equipment		267	471	267	413
Fees and charges		26,002	62,539	25,950	60,968
<b>Total supplies and services</b>		<b>30,751</b>	<b>68,972</b>	<b>30,710</b>	<b>66,493</b>
<b>Other operating expenses</b>					
<b>General expenses</b>					
Marketing and promotional expenses		371	606	371	597
Occupancy expenses		967	1,079	964	1,046
Audit fees and services	8.7	31	51	31	31
Staff development		135	433	135	417
Travel and motor vehicle expenses		642	3,498	631	567
Other expenses		524	1,619	258	451
<b>Subtotal general expenses</b>		<b>2,670</b>	<b>7,286</b>	<b>2,390</b>	<b>3,109</b>
<b>Operating lease expenses</b>					
Minimum lease payments		5,747	8,051	5,721	6,986
Venue hire and equipment rentals		64	185	64	184
<b>Subtotal operating lease expenses</b>		<b>5,811</b>	<b>8,236</b>	<b>5,785</b>	<b>7,170</b>
<b>Other expenses</b>					
Job network clients related expenses		5,912	4,046	5,912	4,045
Asylum seeker clients related expenses		12,943	9,080	12,916	8,972
Cost of goods sold/distributed (ancillary trading)		61	72	61	72
<b>Subtotal other expenses</b>		<b>18,916</b>	<b>13,198</b>	<b>18,889</b>	<b>13,089</b>
<b>Total other operating expenses</b>		<b>27,397</b>	<b>28,720</b>	<b>27,064</b>	<b>23,368</b>

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.

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**3. THE COST OF DELIVERING SERVICES (continued)**

**Leases**

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

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

**Operating leases**

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

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**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 7.4 in connection with how those fair values were determined.

**Structure**

4.1	Total property, plant and equipment	.....20
4.2	Investment and other financial assets	.....24

**4.1 Total property, plant and equipment**

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	\$000		\$000		\$000	
	AMES Australia / Consolidated		AMES Australia / Consolidated		AMES Australia / Consolidated	
	2018	2017	2018	2017	2018	2017
Land at fair value	8,450	8,450	-	-	8,450	8,450
Buildings at fair value	17,593	17,593	(600)	-	16,993	17,593
Building improvements	1,078	1,020	(101)	(33)	977	987
Leasehold improvements at fair value	4,013	3,980	(2,883)	(2,474)	1,130	1,506
Plant & equipment, computer equipment	2,940	2,879	(2,353)	(1,978)	587	901
Motor vehicles at fair value	979	1,052	(450)	(503)	529	549
<b>Net carrying amount</b>	<b>35,053</b>	<b>34,974</b>	<b>(6,387)</b>	<b>(4,988)</b>	<b>28,666</b>	<b>29,986</b>

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to AMES Australia and the cost of the item can be measured reliably. The cost of all other repairs and maintenance are charged to the comprehensive operating statement during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by AMES Australia to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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**4. MAJOR ASSETS AND INVESTMENTS (continue)**

**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 Minister for Finance. All 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.

Revaluation increases are credited directly to equity in the revaluation reserve, except to the extent that an increase reverses a revaluation decrease in respect of that class of property, plant and equipment, previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result. Revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

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

When revalued assets are sold, it is AMES Australia's policy to transfer the amounts included in other reserves in respect of these assets to accumulated funds.

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

An independent valuation of AMES' land and buildings was performed by Valuer-General Victoria. The effective date of the valuation was 30 June 2017. The fair value was determined on the basis of an active and liquid market and on a depreciated replacement cost.

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**4. MAJOR ASSETS AND INVESTMENTS**

**4.1.1 Depreciation, amortisation and impairment**

	AMES Australia / Consolidated	AMES Australia / Consolidated
	\$000	\$000
	2018	2017
<b>Depreciation of non-current assets</b>		
Buildings	600	393
Plant & equipment, computer equipment	375	482
Motor vehicles	176	213
<b>Total depreciation</b>	<b>1,151</b>	<b>1,088</b>
<b>Amortisation of non-current physical assets</b>		
Leasehold improvements	418	469
Building improvements	68	100
<b>Total depreciation and amortisation</b>	<b>1,637</b>	<b>1,657</b>

Depreciation is provided on property, plant and equipment, including freehold buildings, with a capitalised cost in excess of \$5,000 (2016/17: \$5,000). 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	Rate(s)
Buildings	2.0% - 12.50%
Building improvements	6.67%
Leasehold improvements	
• Long Term Lease – fit outs	6.67% - 7.50%
• Other Lease – fit outs	20.0% - 52.91%
Plant & equipment	6.67% - 20.0%
Computer equipment	25.0% - 33.33%
Motor vehicles	20.0%

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.

Leasehold improvements are amortised over the estimated useful life of the improvements using the straight-line method.

**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 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.

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**4. MAJOR ASSETS AND INVESTMENTS (continued)**

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

AMES Australia / Consolidated	Land		Buildings		Building improvements		Leasehold improvements		Plant & equipment, Computer equipment		Motor vehicles		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance	8,450	7,250	17,593	10,831	987	549	1,506	1,988	901	1,290	549	637	29,986	22,545
Additions	-	-	-	-	58	2,511	48	121	61	94	238	189	405	2,915
Impairment loss	-	-	-	-	-	(1,974)	-	-	-	-	-	-	-	(1,974)
Disposals	-	-	-	-	-	-	(6)	(135)	-	(1)	(82)	(62)	(88)	(198)
Revaluation	-	1,200	-	7,155	-	-	-	-	-	-	-	-	-	8,355
Depreciation	-	-	(600)	(393)	(68)	(100)	(418)	(469)	(375)	(482)	(176)	(213)	(1,637)	(1,657)
Closing balance	8,450	8,450	16,993	17,593	977	987	1,130	1,506	587	901	529	549	28,666	29,986

Note:  
Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation.



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**4. MAJOR ASSETS AND INVESTMENTS (continued)**

**4.2 Investment and other financial assets**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Term Deposits<sup>(a)</sup>:</b>				
Australian dollar term deposits > three months	12,200	3,200	12,200	3,200
<b>Total investments and other financial assets</b>	<b>12,200</b>	<b>3,200</b>	<b>12,200</b>	<b>3,200</b>

Note:

(a) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

# AMES AUSTRALIA

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### 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	.....25
5.2	Other non-financial assets	.....25
5.3	Payables	.....28
5.4	Other liabilities	.....29
5.5	Other provisions	.....30

#### 5.1 Receivables

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Current receivables</b>				
<b>Contractual</b>				
Trade receivables	2,052	3,079	2,241	3,241
Provision for doubtful debts	(2)	(2)	(2)	(2)
Revenue receivables	6,580	13,606	6,347	13,555
Other receivables	185	120	245	110
<b>Sub-total</b>	<b>8,815</b>	<b>16,803</b>	<b>8,831</b>	<b>16,904</b>
<b>Statutory</b>				
GST receivable	-	40	-	20
<b>Total current receivables</b>	<b>8,815</b>	<b>16,843</b>	<b>8,831</b>	<b>16,924</b>

Receivables consist of:

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

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments because they do not arise from a contract.

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**5. OTHER ASSETS AND LIABILITIES (continued)**

**Ageing analysis of financial assets**

<i>Consolidated</i>	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
			\$000	\$000	\$000	\$000
<b>2018</b>						
Trade receivables	2,050	1,836	211	-	3	-
Revenue receivables	6,580	6,580	-	-	-	-
Other receivables	185	151	-	-	34	-
<b>Total</b>	<b>8,815</b>	<b>8,567</b>	<b>211</b>	<b>-</b>	<b>37</b>	<b>-</b>
<b>2017</b>						
Trade receivables	3,077	2,836	236	5	-	-
Revenue receivables	13,606	13,606	-	-	-	-
Other receivables	120	81	-	-	39	-
<b>Total</b>	<b>16,803</b>	<b>16,523</b>	<b>236</b>	<b>5</b>	<b>39</b>	<b>-</b>

**Ageing analysis of financial assets**

<i>AMES Australia</i>	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
			\$000	\$000	\$000	\$000
<b>2018</b>						
Trade receivables	2,239	1,836	211	-	3	189
Revenue receivables	6,347	6,347	-	-	-	-
Other receivables	245	211	-	-	34	-
<b>Total</b>	<b>8,831</b>	<b>8,394</b>	<b>211</b>	<b>-</b>	<b>37</b>	<b>189</b>
<b>2017</b>						
Trade receivables	3,239	2,998	236	5	-	-
Revenue receivables	13,555	13,555	-	-	-	-
Other receivables	110	77	-	-	33	-
<b>Total</b>	<b>16,904</b>	<b>16,630</b>	<b>236</b>	<b>5</b>	<b>33</b>	<b>-</b>

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**5. OTHER ASSETS AND LIABILITIES (continued)**

**5.2 Other non-financial assets**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Current other assets</b>				
Prepayments	780	1,028	777	1,008
<b>Total current other assets</b>	<b>780</b>	<b>1,028</b>	<b>777</b>	<b>1,008</b>
<b>Non-current other assets</b>				
Inventories – Publications held for sale	67	81	67	81
<b>Total non-current other assets</b>	<b>67</b>	<b>81</b>	<b>67</b>	<b>81</b>
<b>Total non-financial assets</b>	<b>847</b>	<b>1,109</b>	<b>844</b>	<b>1,089</b>

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Inventories include goods and other property held either for sale or for distribution at a zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

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**5. OTHER ASSETS AND LIABILITIES (continued)**

**5.3 Payables**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Current payable</b>				
<b>Contractual</b>				
Supplies and services	5,195	11,584	4,761	11,229
Accrued salaries, wages and superannuation	1,167	9,604	1,167	9,604
<b>Sub-total</b>	<b>6,362</b>	<b>21,188</b>	<b>5,928</b>	<b>20,833</b>
<b>Statutory</b>				
Taxes payable	552	805	553	805
<b>Total current payables</b>	<b>6,914</b>	<b>21,993</b>	<b>6,481</b>	<b>21,638</b>

Payables consist of:

- contractual payables, such as accounts payable, and unearned income. 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, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost.

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

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**5. OTHER ASSETS AND LIABILITIES (continued)**

**Maturity analysis of financial liabilities**

<i>Consolidated</i>	Carrying amount	Nominal amount	Past due but not impaired				
			Less than 1 month	1 - 3 months	3 months – 1 year	1 – 5 years	5+ years
			\$000	\$000	\$000	\$000	\$000
<b>2018</b>							
Trade and other payables	6,362	6,362	6,010	144	-	208	-
<b>Total</b>	<b>6,362</b>	<b>6,362</b>	<b>6,010</b>	<b>144</b>	<b>-</b>	<b>208</b>	<b>-</b>
<b>2017</b>							
Trade and other payables	21,188	21,188	20,957	231	-	-	-
<b>Total</b>	<b>21,188</b>	<b>21,188</b>	<b>20,957</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>-</b>

<i>AMES Australia</i>	Carrying amount	Nominal amount	Past due but not impaired				
			Less than 1 month	1 - 3 months	3 months – 1 year	1 – 5 years	5+ years
			\$000	\$000	\$000	\$000	\$000
<b>2018</b>							
Trade and other payables	5,928	5,928	5,784	144	-	-	-
<b>Total</b>	<b>5,928</b>	<b>5,928</b>	<b>5,784</b>	<b>144</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017</b>							
Trade and other payables	20,833	20,833	20,602	231	-	-	-
<b>Total</b>	<b>20,833</b>	<b>20,833</b>	<b>20,602</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>-</b>

**5.4 Other liabilities**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
Revenue in advance	4,385	4,064	4,385	4,064
<b>Total other liabilities</b>	<b>4,385</b>	<b>4,064</b>	<b>4,385</b>	<b>4,064</b>

Any fees received by AMES Australia during the current financial year in respect of services to be provided in the following financial year are classified as liability and recognised as revenue received in advance.

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**5. OTHER ASSETS AND LIABILITIES (continued)**

**5.5 Other provisions**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Current provisions</b>				
Make-good provision	573	707	573	707
<b>Total other provisions</b>	<b>573</b>	<b>707</b>	<b>573</b>	<b>707</b>

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.

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**6. FINANCING OUR OPERATIONS**

**Introduction**

This section includes disclosures of balances that are financial instruments. Notes 7.1 and 7.4 provide additional, specific financial instrument disclosures.

**Structure**

6.1	Cash flow information and balances	.....31
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**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
	2018	2017	2018	2017
Total cash and deposits disclosed in the balance sheet	15,255	32,743	14,809	32,319
<b>Balance as per cash flow statement</b>	<b>15,255</b>	<b>32,743</b>	<b>14,809</b>	<b>32,319</b>

**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
	2018	2017	2018	2017
<b>Net result for the period</b>	<b>2,712</b>	<b>(6,866)</b>	<b>2,712</b>	<b>(6,866)</b>
<b>Non-cash movements:</b>				
Depreciation and amortisation of non-current assets	1,637	1,657	1,637	1,657
Net (gain)/loss of sale of non-current assets	(73)	2,019	(73)	2,019
<b>Total non-cash flows in operating result</b>	<b>1,564</b>	<b>3,676</b>	<b>1,564</b>	<b>3,676</b>
<b>Movements in assets and liabilities</b>				
Decrease/(increase) in trade receivables	8,027	4,269	8,091	4,189
Decrease/(increase) in inventories	14	5	14	5
Increase/(decrease) in other assets	248	(247)	231	(227)
Increase/(decrease) in payables	(14,756)	2,845	(14,834)	2,490
Increase/(decrease) in employee benefits	(5,919)	643	(5,910)	634
Increase/(decrease) in provisions	(134)	557	(134)	557
<b>Total movements in assets and liabilities</b>	<b>(12,520)</b>	<b>8,072</b>	<b>(12,542)</b>	<b>7,648</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>(8,244)</b>	<b>4,882</b>	<b>(8,266)</b>	<b>4,458</b>



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**6. HOW WE FINANCED OUR OPERATIONS (continued)**

**Financing facilities**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Unsecured credit card facility, reviewed annually and payable at call</b>				
Amount used	140	135	140	135
Balance available	260	265	260	265
<b>Total credit card facility with bank</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>

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**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	.....33
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7.4	Fair value determination	.....42
7.5	Commitments	.....46

**7.1 Financial instruments**

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. AMES Australia's financial instruments consist mainly of deposits with Treasury Corporation of Victoria, receivables (excluding statutory receivables), and payables (excluding statutory payables).

**Categories of financial instruments**

**Loans and receivables and cash** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). AMES Australia recognises the following assets in this category:

- cash and deposits;
- investment and other financial assets – term deposits;
- receivables (excluding statutory receivables).

**Financial assets and liabilities at fair value through net result** are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any dividend or interest on a financial asset is recognised in the net result from transactions.

**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);
- advances received.

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**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.

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

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

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

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

**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:**

	Category	Consolidated		AMES Australia	
		\$000	\$000	\$000	\$000
		2018	2017	2018	2017
<b>Financial assets</b>					
Cash and deposits	Loans and receivables and cash	15,255	32,743	14,809	32,319
Term deposits	Loans and receivables and cash	12,200	3,200	12,200	3,200
Receivables <sup>(a)</sup>	Loans and receivables and cash	8,815	16,803	8,831	16,904
<b>Total financial assets</b>		<b>36,270</b>	<b>52,746</b>	<b>35,840</b>	<b>52,423</b>
<b>Financial liabilities</b>					
Payables <sup>(a)</sup>	Financial liabilities at amortised cost	6,362	21,188	5,928	20,833
<b>Total financial liabilities</b>		<b>6,362</b>	<b>21,188</b>	<b>5,928</b>	<b>20,833</b>

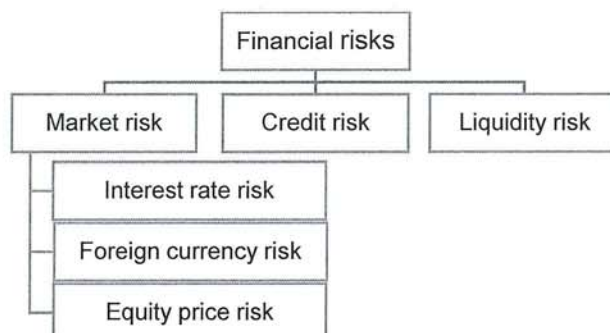
Note:

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

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**7.2 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 and price 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, credit risk and the investment of excess liquidity. 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 75.3% (2016/17:67.7%) of its financial assets in cash and term deposits. 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.

**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.

There are no material amounts of collateral held as security at 30 June 2018.

Credit risk which arises from exposures to customers as well as through deposits with financial institutions is monitored and reviewed regularly by the Finance Committee.

Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only Westpac Banking Corporation (current account) and Treasury Corporation of Victoria are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the strict credit policies may only purchase in cash or using recognised credit cards

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.

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**Credit quality of contractual financial assets that are neither past due nor impaired<sup>(a)</sup>**

<i>Consolidated</i>	Financial institutions (AA- rating)	Government agencies (AAA rating)	Other counter-party (AAA rating)	Total
2018	\$000	\$000	\$000	\$000
Cash and deposits	15,255	-	-	15,255
Receivables	-	-	8,815	8,815
Investments and other financial assets	-	12,200	-	12,200
<b>Total contractual financial assets</b>	<b>15,255</b>	<b>12,200</b>	<b>8,815</b>	<b>36,270</b>
2017				
Cash and deposits	23,743	9,000	-	32,743
Receivables	-	-	16,803	16,803
Investments and other financial assets	-	3,200	-	3,200
<b>Total contractual financial assets</b>	<b>23,743</b>	<b>12,200</b>	<b>16,803</b>	<b>52,746</b>

<i>AMES Australia</i>	Financial institutions (AA- rating)	Government agencies (AAA rating)	Other counter-party (AAA rating)	Total
2018	\$000	\$000	\$000	\$000
Cash and deposits	14,809	-	-	14,809
Receivables	-	-	8,831	8,831
Investments and other financial assets	-	12,200	-	12,200
<b>Total contractual financial assets</b>	<b>14,809</b>	<b>12,200</b>	<b>8,831</b>	<b>35,840</b>
2017				
Cash and deposits	23,319	9,000	-	32,319
Receivables	-	-	16,904	16,904
Investments and other financial assets	-	3,200	-	3,200
<b>Total contractual financial assets</b>	<b>23,319</b>	<b>12,200</b>	<b>16,904</b>	<b>52,423</b>

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).

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**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.

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

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 predominately 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.

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**

<i>Consolidated</i>	2018	Weighted average interest rate	Carrying amount	Interest rate exposure		
				Floating interest rate	Fixed interest rate	Non-bearing interest
				%	\$000	\$000
<b>Financial assets</b>						
Cash and deposits	1.53	15,255	15,247	-	8	
<b>Investments and other financial assets</b>						
Term deposits	1.90	12,200	-	12,200	-	
<b>Contractual receivables</b>						
Trade receivables		2,050	-	-	2,050	
Revenue receivables		6,580	-	-	6,580	
Other receivables <sup>(a)</sup>		185	-	-	185	
<b>Total financial assets</b>		<b>36,270</b>	<b>15,247</b>	<b>12,200</b>	<b>8,823</b>	
<b>Financial liabilities</b>						
Trade and other payables		6,362	-	-	6,362	
<b>Total financial liabilities</b>		<b>6,362</b>	<b>-</b>	<b>-</b>	<b>6,362</b>	

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**Interest rate exposure of financial instruments**

<i>AMES Australia</i>	2018	Weighted average interest rate	Carrying amount	Interest rate exposure		
				Floating interest rate	Fixed interest rate	Non-bearing interest
				%	\$000	\$000
<b>Financial assets</b>						
Cash and deposits	1.53	14,809	14,801	-	8	
<b>Investments and other financial assets</b>						
Term deposits	1.90	12,200	-	12,200	-	
<b>Contractual receivables</b>						
Trade receivables		2,239	-	-	2,239	
Revenue receivables		6,347	-	-	6,347	
Other receivables <sup>(a)</sup>		245	-	-	245	
<b>Total financial assets</b>			<b>35,840</b>	<b>14,801</b>	<b>12,200</b>	<b>8,839</b>
<b>Financial liabilities</b>						
Trade and other payables		5,928	-	-	5,928	
<b>Total financial liabilities</b>			<b>5,928</b>	<b>-</b>	<b>-</b>	<b>5,928</b>

<i>Consolidated</i>	2017	Weighted average interest rate	Carrying amount	Interest rate exposure		
				Floating interest rate	Fixed interest rate	Non-bearing interest
				%	\$000	\$000
<b>Financial assets</b>						
Cash and deposits	1.43	32,743	23,734	9,000	9	
<b>Investments and other financial assets</b>						
Term deposits	1.71	3,200	-	3,200	-	
<b>Contractual receivables</b>						
Trade receivables		3,077	-	-	3,077	
Revenue receivables		13,606	-	-	13,606	
Other receivables <sup>(a)</sup>		120	-	-	120	
<b>Total financial assets</b>			<b>52,746</b>	<b>23,734</b>	<b>12,200</b>	<b>16,812</b>
<b>Financial liabilities</b>						
Trade and other payables		21,188	-	-	21,188	
<b>Total financial liabilities</b>			<b>21,188</b>	<b>-</b>	<b>-</b>	<b>21,188</b>

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**Interest rate exposure of financial instruments**

<i>AMES Australia</i>	2017	Weighted average interest rate	Carrying amount	Interest rate exposure		
				Floating interest rate	Fixed interest rate	Non- bearing interest
				%	\$000	\$000
<b>Financial assets</b>						
Cash and deposits	1.42	32,319	23,310	9,000	9	
<b>Investments and other financial assets</b>						
Term deposits	1.71	3,200	-	3,200	-	
<b>Contractual receivables</b>						
Trade receivables		3,239	-	-	3,239	
Revenue receivables		13,555	-	-	13,555	
Other receivables <sup>(a)</sup>		110	-	-	110	
<b>Total financial assets</b>			<b>52,423</b>	<b>23,310</b>	<b>12,200</b>	<b>16,913</b>
<b>Financial liabilities</b>						
Trade and other payables		20,833	-	-	20,833	
<b>Total financial liabilities</b>			<b>20,833</b>	<b>-</b>	<b>-</b>	<b>20,833</b>

Note:

(a) Other receivables does not include statutory receivables.



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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**Sensitivity analysis and assumptions**

AMES Australia's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (100 basis points up and down) in market interest rates (AUD);

The table below shows the impact on AMES Australia's net result and equity for each category of financial instrument held by the organisation at the end of the reporting period, if the movements were to occur:

**Interest rate risk sensitivity**

<i>Consolidated</i>	2018	Carrying amount \$000	Interest rate risk			
			-1% (100 basis points)		1% (100 basis points)	
			Result \$000	Equity \$000	Result \$000	Equity \$000
<b>Contractual financial assets</b>						
Cash and deposits		15,255	(153)	(153)	153	153
Other financial assets		12,200	(122)	(122)	122	122
<b>Total impact</b>			<b>(275)</b>	<b>(275)</b>	<b>275</b>	<b>275</b>

<i>Consolidated</i>	2017	Carrying amount \$000	Interest rate risk			
			-1% (100 basis points)		1% (100 basis points)	
			Result \$000	Equity \$000	Result \$000	Equity \$000
<b>Contractual financial assets</b>						
Cash and deposits		32,743	(327)	(327)	327	327
Other financial assets		3,200	(32)	(32)	32	32
<b>Total impact</b>			<b>(359)</b>	<b>(359)</b>	<b>359</b>	<b>359</b>

<i>AMES Australia</i>	2018	Carrying amount \$000	Interest rate risk			
			-1% (100 basis points)		1% (100 basis points)	
			Result \$000	Equity \$000	Result \$000	Equity \$000
<b>Contractual financial assets</b>						
Cash and deposits		14,809	(148)	(148)	148	148
Other financial assets		12,200	(122)	(122)	122	122
<b>Total impact</b>			<b>(270)</b>	<b>(270)</b>	<b>270</b>	<b>270</b>

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**Interest rate risk sensitivity**

2017	Carrying amount \$000	Interest rate risk			
		-1% (100 basis points)		1% (100 basis points)	
		Result \$000	Equity \$000	Result \$000	Equity \$000
<b>Contractual financial assets</b>					
Cash and deposits	32,319	(323)	(323)	323	323
Other financial assets	3,200	(32)	(32)	32	32
<b>Total impact</b>		<b>(355)</b>	<b>(355)</b>	<b>355</b>	<b>355</b>

• **Equity risk**

Equity price risk arises from equity investments (comprising both shares and investments in managed investment schemes). This price risk arises from listed and/or unlisted Australian and/or overseas securities. As at 30 June 2018, AMES Australia does not hold any other financial investments that are subject to changes in market prices.

**7.3 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 2016/17).

**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	2018	2017
	\$000	\$000
Bank guarantee	22	22
<b>Total contingent liabilities</b>	<b>22</b>	<b>22</b>

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## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

### 7.4 Fair value determination

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.

#### 7.4.1 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 considers that the carrying amount of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables.

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.

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**7.4.1 Fair value determination of financial assets and liabilities (continued)**

**Fair value determination of financial assets**

	Consolidated				AMES Australia			
	Carrying amount as at 30 June	Fair value measurement at the end of reporting period using:			Carrying amount as at 30 June	Fair value measurement at the end of reporting period using:		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
2018	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial assets</b>								
Cash and deposits	15,255	15,255	-	-	14,809	14,809	-	-
<b>Receivables</b>								
Trade receivables	2,050	2,050	-	-	2,239	2,239	-	-
Other receivables	6,765	6,765	-	-	6,592	6,592	-	-
<b>Investment and other financial assets</b>								
Term deposits	12,200	12,200	-	-	12,200	12,200	-	-
<b>Total assets at fair value</b>	<b>36,270</b>	<b>36,270</b>	<b>-</b>	<b>-</b>	<b>35,840</b>	<b>35,840</b>	<b>-</b>	<b>-</b>

	Consolidated				AMES Australia			
	Carrying amount as at 30 June	Fair value measurement at the end of reporting period using:			Carrying amount as at 30 June	Fair value measurement at the end of reporting period using:		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
2017	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial assets</b>								
Cash and deposits	32,743	32,743	-	-	32,319	32,319	-	-
<b>Receivables</b>								
Trade receivables	3,077	3,077	-	-	3,239	3,239	-	-
Other receivables	13,726	13,726	-	-	13,665	13,665	-	-
<b>Investment and other financial assets</b>								
Term deposits	3,200	3,200	-	-	3,200	3,200	-	-
<b>Total assets at fair value</b>	<b>52,746</b>	<b>52,746</b>	<b>-</b>	<b>-</b>	<b>52,423</b>	<b>52,423</b>	<b>-</b>	<b>-</b>

There has been no transfers between levels during the year..

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**7.4.2 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:

	Carrying amount as at 30 June 2018	Fair value hierarchy			Carrying amount as at 30 June 2017	Fair value hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>AMES Australia / Consolidated</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land	8,450	-	8,450	-	8,450	-	8,450	-
Buildings - Melbourne	11,136	-	11,136	-	11,600	-	11,600	-
- Noble Park	173	-	173	-	193	-	193	-
- Box Hill	5,684	-	5,684	-	5,800	-	5,800	-
Building improvements	977	-	-	977	987	-	-	987
Leasehold improvements	1,130	-	-	1,130	1,506	-	-	1,506
Plant and equipment	587	-	-	587	901	-	-	901
Motor vehicles	529	-	529	-	549	-	549	-
<b>Total assets at fair value</b>	<b>28,666</b>	<b>-</b>	<b>25,972</b>	<b>2,694</b>	<b>29,986</b>	<b>-</b>	<b>26,593</b>	<b>3,393</b>

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

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**Reconciliation of Level 3 fair value movements**

<i>AMES Australia / Consolidated</i>	<b>Building improvements</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>
<b>As at 30 June 2018</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening balance	987	1,506	901
Purchases / (sales)	58	42	61
Depreciation	(68)	(418)	(375)
<b>Closing balance</b>	<b>977</b>	<b>1,130</b>	<b>587</b>

<i>AMES Australia / Consolidated</i>	<b>Building improvements</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>
<b>As at 30 June 2017</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening balance	549	1,988	1,290
Purchases / (sales)	538	(14)	93
Depreciation	(100)	(468)	(482)
<b>Closing balance</b>	<b>987</b>	<b>1,506</b>	<b>901</b>

**Description of significant unobservable inputs to Level 3 valuations**

<b>2018 and 2017</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
Leasehold improvements	Depreciated replacement cost	Useful life
Plant and equipment	Depreciated replacement cost	Useful life
Buildings improvements	Depreciated replacement cost	Useful life
Buildings	Depreciated replacement cost	Estimated replacement cost (\$ per m <sup>2</sup> ) of buildings using and industry guidelines including construction handbooks, depreciated for building age and adjusted for refurbishment

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**7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)**

**7.5 Commitments**

Commitments for future expenditure include operating 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.

**7.5.1 Total commitments payable**

<i>AMES Australia / Consolidated</i>		Less than 1 year	1 – 5 years	Total
2018		\$000	\$000	\$000
<b>Commitments payable</b>				
Operating and lease commitments payable		4,726	6,765	11,491
Other commitments payable		282	-	282
<b>Total commitments (inclusive of GST)</b>		<b>5,008</b>	<b>6,765</b>	<b>11,773</b>
Less GST recoverable		(455)	(615)	(1,070)
<b>Total commitments (exclusive of GST)</b>		<b>4,553</b>	<b>6,150</b>	<b>10,703</b>

<i>AMES Australia / Consolidated</i>		Less than 1 year	1 – 5 years	5+ years	Total
2017		\$000	\$000	\$000	\$000
<b>Capital expenditure commitments payable</b>					
Property, plant and equipment		-	-	-	-
Operating and lease commitments payable		3,927	9,082	-	13,009
Other commitments payable		66	-	-	66
<b>Total commitments (inclusive of GST)</b>		<b>3,993</b>	<b>9,082</b>	<b>-</b>	<b>13,075</b>
Less GST recoverable		(363)	(826)	-	(1,189)
<b>Total commitments (exclusive of GST)</b>		<b>3,630</b>	<b>8,256</b>	<b>-</b>	<b>11,886</b>

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**8. OTHER DISCLOSURES**

**Introduction**

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

**Structure**

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**8.1 Ex-gratia expenses**

For the reporting year ended 30 June 2018, there were no ex-gratia payments made (2017:nil).

**8.2 Other economic flows included in net result**

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

**Net gain/(loss) on non-financial assets**

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

**Disposal of non-financial assets**

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

**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	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Net gain/(loss) on non-financial asset</b>				
Impairment loss	-	(1,974)	-	(1,974)
Proceed from sale of physical assets	161	152	161	152
Less written down value	(88)	(197)	(88)	(197)
<b>Total net gain/(loss) on non-financial assets</b>	<b>73</b>	<b>(2,019)</b>	<b>73</b>	<b>(2,019)</b>
<b>Other gains/(losses) from other economic flows</b>				
Net gain/(loss) arising from revaluation of long service leave liability	(7)	464	(7)	464
<b>Total from other economic flows</b>	<b>66</b>	<b>(1,555)</b>	<b>66</b>	<b>(1,555)</b>



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**8. OTHER DISCLOSURES (continued)**

**8.3 Economic dependency**

AMES Australia derives a significant amount of its revenue from the following sources which are subject to tender:

- Department of Home Affairs (DHA)
- Department of Social Services (DSS)
- Department of Education and Training (Commonwealth Government)
- Department of Employment

**8.4 Responsible persons**

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons 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 Training and Skills	The Hon. Gayle Tierney MP	1 July 2017 to 30 June 2018
Chief Executive Officer	Catherine Scarth	1 July 2017 to 30 June 2018
Board Member – Chair of Board and Chair of Appointments, Remuneration & Governance Committee and Chair of Investment Committee	Stuart Crosby	1 July 2017 to 30 June 2018
Board Member - Deputy Chair of Board	Megan Boston	1 July 2017 to 30 June 2018
Board Member - Chair of Finance, Audit and Risk Management Committee	Stuart Alford	1 July 2017 to 30 June 2018
Board Member	Vedran Drakulic	1 July 2017 to 30 June 2018
Board Member	Michelle Foster	1 July 2017 to 30 June 2018
Board Member	Ikenna Nwokolo	1 July 2017 to 30 June 2018
Board Member	Jo Pride	1 July 2017 to 30 June 2018
Board Member	Mimmie Claudine Watts	1 July 2017 to 30 June 2018
Board Member	Catherina Toh	1 July 2017 to 30 June 2018

**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	2018	2017
Less than \$10,000	-	3
\$10,001 - \$20,000	-	7
\$20,001 - \$30,000	8	-
\$30,001 - \$40,000	-	1
\$50,001 - \$60,000	1	-
\$330,001 - \$340,000	1	-
\$350,001 - \$360,000	-	1
<b>Total number</b>	<b>10</b>	<b>12</b>
<b>Total remuneration (\$000)</b>	<b>570</b>	<b>489</b>

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**8. OTHER DISCLOSURES (continued)**

**8.5 Remuneration of executive officers**

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the 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.

	2018	2017
	\$000	\$000
<b>Remuneration of executive officers</b>		
Short-term employee benefits	1,283	1,729
Post-employee benefits	121	162
Other long-term benefits	13	42
Termination benefits	-	145
<b>Total remuneration<sup>(a)</sup></b>	<b>1,417</b>	<b>2,078</b>
<b>Total number of executives</b>	<b>7</b>	<b>10</b>
<b>Total annualised employee equivalents<sup>(b)</sup></b>	<b>7</b>	<b>9.6</b>

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 8.6).

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

**8.6 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 Minister for Finance under section 53(1)(b) of the *Financial Management Act 1994 (FMA)*:

- Connect Settlement Services Pty Ltd

Related parties of AMES Australia and Connect Settlement Services 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.

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**8. OTHER DISCLOSURES (continued)**

**8.6 Related parties (continued)**

**Significant transactions with government-related entities**

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

Entity	Nature of transactions	2018 \$000	2017 \$000
Department of Education and Training (Victorian Government)	Payments received for the delivery of vocational training.	6,632	4,370
Adult Community and Further Education (ACFE) Board	Payments received for pre-accredited training hours and grant funding for various project initiatives.	2,793	1,601

**Key management personnel**

Key management personnel of AMES Australia includes the Portfolio Ministers, 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
Connect Settlement Services Pty Ltd	Catherine Scarth	Chair of Board
Connect Settlement Services Pty Ltd	Kerrin Benson	Deputy Chair of Board
Connect Settlement Services Pty Ltd	Ramesh Kumar	Director (until 10 December 2017)
Connect Settlement Services Pty Ltd	Jamila Trad-Padhee	Director
Connect Settlement Services Pty Ltd	Peter Thomas	Director and Company Secretary
Connect Settlement Services Pty Ltd	Ian Kaye	Executive Manager (until 1 June 2018)

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 Department of Parliamentary Services' Financial Report.

	AMES Australia	AMES Australia	Connect Settlement Services Pty Ltd	Connect Settlement Services Pty Ltd
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
<b>Compensation of KMPs</b>				
Short-term employee benefits	1,810	2,182	58	145
Post-employment benefits	165	191	-	-
Other long-term benefits	12	49	-	-
Termination benefits	-	145	10	33
<b>Total</b>	<b>1,987</b>	<b>2,567</b>	<b>68</b>	<b>178</b>

Notes:

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

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**8. OTHER DISCLOSURES (continued)**

**8.6 Related parties (continued)**

**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:

		2018	2017
		\$000	\$000
Organisation related to key management personnel	Key management personnel		
Department of Education and Training (Victorian Government) Payments received for VTG delivery	Stuart Alford Deputy Chair of Audit and Risk Committee of Department of Education and Training (Victorian Government)	6,632	4,370
Brotherhood of St Laurence Payments made for supply of basic household goods for clients of Humanitarian Settlement Services program	Catherina Toh Board and Committee member of Brotherhood of St Laurence	2,588	9,550

**8.7 Remuneration of auditors**

	Consolidated		AMES Australia	
	\$000	\$000	\$000	\$000
	2018	2017	2018	2017
<b>Victorian Auditor-General's Office</b>				
Audit of the financial statements	31	51	31	31
<b>Total remuneration of auditors</b>	<b>31</b>	<b>51</b>	<b>31</b>	<b>31</b>

**8.8 Subsequent events**

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.

**8.9 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
Connect Settlement Services Pty Ltd	Provision of settlement services for refugees	Australia	50%

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.

Although AMES Australia owns equal shares of Connect Settlement Services Pty Ltd, AMES Australia has made an assessment which includes both a qualitative and quantitative assessment of materiality of its subsidiary and have determined that it has control. The financial statements of its subsidiary are included in the consolidated financial statements from the commencement date 1 July 2016 until the date control ceases.

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**8. OTHER DISCLOSURES (continued)**

**8.10 Other accounting policies**

**Foreign currency translations**

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

Foreign currency translation differences are recognised in other economic flows and accumulated in a separate component of equity, in the period in which they arise.

**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.

**Materiality**

In accordance with Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, when an Australian Accounting Standard specifically applies to a transaction, other event or condition, the accounting policies applied to that item shall be determined by applying the Standard, unless the effect of applying them is immaterial.

Accounting policies will be considered material if their omission or misstatement could, either individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

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**8. OTHER DISCLOSURES (continued)**

**8.11 New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period.

As at 30 June 2018, the following standards and interpretations which are applicable to AMES Australia had been issued but were not mandatory for financial year ending 30 June 2018. AMES Australia has not, and does not intend to, adopt these standards early.

<b>Standard/Interpretation</b>	<b>Key requirements</b>	<b>Effective date</b>	<b>Impact on financial statements</b>
AASB 9 <i>Financial Instruments</i>	The key changes introduced by AASB 9 include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	Amendments unlikely to have any financial impact on AMES Australia other than the way financial instruments are disclosed.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend Reduced Disclosure requirements.	1 January 2018	Amendments unlikely to have any financial impact on AMES Australia.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	Amendments unlikely to have any financial impact on AMES Australia.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

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**8. OTHER DISCLOSURES (continued)**

**8.12 New accounting standards and interpretations**

<i>Standard/Interpretation</i>	<i>Key requirements</i>	<i>Effective date</i>	<i>Impact on financial statements</i>
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends as follow: Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount can be measured reliably.	1 January 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 January 2018.	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard defers the application period of AASB15.
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify requirements for identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence.  The amendments require: <ul style="list-style-type: none"> <li>• a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation;</li> <li>• for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and</li> <li>• for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access)</li> </ul>	1 January 2018	Amendments unlikely to have any financial impact on AMES Australia, other than the impact identified for AASB 15 above.

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**8. OTHER DISCLOSURES (continued)**

**8.12 New accounting standards and interpretations**

<i>Standard/Interpretation</i>	<i>Key requirements</i>	<i>Effective date</i>	<i>Impact on financial statements</i>
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 January 2019	This amending standard defers the application period of AASB15 for not-for-profit entities.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.  The amendments: <ul style="list-style-type: none"> <li>require non-contractual receivable arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and clarifies circumstances when a contract with a customer is within the scope of AASB 15.</li> </ul>	1 January 2019	Amendments unlikely to have any financial impact on AMES Australia, other than the impacts identified for AASB 9 and AASB 15 above.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet which has an impact on net debt.	1 January 2019	The assessment has indicated that as most operating leases will come on the balance sheet, recognition of the right-of-use assets and lease liabilities will result in an increase in assets and liabilities.
AASB 1058 Income of Not-for-Profit Entities	This standard will replace AASB 1004 Contributions and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives. The restructure of administrative arrangement will remain under AASB 1004.	1 January 2019	Amendments unlikely to have any financial impact on AMES Australia.



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This annual report is printed  
on 100% recycled paper.

ABN 49 056 993 913